Council Study Session
VIRTUAL meeting being conducted by electronic means in accordance with Minnesota Statutes, section 13D.021 Public portion available for connection via telephone Dial: 1-312-626-6799 Meeting ID: 8753742695#; Passcode: 114379#
February 14, 2022

AGENDA

1. **City Council Discussion of Agenda Items and Questions - 6 p.m.**
2. **Miscellaneous**
   a. Common Sense Retreat Dates
      Confirming Council Retreat Dates:
      - March 12
      - May 7
      - August 6
      - November 5
3. **Discussion of Work Session Agenda Item as Time Permits**
4. **Adjourn**

CITY COUNCIL MEETING
VIRTUAL meeting being conducted by electronic means in accordance with Minnesota Statutes, section 13D.021 Public portion available for connection via telephone Dial: 1-312-626-6799 Meeting ID: 8753742695#; Passcode: 114379#
February 14, 2022

AGENDA

1. Informal Open Forum with City Council - 6:45 p.m.

Provides an opportunity for the public to address the Council on items which are not on the agenda. Open Forum will be limited to 15 minutes, it is not televised, and it may not be used to make personal attacks, to air personality grievances, to make political endorsements, or for political campaign purposes. Council Members will not enter into a dialogue with presenter. Questions from the Council will be for clarification only. Open Forum will not be used as a time for problem solving or reacting to the comments made but, rather, for hearing the presenter for informational purposes only.

I will first call on those who notified the Clerk that they would like to speak during open forum, and then I will ask if anyone else connected to this meeting would like to speak. When I do, please indicate your name and then proceed when I call on you. Please be sure to state your name and address before speaking.

2. Invocation - 7 p.m. - Mayor Elliott

3. Call to Order Regular Business Meeting

This meeting is being conducted electronically under Minnesota Statutes, section 13D.021 due to the pandemic. For those who are connected to this meeting, please keep your microphone muted. If there is an opportunity for public comment, you may unmute and speak when called upon. Please do not talk over others and anyone being disruptive may to ejected from the meeting. The packet for this meeting is on the City's website, which is linked on the calendar or can be found on "City Council" page.

4. Roll Call

5. Pledge of Allegiance

6. Approval of Agenda and Consent Agenda (5 minutes)

The following items are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember so requests, in which event the item will be removed from the consent agenda and considered at the end of Council Consideration Items.

a. Approval of Minutes

- Motion to approve the following minutes:

- *1.24.22-Study Session Meeting*
- *1.24.22-Regular Session Meeting*
- *1.24.22-Work Session*

b. Approval of Licenses

- Motion to approve the licenses as presented.

c. Resolution Accepting Work Performed and Authorizing Final Payment, Improvement Project Nos. 2021-01, 02, 03, 04 and 12, Grandview South Area Street, Storm Drainage and Utility Improvements and 53rd Avenue Utility Improvements

- Motion to approve a resolution accepting work performed and authorizing final payment, Improvement Project Nos. 2021-01, 02, 03, 04 and 12, Grandview South Area Street, Storm Drainage and Utility Improvements and 53rd Avenue Utility Improvements.

d. Resolution Approving and Authorizing Execution of a Joint Powers Agreement with the City of Minneapolis for the improvement of a portion of 53rd Avenue North (Penn Avenue North to Mississippi Drive North)

- Motion to approve a resolution approving and authorizing execution of a Joint Powers Agreement with the City of Minneapolis for the improvement of a portion of 53rd Avenue N (Penn Avenue North to Mississippi Drive North).

e. Resolution Declaring a Public Nuisance and Ordering the Removal of Dead Trees at Certain Properties in Brooklyn Center, Minnesota

- Motion to approve a resolution Declaring a public nuisance and ordering the removal of dead/diseased trees at certain properties as listed in the resolution.

f. Resolution Approving Lease Agreement with Phu Bia Produce LLC for City-owned property at 1350B Shingle Creek Crossing

-Motion to approve a resolution approving commercial lease agreement with Phi Bia Produce Limited Liability Company to lease City-owned retail property located at 1350B Shingle Creek Crossing

7. Presentations/Proclamations/Recognitions/Donations

8. Public Hearings

The public hearing on this matter is now open. I will first call on those who notified the Clerk that they would like to speak to this matter, then I will ask if anyone else on this meeting would like to speak during this hearing. When I do, please indicate your name and then proceed when I call on you. Please be sure to state your name and address before speaking.

9. Planning Commission Items

10. Council Consideration Items

a. An Ordinance Amending Chapter 12 of the City Code of Ordinance Regarding Tenant Protections and Approve a Resolution to allow a Summary Publication of the Ordinance (45 minutes)

- Motion to approve a resolution approving of the second reading of an ordinance

amending Chapter 12 of the City of ordinances regarding tenant protection and summary publication of the ordinance.

11. Council Report

12. Adjournment

Council Regular Meeting

DATE: 2/14/2022

TO: City Council
FROM: Dr. Reggie Edwards, City Manager
THROUGH: N/A
BY: Barb Suciu, City Clerk

SUBJECT: Approval of Minutes

Requested Council Action:

- *Motion to approve the following minutes:*
  - *1.24.22-Study Session Meeting*
  - *1.24.22-Regular Session Meeting*
  - *1.24.22-Work Session*

Background:

In accordance with Minnesota State Statute 15.17, the official records of all meetings must be documented and approved by the governing body.

Budget Issues:

None

Inclusive Community Engagement:

None

Antiracist/Equity Policy Effect:

None

Strategic Priorities and Values:

Operational Excellence

ATTACHMENTS:

Description	Upload Date	Type
1.24.22 Work Session	2/7/2022	Backup Material
1.24.22 Study Session	2/7/2022	Backup Material
1.24.22 Regular Session	2/7/2022	Backup Material

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL OF THE CITY OF BROOKLYN CENTER
IN THE COUNTY OF HENNEPIN AND
THE STATE OF MINNESOTA

WORK SESSION
JANUARY 4, 2022
VIA ZOOM

CALL TO ORDER

The Brooklyn Center City Council met in Work Session called to order by Mayor Mike Elliott at 5:10 p.m.

ROLL CALL

Mayor Mike Elliott and Councilmembers Marquita Butler, April Graves, Kris Lawrence-Anderson, and Dan Ryan. Also present were City Manager Reggie Edwards, Community Development Director Meg Beekman, and City Clerk Barb Suciu.

CONCEPT OPPORTUNITY SITE PILOT PROJECT - CONCEPT PLAN REVIEW

City Manager Reggie Edwards introduced the item and noted Council had asked for the topic to be discussed further.

Community Development Director Meg Beekman explained there has been an issue with having enough time to discuss the project. The project has changed in scope over time, and the development team is taking unique approaches. The purpose of the meeting is for the Council to have their questions regarding the projects answered. Also, the staff is hoping to hear from the Council about their priorities and how Staff should move forward with the process.

Ms. Beekman explained Alatus has formally partnered with Project for Pride in Living (PPL) and Resurrecting Faith World Ministries. She noted members of the development team, compromised of the three separate organizations, are available to speak.

D'Angelos Svenkeson, Founder and CEO of NEOO Partners Inc, introduced himself. He explained NEOO is an urban real estate development and urban planning firm. From 2017 to 2019, there were initial planning steps which included collective community engagement and a preliminary plan. Throughout 2021, there was deeper community engagement that was more culturally in-tune with those who have been left out of development engagement in the past. They have been working with small businesses and community members to hear a variety of voices.

Mr. Svenkeson stated NEOO will be writing a final engagement report. African Career, Education & Resource (ACER) will be overseeing the Community Taskforce, and community partners have been working on programming components. Those materials will be delivered to Staff by

February 11, 2022. Mr. Svenkeson showed an overview of the proposed site plan and a table outlining the program elements.

Mr. Svenkeson stated they are taking the next 120 days to handle feedback, review the data, and seek approvals. There will be further engagement opportunities on more specifics of the project such as infrastructure impacts, design, programming, and financing. He noted other regulatory bodies will also be involved in the engagement process.

Mayor Elliott noted some Councilmembers have specific questions. He asked Council Members if anyone had comments or questions.

Councilmember Ryan stated he is interested in hearing about the mixed-rate housing component. It is a particularly exciting component of the project. Ms. Beekman stated there are three components of housing in the project, and there are about one-third of each type of unit. There will be market-rate residential, mixed-income residential, and affordable residential buildings. Within the affordable housing, there will be some family-oriented units and some workforce-oriented units. Throughout the process, the team has found a need for more affordable housing. She noted the more affordable housing and larger family unit sizes are somewhat difficult to finance.

Ms. Beekman stated the mixed-income component is very unique. The project intends to hit a mid-market product type. There are very few similar projects happening. Luxury apartments are being built, and affordable units are being built for those in the 40-60 percent area median income range. There are very few projects serving those in the 70-100 percent area median income range. There are no subsidies available for that range, and the rent would not cover the cost of the project. However, there is a gigantic demand in the market. Alatus has spent a lot of time determining how to finance the project. She noted one of the investors is mission-driven.

Councilmember Ryan noted he had some concerns about levels of affordability. However, they are experiencing a time crunch by the developers. Ms. Beekman stated there are a few reasons the developers would like to move the project along. One concern for the City is the timing involved with a Tax Increment Financing District. The developers do have financing in place for some components of the project, so they need to move forward within a certain timeline to retain the funding.

Councilmember Ryan stated he is concerned that they move forward on the project. He explained he does not like all of the components of the project, but he understands different constituencies have different interests. Given the mix, he is willing to accept the differences. The project will meet the community needs and desires of key decision-makers.

Mayor Elliott asked what 30 percent area median income (AMI) would be. Ms. Beekman stated a family of four with an area median income of 30 percent would be around $30,000.

Mayor Elliott stated there is a big need for that level of affordability. He asked how many units would be available at that level of affordability. Nick Dallmeyer, a representative with Project for

Pride in Living (PPL), stated 48 units would be for residents below 30 percent AMI, 147 units for 30-50 percent AMI, and potentially another 55 units for the 50-60 percent AMI.

Mayor Elliott asked how the bedrooms would be distributed. Mr. Dallmeyer stated there would be 30 three-bedroom units, 15 four-bedroom units, and 115 two-bedroom units. He noted they are willing to shift on the bedroom allocations. They have seen a need for larger family rental units in the market, so they would like to maximize the larger unit sizes. They are hard to fit into buildings, and they are hard to finance.

Mayor Elliott asked if there are occupancy limits. Mr. Dallmeyer stated there is an occupancy limit within PPL projects, and it is two people per bedroom. He stated he would double-check that component and give the information to the Council.

Mayor Elliott asked how many units there would be for those with larger than 60 percent AMI. Mr. Dallmeyer stated there will be zero units in the affordable housing section for those with 60 percent AMI. The mixed-income building that Alatus is doing would have 60 percent AMI units.

Mayor Elliott asked for Alatus' numbers regarding units and affordability. Barrett Corwin with Alatus stated they are doing the 60-80 percent AMI units, which would be in the mixed-income property. Currently, 64 of the units are slotted for the 60-80 percent AMI range to include one-bedroom, two-bedroom, and three-bedroom units. He noted the development team made a point to distribute the unit sizes amongst the properties. The mixed-income units and the affordable units are more geared toward families than the market-rate building.

Mayor Elliott asked if the Alatus building is separate from the PPL building. Mr. Corwin confirmed it was two separate buildings. The market-rate housing building would include some units with an income cap. Residents would not know which units are which as they are all identical and interspersed within the building.

Mayor Elliott asked if 64 of the 205 units in the mixed-income building would be 60-80 percent AMI. Mr. Corwin stated they have about 75 efficiency units in the mixed-income building, none of which are for the 60-80 percent AMI component. They tried to ensure the 60-80 percent AMI units would be larger spaces.

Mayor Elliott asked how many affordable residential units there would be. Mr. Dallmeyer stated there are 250 affordable residential units.

Mr. Corwin noted if they added the 64 60-80 percent AMI to the 250 units for under 60 percent AMI, there would be 314 total units.

Mayor Elliott asked how it differs from the original proposal. Ms. Beekman stated the initial starting point was just for a 300-unit market-rate building. The feedback was for there to be affordable units included in each phase of the site. They have been looking for financing to support that, which has led them to the current proposal.

Mayor Elliott asked if the buildings in question are within the former Ford site footprint. Ms. Beekman stated it is a component of those projects. The former Brookdale Square and Brookdale Ford sites were about 15 acres, and the residential properties do not use all 15 acres. The current proposal includes a little less than half of the initial footprint.

Mayor Elliott asked if the other plans for the Pilot Site, such as the community events space, would cover the rest of the 15 acres. Ms. Beekman explained the new roads, community buildings, stormwater ponds, and public plazas cover the rest of the 15 acres. Ms. Beekman showed the aerial view of the proposed site.

Mayor Elliott asked what type of conversations have taken place about community ownership. PPL is going to continue to own and operate its buildings in alignment with its mission. Ms. Beekman stated there has been a task force leading the development of the Community Benefits Agreement. That effort has been led by ACER, so they would have to speak to that aspect. There will be a deliverable ready for the Council within a month or so.

Mayor Elliott stated the community ownership model is moving in the right direction. He asked if a developer would build the market-rate housing building, would they sell it right away, or is Alatus a builder and operator. Mr. Corwin stated Alatus' investment strategies vary from project to project and depend on the market changes. The properties are located in an opportunity zone, so they anticipate they will be involved for about ten years. They have stayed in deals for a range of years, but they are currently looking at a long-term hold.

Mr. Corwin noted Alatus does not currently have a management company, but they are very hands-on with managing their properties. They would have a staff member overseeing the asset, implementing the vision, and preserving the goals of the project. He added they would have a management company oversee the mixed-rate housing buildings as well for continuity within the site.

Mayor Elliott asked if the public plaza would be owned by the Economic Development Authority. Ms. Beekman stated they are still deciding if it would be a public or private street. They are public spaces. The childcare center and event center would be owned by Resurrecting Faith Ministries. Mayor Elliott noted Resurrecting Faith Ministries is a mission-driven organization.

Mayor Elliott asked Cornell Lewis, a representative with Resurrecting Faith Ministries, to speak to the vision of the childcare center and event center. Mr. Lewis stated they intend to stay there as long as possible. They look forward to the affordable housing component and the community aspect of the project. They hope to build up Brooklyn Center and plan on being a major part of the community.

Mayor Elliott stated if there is an opportunity to liquidate the properties, he would like to see something in the community benefits agreement for a local entity to have an opportunity to acquire the property. He added he would like there to be a strong presence of public streets and roadways for the public to access the area as well as car-free zones to allow for people to access the space.

Mayor Elliott asked how the public art and pond would be accessible to the public. Ms. Beekman stated one of the deliverables from the development team will be a series of overlay plans, one of which will be transportation-focused. There will be a new regional trail as part of the project. Through the site, there is a network of pedestrian and bicycle connections. Those trails may not be publicly owned, but the City would require public access to those trails. The stormwater pond is meant to be an amenity and create a beautiful space to be connected to a larger network of trails. The development team has spent a lot of time on the topic as it is a priority for the project. There will be more detail from the design team about how crosswalks will look and how they can be pedestrian-centric.

Ms. Beekman stated it is a fairly tight site. The public plaza spaces would be car-free. Eventually, a roadway will be utilized throughout the entire development that prioritizes pedestrians and bicycles. She noted it would be more similar to European streets than how Americans are used to seeing roadways.

Councilmember Graves noted she has a thorough understanding of the distribution of types of housing. She stated she has questions about the incubator space and the event space, though they are curiosities more than concerns. She asked for Staff to connect her with Resurrecting Faith Ministries. Councilmember Graves added she is looking forward to hearing from Public Works about the connectivity of the space. She thanked everyone for their work on the project and their willingness to work with the community.

Councilmember Ryan stated his priority for the project is to have a successful project with high value that addresses community needs and attracts future high-value projects to improve the long-term financial standing of the City. He added they should consider more market-rate housing in the future.

Councilmember Lawrence-Anderson noted the project has evolved a lot over the past two years. The Council is always looking at the long-term vision and wants to be inclusive of people with all income levels. She wants there to be opportunities for residents of all income levels to contribute to the economy and to have a balanced community. Considering how much the project has changed even in the last two years, the Council needs to look at the needs of the City in the coming years. The individuals they are working with need to have a long-term vision as well.

Councilmember Butler thanked the presenters for the information. Most of her questions have been answered. She has more questions about the event center, and she would like to connect with Resurrecting Faith Ministries to discuss the vision further.

Mayor Elliott stated people move to Brooklyn Center because of its affordability. Affordability doesn't mean they cannot build a thriving economy. If they provide affordable housing, it allows residents to grow their incomes and community involvement.

ADJOURNMENT

Hearing no objection, Mayor Elliott adjourned the City Council Work Session at 6:10 p.m.

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL
OF THE CITY OF BROOKLYN CENTER IN THE COUNTY
OF HENNEPIN AND THE STATE OF MINNESOTA

STUDY SESSION
JANUARY 24, 2022
VIA ZOOM

CALL TO ORDER

The Brooklyn Center City Council met in Study Session called to order by Mayor Mike Elliott at 6:11 p.m.

ROLL CALL

Mayor Mike Elliott and Councilmembers Marquita Butler, April Graves, Kris Lawrence-Anderson, and Dan Ryan. Also present were City Manager Reggie Edwards, Community Development Director Meg Beekman, and City Clerk Barb Suciu.

CITY COUNCIL DISCUSSION OF AGENDA ITEMS AND QUESTIONS

City Manager Reggie Edwards requested they add a presentation regarding Carvana for the Economic Development Authority meeting. City Clerk Barb Suciu stated Commission Consideration Item 4a. 1601 James Circle Development Concept and Consideration of Letter of Intent to Purchase EDA Property is related to Carvana. Ms. Suciu explained Dr. Edwards was just pointed out the original agenda did not include it.

Councilmember Graves asked if they could go into the Economic Development Authority meeting since there wasn't anything on the Study Session agenda. Dr. Edwards stated there is one Work Session item they could address during the Study Session.

MISCELLANEOUS

Councilmember Lawrence-Anderson stated she would like the Council to discuss the Friday updates at a future session. She explained she is concerned about the legal budget. From January to September of 2021, they spent over $158,000. Councilmember Lawrence-Anderson stated she would like to discuss how much of that money was budgeted for the Council. She noted there was a portion of the funds allocated for the Implementation Committee.

Mayor Elliott asked if the legal budget breaks down by department. Dr. Edwards stated Staff will identify where funding originated from, but they do not have a line item list within the Council budget for legal spending. Mayor Elliott stated 2021 has been an international crisis with the uprising and other uses for the legal budget. He added he thought they would have spent more than $158,000 on legal fees.

Councilmember Ryan added he would also like to see that information. He noted there was a change in practice since Mayor Elliott took office about obtaining legal information. There is an increase in accessibility to the attorney that has increased the legal spending.

Councilmember Lawrence-Anderson stated she would like a Work Session. She stated the $158,000 was only for nine months, and the Friday updates show their monthly legal fees are almost $16,000. The Council needs to acknowledge that and ensure they are using those funds appropriately. Dr. Edwards stated he would add the spending from October, November, and December and return to the Council with a final number.

Mayor Pro Tem Butler stated she recently met with people on the Highway 252 Task Force. She receives updates via email. She noted she receives a lot of emails daily. She asked if they could receive a monthly higher-level update from the Highway 252 Task Force. Dr. Edwards stated he would work with the Highway 252 Task Force regarding her request.

Mayor Elliott stated he is interested in learning more about Council Consideration Item 10b. Resolution Authorizing Application to Minnesota Management and Budget for $40,000,000 in State of Minnesota General Obligation Bonds Proceeds for the Community Wealth Creation through Acquisition Program. He explained he doesn't want to put it on the Work Session, but they should be mindful. He noted he feels comfortable moving forward with that Resolution. Mayor Elliott added he wants to make sure they have enough time to act on the sales tax revenue.

DISCUSSION OF WORK SESSION AGENDA ITEMS AS TIME PERMITS

ALLOCATION OF AMERICAN RESCUE PLAN ACT FUNDS

Dr. Edwards introduced the item and explained Community Development Director Meg Beekman would present on the topic with him. On March 11, 2021, President Biden signed the American Rescue Plan Act (ARPA) of 2021 into law. The ARPA provides $1.9 trillion in additional relief to respond to the novel coronavirus. According to the U.S. Department of the Treasury, the Coronavirus State and Local Fiscal Recovery Funds provide a substantial infusion of resources to help turn the tide on the pandemic, address its fallout and lay the foundation for a strong and equitable recovery. The City of Brooklyn Center received a total allocation of $3,200,000, with half the funds received earlier in 2021 and another half available to be requested in 2022.

Dr. Edwards explained when Coronavirus Aid, Relief, and Economic Security Act (CARES) funds were made available in 2020, the timeline to spend down those funds was very short. As a result, most of the funding went to cover costs incurred by the City or were otherwise focused internally. Funding supported a variety of projects including HVAC system upgrades, employee wages, small business support, food shelf operations, and community innovative initiatives. The City abided by several principles including erring on the side of safety of staff and the public, recovering or reimbursing the City for expenditures made in response to the COVID-Pandemic, helping residents survive, respond and thrive beyond, up to 18 months, the COVID-19 Pandemic.

Dr. Edwards stated, similar to CARES Act funding, similar principles for the use of ARPA funding were established. An inter-department group of Staff initially met to begin discussing the use of

funds, the process for allocation, and a framework through which funding decisions would be made. The intent of the principles was intended to serve as a guide for the City's expenditure of the ARPA funding. The principles include: serving a clear and direct public purpose and benefit, taking measures that err on the side of improving the safety and health of Staff and the public related to the COVID-19 pandemic, bolstering long-term communication capacity between the City and its residents, promoting public health through the encouraging of vaccines, COVID-19 awareness in general, bolstering communications throughout the City related to events, facilities, accessibility, and services, enhancing communication for various emergency and safety campaigns, and potential reimbursement for operational financial hardship.

Dr. Edwards added another principle is maximizing the use of funds to invest and increase capacity within the community to recover and thrive beyond the COVID-19 pandemic. In year one, there would be a 60 percent community investment and 40 percent operational investment. The second-year would be a 70 percent community investment and a 30 percent operational investment.

Dr. Edwards explained further guiding principles include using funding in a manner that provides long-term, multi-generational wealth-building and economic stability, using funding in a manner that lowers the overall tax burden of residents, and ensuring any new programs developed or funded with ARPA funds will have an identified sustainability plan for how they will continue after the funding period is over. With the framework established, City departments and community partners were asked to identify possible uses of funds, using the established guiding principles as a matrix.

Dr. Edwards stated in the summer of 2021, the City convened a group of community stakeholders to develop a framework for a new direction for the City. The result of that work was a report entitled Evolving Brooklyn Center: A Community-Centered City, and it formed the basis for funding requests to several philanthropic organizations. As part of a follow-up to this work, the group was reconvened over two meetings to provide input and guidance on the use of ARPA funds.

Dr. Edwards noted during their initial sessions, this group of community stakeholders identified four key areas that were critical to stabilizing the community and initiating real change. These areas were around public safety and security, economic development, public health, and community life resources such as food and housing. These four areas were carried forward into the ARPA funding discussions as a way to identify priorities and ensure that the funds were being used most effectively.

Community Development Director Meg Beekman stated during their first meeting, the community stakeholders learned about the ARPA funding program, the established guiding principles, and the programs and projects that had been proposed previously. The group identified gaps in the program proposals and discussed key areas of focus. At their second meeting, the community stakeholders worked together to come to a consensus on priorities for the use of the funds and the programs to be funded. The input gathered from the work determined the funding priorities included in the ARPA Funding Plan.

Ms. Beekman stated, based on the program priorities identified by the community stakeholder group, the Staff has prepared a proposed ARPA Investment Plan. The investment plan includes a

mix of internal and external funding programs and allows flexibility in terms of what program year the funds will be delivered in.

Ms. Beekman explained out of the community engagement process and through the work of identifying program funding, several themes arose around which ARPA-funded initiatives revolved. The funding focuses on programs that build capacity through leveraging existing assets in the community, strengthening partnerships and investing in the community, center economic development, and youth, and building community. A majority of the youth and economic development programs and initiatives that were prioritized through the community engagement process involved a focus on multi-generational wealth building and youth engagement. The process to create the ARPA investment plan was embedded in the community, and involved community-based visioning. The funding centers around strengthening community partnerships and resources.

Ms. Beekman stated last year, the City received CARES Act funding, which was intended to provide relief from the effects of the pandemic. These funds were distributed to communities with a very short timeline for spending them down, and with very little guidance in terms of how spending would be tracked. As a result, most of the funds were utilized internally to the City to provide recovery and make building and facility improvements. A smaller percentage of the funds were allocated externally and provided direct relief to small businesses in the community and organizations providing direct community services.

Ms. Beekman noted one of the guiding principles of the ARPA funds was to utilize a large proportion of the funds externally and to build capacity within the community. The proposed ARPA Investment Plan utilizes 75 percent of the funds externally and 25 percent of the funds on internal projects and revenue recovery.

Ms. Beekman added the ARPA Investment Plan is intended as a roadmap and guideline for how ARPA funds will be allocated. Funds are received over two years, and Staff will move projects forward based on available funds and program timing. Staff proposed the idea to provide an annual report to the City Council regarding the use of the funds and program implementation. The ARPA Investment Plan allows for flexibility over time. Ms. Beekman added adjustments may need to be made as more information becomes known about individual initiatives.

Ms. Beekman showed a table with the ARPA funding plan. Workforce development programming would be done in partnership with local organizations. There would be sub-grants provided to community partner organizations to deliver workforce development training, further develop the Youth Entrepreneurship Program and an Expansion of BrookLynk Services and programming, connecting higher barrier youth and Black Indigenous Person of Color job seekers to jobs, and a Career Pathways Program focused on adult workforce development. She noted those programs are to be done in partnership with Brooklyn Park.

Ms. Beekman noted there is an emphasis on youth outreach and engagement to contract with community partners to establish a Youth Outreach team, develop Youth on Boards, facilitate online and in-person youth outreach to enhance, and expand youth and family participation, and engagement. She added the Funding Plan includes a Commercial Property Development Fund to

establish a fund to support local small businesses with the acquisition of bricks and mortar real estate.

Dr. Edwards asked Council if they would like Ms. Beekman to continue with the remaining 15 minutes of the presentation or if they would like to continue to Open Forum. Mayor Elliott stated they will continue to Open Forum.

ADJOURN STUDY SESSION TO INFORMAL OPEN FORUM WITH CITY COUNCIL

Hearing no objection, Mayor Elliott closed the Study Session at 6:48 p.m.

NOTE: Following the Regular Session, Mayor Pro Tem Butler indicated she had spoken with Dr. Edwards, and they agreed the topic of funds was not time-sensitive. Given the late hour, this discussion was continued to a later meeting.

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL
OF THE CITY OF BROOKLYN CENTER IN THE COUNTY
OF HENNEPIN AND THE STATE OF MINNESOTA

REGULAR SESSION
JANUARY 24, 2022
VIA ZOOM

1. INFORMAL OPEN FORUM WITH CITY COUNCIL

CALL TO ORDER INFORMAL OPEN FORUM

The Brooklyn Center City Council met in Informal Open Forum called to order by Mayor Mike Elliott at 6:48 p.m.

ROLL CALL

Mayor Mike Elliott and Councilmembers Marquita Butler, April Graves, Kris Lawrence-Anderson, and Dan Ryan were present. Also present were City Manager Reggie Edwards, City Engineer Mike Albers, Community Development Director Meg Beekman, City Clerk Barb Suciu, and City Attorney Troy Gilchrist.

Mayor Mike Elliott opened the meeting for the Informal Open Forum.

Paul C. explained he is a resident of Brooklyn Center. He voiced his support in changing the name of the Event Center to no longer honor Earle Brown. Earle Brown was a prominent citizen in the early 20th century. He was a farmer, sheriff, and highway patrolman. Being a prominent historical figure does not entitle a person to be honored. The public now knows he was a member of the Ku Klux Klan due to his own sworn testimony. Earle Brown claimed he infiltrated the group as a police officer to know their happenings, but there is no proof of that.

Paul C. added Earle Brown was once the Vice President of the Minnesota Eugenics Society. They should no longer honor a man with that legacy. Brooklyn Center's greatest asset is its diversity. Some people say they cannot change history and Earle Brown was a man of his time. However, George Leach, Mayor of Minneapolis at that time, stood up to the Klu Klux Klan publicly and did not allow police officers to join the Klu Klux Klan. George Leach was a man of his time. Paul C. implored the City Council to consider the legacy they want to employ for Brooklyn Center.

Lori B. noted she did not ask to speak but still would. She thought they had already decided on the names of buildings and streets related to Earle Brown, and it is disheartening to hear it is still in consideration. If people have concerns about erasing history, they can add teaching about Earle Brown in the schools or have a plaque reflecting what Earle Brown did. She pointed out that the Klu Klux Klan still exists, and they should not be celebrating it.

Randy C. explained he is a resident of Brooklyn Center and has been for 25 years. He stated the mission of Brooklyn Center is to ensure an attractive, clean, safe, and inclusive community that

enhances the quality of life for all people and preserves the public trust. The vision is to see Brooklyn Center as a thriving, diverse community with a full range of housing, business, cultural and recreational offerings. It is a safe and inclusive place that people of all ages love to call home, and visitors enjoy due to its convenient location and commitment to a healthy environment.

Randy C. urged the elected officials to reread the mission, vision, values, and strategic priorities of the City. He asked what their goals should be regarding housing. He asked how the Council is enhancing the image of the City.

Randy C. added he hopes the Council will work through the naming of the Earle Brown facilities and consider all residents' opinions. Earle Brown's involvement in the Klu Klux Klan needs to be considered in the context. Earle Brown wanted to be on the inside of the powerful group as a law enforcement officer to counteract its efforts. Randy C. added he appreciates the community coming together to discuss the topic.

Mayor Elliott stated the Council already gave direction on the renaming of the Heritage Center, and they have already been receiving name suggestions. The Council is waiting to hear from Staff about community engagement and potential names. He asked if there is a timeline for renaming the Center.

Dr. Edwards stated the renaming of the Event Center was addressed right before COVID-19 and the political unrest occurred. They will rename streets and buildings. The staff has looked at names for the Heritage Center, and they are prepared to bring the feedback back to the Council. He added he has additional information regarding the history of Earle Brown. Staff will do some more research before providing a proposal to the Council.

Mayor Elliott stated the Council has already given direction to the Staff to engage the community regarding new names. He noted the Staff was supposed to return to the Council with names. He asked if they worked with a consultant regarding new names. Dr. Edwards confirmed they spoke with a marketing firm about potential names for the Heritage Center.

Mayor Elliott stated they paid for a consultant and engaged the community. He asked if when Staff presents to the Council, will they present names and results of the meeting with the marketing firm. Dr. Edwards stated they have found out information that they want to ensure the Council is aware of before doing further third-party research and presenting potential names.

Mayor Elliott asked how much they spent on working with the marketing firm. Dr. Edwards stated they spent $4,000 on the marketing firm.

Mayor Elliott asked what information was uncovered and what role a third-party researcher would play. He pointed out the direction from Council was for Staff to return with potential names. He asked if the City Manager has taken it upon himself to research the topic to determine if they should change the name. Dr. Edwards stated they were going to return to the Council with the information they have found and then ask for direction from the Council. Staff wants the Council to make the most informed decisions.

Mayor Elliott stated Staff has more information they want to bring to the City Council. Dr. Edwards stated they will bring forth the additional information on February 14. They will also bring more details about the process they have engaged in and findings from the community engagement. If the information warrants additional research, then the Council can direct Staff to conduct additional research.

Mayor Elliott asked if the information revealed in the process either supports or dispels Earle Brown's involvement with the Klu Klux Klan and the Minnesota Eugenics Society. Dr. Edwards stated the information is related to that. The information they gathered has multiple perspectives about Earle Brown that don't necessarily lean one way or another. Staff will present what they have found to the Council to see if additional research needs to be done. Dr. Edwards added Staff would be remiss if they did not present all of the relevant information to the City Council.

Mayor Elliott stated the Council has already given direction to Staff that the name is going to be changed and Staff should return with names. However, Staff intends to present more information and ask for more direction. It is the role of Staff to follow the direction of the Council. He noted he is curious to hear about the process and potential names, and there may be additional work that needs to be done.

Julie B. noted she is in support of the name change for the Heritage Center. The City needs to honor the voices that have not been honored in the past. Some voices have been harmed by those trying to keep the name. When the elementary school changed its name, there likely was research done by the Department of Education. Brooklyn Center's Heritage Center cannot be named after someone tied to such awfulness.

Alfreda D. stated the City has given the staff directive to look for names. She asked if that direction includes the Heritage Center or everything named after Earle Brown. Mayor Elliott stated the direction from the Council was to change everything with the Earle Brown name that the City has control over, including the Heritage Center and the streets. Mayor Elliott stated they will have name recommendations presented at the meeting on February 14, 2022.

Arvis S. noted he is a 50-year resident of Brooklyn Center. He explained Earle Brown was a man of his time, just like George Washington and Thomas Jefferson who were slaveowners. Even Franklin D. Roosevelt was a slaveowner, all are commended for their accomplishments. As a property owner in the City, Arvid S. explained he is concerned about the costs associated with changing names and the effects on businesses. If they spend money changing names within Brooklyn Center, they should also work to abolish the dollar bill and the Washington Monument. He asked where it stops.

Mayor Elliott stated Washington, Jefferson, and Roosevelt owned other human beings and enslaved them. They were not slaves; they were people who were enslaved against their will. He stated that is disgusting. The discussion at hand is what is within the purview of Brooklyn Center. They are discussing if public spaces would uphold people who were members of the Klu Klux Klan or in high-level leadership of eugenics organizations. It is not a question. It is resoundingly clear there is no place to honor those individuals in public spaces. The individual never asked to

have anything named after him. The naming conventions need to be in line with the City's collective values.

Randy C. stated he has not seen any appointments for the vacant Planning Commission seat or other terms that have expired throughout 2019, 2020, and 2021. He pointed out Mayor Elliott has used the term "hyper-vigilant," and Randy C. asked Mayor Elliott to be hyper-vigilant about commission appointments. Randy C. added there are businesses and community places in the City that are named after Earle Brown.

Lori B. stated the changes stop when White people stop lynching Black and Brown people and when things are named after the stolen lives that have been taken from the community. They need to include everyone. White people are the minority in Brooklyn Center, and they need to be respectful of the majority.

James stated he has lived in Brooklyn Center for eight years. He stated the Highway 252 presentation is important to many people on the meeting call. He noted the current topic is important, but it is also important to discuss the superhighway that may go through their neighborhood.

Myrna K. stated the changing of the City places named after Earle Brown should not be left to the Council. Instead, it should be voted on by the residents. Lori B. stated there was already a vote on it already. Myrna K. stated she wants the citizens of the City to vote rather than the five people on the Council. She asked if Mayor Elliott has seen the presentation regarding new names.

Mayor Elliott stated he has not seen the presentation, but he has heard potential names. Myrna K. stated the proposed names were terrible. Mayor Elliott stated he agrees the proposed names were terrible, though that doesn't reflect the opinion of the Council. Myrna K. stated the $4,000 was a waste. She explained she has seen a lot of changes over her 55 years in Brooklyn Center, but those changes need to be voted on by the citizens rather than just the Council.

Ms. Suciu noted it was almost 7:30 p.m., and there was a full agenda ahead. Mayor Elliott thanked Ms. Suciu for her reminder.

Alfreda D. pointed out the issue had already been voted on. Even though it is about a name, it is also about if the community values the history of Black and Brown people. They need to be careful about how they talk about it. She stated she has a lot of respect for Myrna K. Aflreda D. stated if they cannot trust the five people of the Council, then everything should go on the ballot. The Council was elected by the community, and they include a lot of community engagement in their decisions.

Councilmember Lawrence-Anderson moved and Councilmember Ryan seconded to close the Informal Open Forum at 7:26 p.m.

Motion passed unanimously.

2. INVOCATION

Councilmember Butler stated she would like to skip her invocation in the interest of time.

3. CALL TO ORDER REGULAR BUSINESS MEETING

The Brooklyn Center City Council met in Regular Session called to order by Mayor Mike Elliott at 7:27 p.m.

4. ROLL CALL

Mayor Mike Elliott and Councilmembers Marquita Butler, April Graves, Kris Lawrence-Anderson, and Dan Ryan. Also present were City Manager Reggie Edwards, City Engineer Mike Albers, Community Development Director Meg Beekman, City Clerk Barb Suciu, and City Attorney Troy Gilchrist.

5. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

6. APPROVAL OF AGENDA AND CONSENT AGENDA

Councilmember Ryan moved and Councilmember Graves seconded to approve the Agenda and Consent Agenda and the following consent items were approved:

6a. APPROVAL OF MINUTES

1. January 10, 2022 – Study Session
2. January 10, 2022 – Regular Session
3. January 10, 2022 – Work Session

6b. LICENSES

MECHANICAL

Absolute Mechanical LLC	7338 Ohms Lane Edina, MN 55439
Admiral Radon Mechanical	13816 Utah Avenue Savage, MN 55378
Tim's Quality Plumbing	225 County Road 81 Osseo, MN 55369
Westair INC	11184 River Road Northeast Hanover, MN 55341

RENTAL

INITIAL (TYPE IV – six-month license)

5637- 39 Girard Avenue North	Julian Guo
INITIAL (TYPE II – two-year license)	
4201 Janet Lane	Maria Basurto
RENEWAL (TYPE IV – six-month license)	
5553 Aldrich Drive	Geri Williams / NJERI Enterprises LLC
7021 Unity Avenue North	Geri Williams / NJERI Enterprises LLC
RENEWAL (TYPE III – one-year license)	
6742- 44 France Avenue North	Xian Lin / Prosperous Property
5901 Aldrich Avenue North	Home SFR Borrower LLC
RENEWAL (TYPE II – two-year license)	
7111 Riverdale	Allan & Vicki Olson
5447 4th Street North	Xian Lin / Prosperous Property
3319 66th Avenue North	IH3 Minnesota / Invitation Homes
6406 Indiana Avenue North	William Coleman
5701 James Avenue North	Jagdeep Singh Arora
RENEWAL (TYPE I – three-year license)	
Lake Shore Apartments 4809- 11 Twin Lake Avenue	Caroline Ericsson
3818 61st Avenue North	Sherman Kho
4101 61st Avenue North	Long Xiong
5323 Brooklyn Boulevard	Chen Zhou / Cosco Property
6901 Quail Avenue North	Xian Lin / Prosperous Property

6c. RESOLUTION NO. 2022-17; APPROVING PLANS AND SPECIFICATIONS AND AUTHORIZING ADVERTISEMENT FOR BIDS, IMPROVEMENT PROJECT NOS. 2022-01, 02, 03, AND 04, WOODBINE AREA STREET AND UTILITY IMPROVEMENTS

6d. RESOLUTION NO. 2022-18; APPROVING PLANS AND SPECIFICATIONS AND AUTHORIZING ADVERTISEMENT FOR BIDS, IMPROVEMENT PROJECT NO. 2021-12, 53RD AVENUE MILL AND OVERLAY (PENN AVENUE NORTH TO LYNDALE AVENUE NORTH)

Motion passed unanimously.

7. PRESENTATIONS/PROCLAMATIONS/RECOGNITIONS/DONATIONS

7a. HIGHWAY 252/I-94 ENVIRONMENTAL IMPACT STATEMENT (EIS) UPDATE - INTERIM SAFETY IMPROVEMENTS AT 66TH AVENUE

City Manager Reggie Edwards introduced the item and invited City Engineer Mike Albers to continue the Staff presentation.

City Engineer Mike Albers explained the City is partnering with the Minnesota Department of Transportation (MnDOT), Hennepin County, the City of Brooklyn Park, and the City of Minneapolis on an Environmental Impact Statement (EIS) for the Highway 252 and Interstate 94 corridor from Highway 610 in Brooklyn Park to 4th Street in Minneapolis. The project partners will use the EIS to gain a better understanding of safety and transportation needs in the area and begin taking a closer look at how a potential construction project could affect the environment surrounding Highway 252 and Interstate 94. The EIS is expected to be completed in 2024 or 2025 with the selection of one final design recommendation. The EIS work is expected to be immediately followed by the preparation of design plans with construction potentially starting in 2026 or 2027.

Mr. Albers stated at Policy Advisory Committee (PAC) meeting on October 7, 2021, MnDOT indicated that they were investigating interim safety improvements to Highway 252 and Interstate 94 that could be implemented before the potential construction project in 2027. MnDOT will present the full list of alternatives considered for interim safety improvements for Highway 252 and Interstate 94 at the January 27, 2022 PAC meeting. The purpose of this presentation is to provide the Council an update on a potential interim safety improvement at 66th Avenue and MnDOT would like to know if the City Council supports the change before MnDOT presents it to the entire Policy Advisory Committee.

Mr. Albers introduced Jerome Adams, Project Manager with MnDOT, to continue the presentation. Jerome Adams introduced himself, explained his role, and summarized the purpose of the presentation. He explained that MnDOT recommends that the eastbound to southbound free right turn at Highway 252 and 66th Avenue be removed and replaced with a regular right turn lane that stops at the red light. Right turn on red would be permitted after a stop at the stoplight.

Mr. Adams explained there is currently an EIS underway to evaluate alternatives to improve this corridor. Mr. Adams stated Highway 252 is killing people. There will be recommended alternatives for 2024, and the potential construction would be in 2026 or 2027. He pointed out public comments show that Highway 252 is dangerous now. They want to improve safety as much as possible now without prejudicing the EIS process. Mr. Adams noted MnDOT has created a list

of interim safety improvements and worked with project partners at the Federal Highway Administration, City of Brooklyn Park, City of Brooklyn Center, and City of Minneapolis to look at alternatives.

Mr. Adams stated MnDOT will present the full list of alternatives considered for interim safety improvements for Highway 252 and Interstate 94 on January 27, 2022, Policy Advisory Committee. At the current meeting, MnDOT will present only one of those recommendations because it could be seen as a big change, and MnDOT would like to know if the City Council supports the change before it presents to the entire Policy Advisory Committee. He pointed out MnDOT does not have to present the change to them due to established municipality rules, but they want input from Brooklyn Center.

Mr. Adams showed a picture illustrating a crash cluster in the southwest corner of Highway 252 and 66th Avenue. He then showed an aerial view of the intersection. Mr. Adams pointed out they have been in a pandemic since 2020. In 2020, they saw traffic on all of the highways decrease, and there was a corresponding drop in crashes. However, there was not a crash decrease at the intersection in question. There was the same number of crashes at the corner in 2019 and 2020. Therefore, there is something unique happening on the corner.

Mr. Adams showed a diagram with the proposed construction of a standard right turn lane at the signal light. They would remove the concrete island, and the light would be a typical right turn at the light. He showed an aerial photo with the proposed construction of a standard right turn lane.

Mr. Adams stated the change would be constructed in summer 2023, and there would be no cost to the City of Brooklyn Center. Traffic modeling shows that the queue at the signal does not reach the signal at Camden Avenue. Currently, the queue at the signal does block the driveway at Speedway and Checkers, and that would not change with this proposal. Mr. Adams offered to answer any questions.

Councilmember Graves asked if the main difference is to remove the concrete island. Mr. Adams confirmed that is the main difference and cars would have to stop at the red light before turning whereas people could turn right with the special lane.

Mayor Elliott reminded Councilmembers to share their name before speaking.

Ms. Khan, a member of the Highway 252 Task Force, stated MnDOT has refused to implement improvements on Highway 252 despite numerous requests, particularly since 2015 and as recently as 2021. It is indeed a positive and worthwhile step to employ much-needed safety improvements.

Ms. Khan stated she agrees the removal of the free right turn at the intersection in question would ultimately reduce accidents. However, MnDOT has refused to make other improvements, as shown in one of their published documents. The options still need feedback from Brooklyn Center, Brooklyn Park, Minneapolis, and the general public.

Ms. Khan stated there is an explicit bias for only the project alternatives that involve converting Highway 252 into a freeway. There has been a suggestion of installing reflective backplates and

adding more lane identification signs to improve safety. In the first instance, MnDOT's justification is that "the signal's system likely will be removed shortly," meaning when a freeway is constructed. For the second suggestion, MnDOT's justification is that no signs should be added "at the time because of the anticipated freeway project," and that challenges could still exist "even when the freeway conversion project is constructed."

Ms. Khan stated the technical advisory document dated December 16, 2021, shows explicit bias in favor of converting Highway 252 into a freeway, despite MnDOT having said repeatedly in meetings that they have no preferred project. It is a violation of the National Environmental Protection Act's (NEPA) EIS process for an agency to select a favored project during the community engagement phase of the process.

Ms. Khan stated MnDOT has shown similar explicit bias in converting Highway 252 into a freeway by developing a Purpose and Need Statement that neglects to address the issues of public safety, health and environment, community livability, social justice, and equity. Rather, the Statement stresses transportation issues only. She noted the transportation of goods is highlighted, which would mean truck traffic on the potential freeway where there is none on the current highway.

Ms. Khan explained the existing Statement is geared toward selecting a freeway that allegedly decreases traffic and travel time, but it does not provide a framework for projects that would prevent vehicle traffic or air pollution. In fact, the information provided through consultants indicates a six-lane freeway option will double the annual traffic of Highway 252, which is 118,000 cars per day.

Ms. Khan stated she would like to request the Mayor and Council ask MnDOT to revise their Statement to address issues of public safety, health and environment, community livability, social justice, and equity. She added she would like full opportunities for public input and community engagement during the revision of the Statement, which was written without any public input. MnDOT must consider larger community needs. Ms. Khan added the Council should demand MnDOT abide by NEPA's EIS process. She added she would send her statement and the aforementioned documents to the Council.

Mayor Elliott thanked Ms. Khan for her comments. He asked if Ms. Khan's comments would be added to MnDOT's community comment period collection. Mr. Adams confirmed he would collect the comments made by Ms. Khan.

Mayor Elliott stated Ms. Khan made some great points about community livability and equity and non-freeway alternatives. Ms. Khan noted she sent other messages over the last two days that further explain the situation. Mayor Elliott confirmed he received her messages.

Mr. Cooper, a member of the Highway 252 Task Force, stated the Task Force is pleased with MnDOT adopting interim measures as the death rates are very high. He stated it was unfortunate MnDOT did not explain why they rejected alternative solutions. There was a suggestion to protect left-hand turn lanes as left-hand turn lanes are responsible for many deaths. However, there was no explanation from MnDOT. He noted it would be a very inexpensive option to impact safety.

Mr. Cooper stated the proposal presented by MnDOT was to maintain the use of a stoplight at the intersection. The Task Force has been suggesting that option the whole time. The current intersection is a combination of deadly components. For example, the intersection is less than one-third of a mile from an interchange. The proposal to cure that issue in the short term is a traffic light, but their long-term solution is to not have a traffic light there. That is inconsistent because MnDOT is claiming the entrance lane is causing more accidents. If they have recognized the entrance lane is causing more accidents, it is inconsistent because adding an interchange down the line would create an even shorter entrance area.

Mr. Cooper noted Mr. Adams said the accident rate throughout Highway 252 is dropping, but it is not dropping at 66th Avenue. 66th Avenue is in an inherently dangerous position. The solutions proposed by Mr. Adams are not very comprehensive, though it is pleasing to see MnDOT has come up with other proposals. However, the Council has suggested similar proposals for quite a few years. Nonetheless, it is a step forward, and they need to emphasize it is a step in the right direction. Mr. Cooper added the City Council should ask why proposals are being rejected as they review the options.

Mr. McCarthy, a member of the Highway 252 Task Force, stated the suggestion by MnDOT is minimal. He asked if crash test studies were done at the current layout. If so, he asked what benefits were shown.

Mr. Adams stated the specific recommendation about removing the free right turn has not included a crash model or crash study. Instead, they are using their engineering judgment and experience. He stated the recommendation was specific to the intersection of Highway 252 and 66th Avenue. There is a different free right turn at the intersection that MnDOT doesn't see the need to change. Unique circumstances for the current free right turn to be dangerous include a nearby bus stop.

Mr. McCarthy asked if there are tools available for the recommendation. He noted he is an engineer, and he utilizes data rather than gut feelings. He asked if they considered moving the interchange further away from the intersection in question to align with current recommended safety standards.

Mr. Adams stated his presentation covered that issue. MnDOT is doing an EIS, and the process for selecting a preferred alternative will likely end in 2024. In that process, they are looking for alternatives for the interchange should there be a freeway. He added there are alternatives for an at-grade expressway in that process. The alternatives will be presented in the Scoping Decision document and will be available for a comment period. He noted there would be multiple opportunities for comment periods beyond that. The current presentation is only about interim safety improvements.

Mr. Adams added they cannot bias the EIS process, so any improvement has to be relatively minor and, by definition, have no impacts on the community. He noted he will be presenting a full list of alternative safety improvements at the January 27, 2022, PAC.

Mr. McCarthy stated interim safety has been part of the process since 2014 and has been advocated for by residents for far longer than that. However, he reiterated the proposed change is a step in the right direction.

Mayor Elliott asked what information there is to show them the potential impact of the proposed intersection change for the free right turn. Mr. Adams stated there are no immediate impacts, and there are no-cost impacts on the City. The queue that occurs from stopping at the light on eastbound 66th Avenue does not back up at the neighboring stoplight, so the change should not cause any gridlock in that area. The current situation does form a queue of cars in front of the gas station and Checkers, so that would not change. MnDOT believes the change will reduce crashes and does not foresee a negative impact on the City.

Mayor Elliott asked about the safety impact. He pointed out MnDOT didn't do a traffic pattern study and asked if there is any information that provides an insight on the change in safety may be. Mr. Adams stated he may have a document that could quantify the crash reduction impact. However, he did not have it accessible at the moment.

Councilmember Graves asked why they are receiving the presentation on the current intersection separate from the January 27 presentation. Mr. Adams stated they have reviewed the entire corridor for a list of improvements alongside community partners. All of the items are pretty minor. He emphasized the purpose of the EIS is to have a true change in crashes on Highway 252. The reason for the singular presentation is because it is the biggest change recommended in the interim safety improvements, and MnDOT wanted to give the City the courtesy. MnDOT does not need to ask Brooklyn Center for municipal consent, but they are looking to partner with the City in the recommendation. Overall, MnDOT recommends the change and does not see any negative impacts.

Councilmember Graves stated she looks forward to the presentation for further safety improvements. She noted the residents are saying this is a step in the right direction. If anything, they are asking for more changes. She agreed the proposal makes sense as a first step in improving safety.

Mayor Elliott stated he had to excuse himself for personal health issues.

Mayor Pro Tem Butler asked the staff for the next steps. Dr. Edwards stated the Staff is looking for consensus from the Council. Mayor Pro Tem Butler asked if there were any objections from the members of the Council.

Mayor Elliott stated there is a need to make an interim change, and the proposal addresses that. Residents have commented and need additional questions answered by MnDOT before they can move forward with supporting the project. He asked what the timeline is for the current proposal if Mr. Adams has information for the concerns raised by the members of the Task Force, and what the timeline would be to receive further answers.

Mr. Adams stated they are going to present all of the recommendations to the PAC on January 27, 2022, and there would be time for discussion after that. If they were to proceed with the changes,

they would finalize the design in August 2022, and the construction can occur in summer 2023. He noted he would like to come to a consensus within a month or so of the PAC presentation.

Mayor Elliott stated they should not move toward consensus yet as there is time for Mr. Adams to return with answers to some of the Task Force's questions.

Mayor Elliott moved and Councilmember Butler seconded to receive a presentation by MnDOT on potential interim safety improvements at 66th Avenue as part of Highway 252/I-94 Environmental Impact Statement (EIS) and provide feedback to MnDOT.

Motion passed unanimously.

8. PUBLIC HEARINGS

9. PLANNING COMMISSION ITEMS

9a. RESOLUTION NO. 2022-19; REGARDING PLANNING COMMISSION APPLICATION NO. 2022-001 FOR ISSUANCE OF A SPECIAL USE PERMIT FOR THE RETAIL SALE OF NEW AND USED AUTO PARTS WAREHOUSED INDOORS AT THE PROPERTY LOCATED AT 2400 FREEWAY BOULEVARD

Dr. Edwards introduced the item and asked Ms. Beekman to continue the introductions. Community Development Director Meg Beekman stated Assistant City Planner Olivia Boerschinger would be presenting on the topic and invited Ms. Boerschinger to continue the Staff presentation.

Assistant City Planner Olivia Boerschinger explained A-Abco Auto Parts Inc. is requesting the issuance of a Special Use Permit to allow for retail sales and indoor warehousing of new and used auto parts at 2400 Freeway Boulevard. The property is currently owned by Schmitt Music. A-Abco Auto Parts Inc. currently has a manufacturing facility located in Fridley, and a 24,000 square-foot retail sales and warehouse building located in Spring Lake Park. The applicant intends to model the requested use on the property in question after the Spring Lake Park location, which has approximately 20 employees. The applicant does not require outdoor storage, and there will be no manufacturing or processing on the site.

Ms. Boerschinger explained the building located on the subject property was originally constructed in 1974 and has been the recipient of numerous approvals from the City over the years, including the original site and building plan approval in 1974 and issuance of multiple special use permits relating to such uses as retail sales and warehousing for major appliances in 1974, retail sales in 1976, and retail sales and educational uses in 1977. The property's current use, under the ownership of Schmitt Music, is a special use that was approved in 1977 under a planning commission application.

Ms. Boerschinger showed a slide of the exterior of the building. She noted they will not change the exterior of the building, but there will be ongoing maintenance and an updated sign. Ms.

Boerschinger showed photos of the interior images of the current building and an example of an A-Abco front desk from another location.

Ms. Boerschinger noted the special use permit standards include that the establishment, maintenance, or operation of the special use will promote and enhance the general public welfare and will not be detrimental to or endanger the public health, safety, morals, or comfort. The special use will not be injurious to the use and enjoyment of other property in the immediate vicinity for the purposes already permitted, nor substantially diminish and impair property values within the neighborhood. The establishment of the special use will not impede the normal and orderly development and improvement of surrounding property for uses permitted in the district. Adequate measurements have been or will be taken to provide ingress, egress, and parking so designed as to minimize traffic congestion in the public streets. Lastly, the special use shall, in all other respects, conform to the applicable regulations of the district in which the property is located.

Ms. Boerschinger added the applicant is requesting approval for use that closely relates to a permissible special use outlined under Section 35-330.3 of the City Code, which allows for the "retail sales of products manufactured, processed, warehoused, or wholesaled on the use site," within the I-1 District, and is not entirely dissimilar to the current use of the property operating as Schmitt Music. There will be no outdoor storage of materials or products permitted. Additionally, no exterior changes to the existing building or property have been proposed at this time.

Ms. Boerschinger stated public notice was published in the Brooklyn Center Sun Post on December 30, 2021, and properties located within the notification area received a copy of the notice and map, along with a link to the scheduled virtual Planning Commission meeting. The Planning Commission ultimately held a public hearing for the aforementioned application at their meeting on January 13, 2022, and was generally supportive of the outlined request. Representatives from A-Abco Auto Parts were in attendance and answered questions relating to traffic impacts, the business model, and anticipated employment.

Ms. Boerschinger explained the Planning Commission Commissioners engaged in conversation regarding the application, particularly as the use relates to potential future employment as well as concerns about customers conducting auto repairs in the parking lot during operating hours. City Staff did not receive any public comment in advance of the scheduled public hearing, and no public comment was offered at the meeting. Following the close of the public hearing, the Planning Commission elected to unanimously (5-0) recommend City Council approval of the requested issuance of a Special Use Permit for retail sales and indoor warehousing of new and used auto parts at 2400 Freeway Boulevard.

Ms. Boerschinger explained Staff recommends that certain conditions be attached to any positive recommendation on the approval of Application No. 2022-001 for 2400 Freeway Boulevard. First, any major changes or modifications made to the subject property can only be made either through the City's Building Permit process or through formal Site and Building Plan approval by the City. The applicant shall provide plans for any remodeling and submit building permit applications for any work to be conducted to the building, or proposed new signage. Next, the applicant shall meet with the Building Official and Fire Inspector before occupancy of the building to discuss any changes to use or classification of the building, including but not limited to fire suppression

systems, storage racking, hazardous materials and liquids storage, and so on. Additionally, the applicant shall ensure compliance with the approved plan set, including replacement and repair of any missing plantings as identified under the approved Landscape Plan, site irrigation, and site lighting. Ms. Boerschinger noted the Special Use Permit is for the retail sales and warehousing of auto parts and is subject to all applicable building codes, ordinances, and regulations. Any violation thereof may be grounds for revocation. Furthermore, there may be no outside storage of parts or products is permitted on the property, no parting out of vehicles or storage of vehicles is to occur on-site or within the building, and, finally, no hazardous materials are to be stored on-site, other than those typically found at retail auto parts stores.

Councilmember Ryan moved and Councilmember Graves seconded adopt RESOLUTION NO. 2022-19; Approving Planning Commission Application No. 2022-001 for issuance of a Special Use Permit at 2400 Freeway Boulevard for Retail Sales and Indoor Warehousing of New and Used Auto Parts, based upon the findings of fact and submitted application, and as amended by the conditions of approval in the Resolution.

Motion passed unanimously.

10. COUNCIL CONSIDERATION ITEMS

10a. RESOLUTION NO. 2022-20; SUPPORTING THE AUTHORITY TO IMPOSE A LOCAL SALES TAX TO FUND A SPECIFIC CAPITAL IMPROVEMENTS PROVIDING REGIONAL BENEFIT, TO ESTABLISH THE DURATION OF THE TAX AND THE REVENUE TO BE RAISED BY THE TAX, AND TO AUTHORIZE THE CITY TO ISSUE BONDS SUPPORTED BY THE SALES TAX REVENUE

Dr. Edwards stated at the September 27, 2021, City Council meeting, the Council discussed a possible request for special legislation to levy a local sales tax. At that meeting, the Council raised several questions regarding how a local sales tax would impact the community. At the October 25, 2021, City Council meeting, Staff provided background data regarding the impacts of a local sales tax on residents, businesses, and the City's finances.

Dr. Edwards explained if a request to the legislature for a sales tax levy is to be submitted by the January 31, 2022 deadline, the Council will need to pass a resolution supporting the request at the January 24, 2022 meeting. If a request is made and granted by the legislature, the community would then need to approve a referendum to establish the levy. Dr. Edwards invited Ms. Beekman to continue the presentation.

Ms. Beekman noted as part of the community engagement efforts related to the 2040 Comprehensive Plan, the Opportunity Site master planning, and the Community Center Master Plan, it is clear that the community desires more robust, culturally inclusive, and accessible recreation programming and facilities. Community input has consistently indicated a desire for a regionally significant attraction on the Opportunity Site that can function as an anchor to the overall development and a gathering place and point of pride for the community. In addition, community input has indicated a need for more diversity of recreation options for young people, young families, and seniors in the community, specifically related to expanding facilities and

programming at the current Community Center. She explained a sales tax levy offers an opportunity to fund public purpose projects which respond to the community's requests and needs.

Ms. Beekman showed illustrations of potential opportunities. She explained they want to create a sustainable, authentic outdoor experience and offer economic and social opportunities. The recreation destination will promote healthy living and an inclusive, active civic life for current and new residents of the City. The destination site would also include all-season programming. They imagine a vibrant, central space where paid adventure sports keep people active, entertained, and engaged year-round. An amphitheater provides free outdoor concerts several nights a week, and an onsite restaurant and beer garden offers a place to gather and meet friends and family while taking in the sites and sounds. The entire space has the feel of an open public park; there are no gates or controlled access points. Additionally, bike trails and sidewalks meander through the site and connect to nearby regional trail systems and neighborhoods. Potential programs include white water rafting, climbing walls, kayaking, surfing, swift water rescue, racing, and more.

Ms. Beekman noted the US National Whitewater Center in Charlotte, North Carolina draws over 1.1 million visitors annually. However, Brooklyn Center is located near a much more populated city. Additionally, the site in Charlotte does not offer winter activities.

Ms. Beekman stated the City has begun a master planning process to consider a new or expanded community center. Components of that process have included identifying community needs in terms of recreation and community center facilities, as well as a broader look at the surrounding market and potential regional demand for community center space. As part of the planning process, potential partners have been identified which could be leveraged to achieve a larger, more regionally significant community and wellness center.

Ms. Beekman explained the City completed an initial analysis of the spacing needs and potential partners and then moved into a second phase to develop plans and more solid cost estimates. Several iterations of the plan have been worked through to find a balance that provides the types of activities that will most benefit the community, will draw outside users to the new community center, can be implemented over multiple phases, and ensures a feasible and cost-effective plan.

Ms. Beekman added one key aspect of the new community center will be that it can serve as a host facility for regional tournaments. Tournaments not only bring new people to the community that generates positive economic impact but the revenue generated from tournaments helps offset operating costs of such a facility. There will also be extended family facilities such as a pool and a splash pad.

Ms. Beekman stated the cost for both facilities would be $135 million. The proposed 0.50% sales tax would generate $55 million over 20 years. Additional funding sources are being explored through general obligation (GO) bonding, private investments, and local partners. The outdoor adventure park intends to find external funding to support such a local amenity.

Ms. Beekman explained the process is very long. They must apply by January 31, 2022, to the local sales tax authority. They will continue planning and due diligence efforts on both projects to determine costs, feasibility, and implementation strategies. If a request is awarded, they would

begin an extensive community engagement campaign in advance of a Citywide referendum on the measure. If approved, the sales tax option would not go into effect until 2024. The City can change its mind any time between now and then or decrease the sales tax percentage.

Councilmember Graves thanked Staff for the presentation. She noted she is excited about the ideas and appreciates the flexibility in the process. Council and Staff will need to make sure the community knows what they are working on. She explained she frequents the Community Center and noted her previous neighborhood had a very robust community center. The framework creates space for young people, and that is something the City can continue to do better at. Councilmember Graves added she thinks of the Community Center as a prevention tool.

Councilmember Ryan stated his concern is with the financial risk exposure for building such a large facility. He asked if they could improve an increase for a local option sales tax without committing to it until the City does its due diligence on the projects. Ms. Beekman stated the State legislature has to give the City permission to levy the sales tax, but that does not mean the City must impose a sales tax. The community has the opportunity to vote on it, and there are regulations in regards to what can be taxed and how much can be taxed.

Councilmember Ryan stated the New Hope Olympic pool was approved for a State bonding request, which is less than five miles from Brooklyn Center's Community Center. He asked how that would impact the regional significance of the proposed project, but they can address that issue later. He added he accepts the option of a local sales tax at no more than half of a percent currently. Councilmember Ryan noted his concern about the impact on the lower-income residents as they are more impacted by a sales tax at the time of increasing inflation.

Councilmember Graves stated an earlier presentation by Ms. Beekman provided them a ballpark impact of the tax on an average household in Brooklyn Center. Ms. Beekman confirmed she had the aforementioned information for the impact on the average household. The numbers from the last presentation compare the impact funding through bonding would have on community members in comparison to the impact of funding through a local sales tax.

Ms. Beekman showed a slide with the impact of the sales tax on those with a median income. With a 0.50% sales tax, there would be a $46 impact on the annual expenses. As for the property tax option, the average household would have to pay an additional $267 annually. She noted bonding would increase property taxes, which would affect people in the community more than a local sales tax as they would bear the majority of the costs.

Councilmember Graves thanked Ms. Beekman for the information. The bonding process doesn't require a referendum. In the sales tax scenario, they would be including the community in the voting process and be asking them to pay less. She asked if the City applied for a 0.50% sales tax levy if it would be an issue to change it. Ms. Beekman confirmed it would not be an issue to change the sales tax levy.

Councilmember Lawrence-Anderson echoed the comments of her colleagues. In the interest of time, she noted she would conclude her comments. Mayor Pro Tem Butler stated her questions have already been addressed and noted it is a good first step.

Dr. Edwards stated the bonding typically requires a 50 percent match. For the sales tax option, the City would only have to match 18 percent. The residents would not bear a significant portion of the funding as it would be spread out across the state.

Councilmember Ryan stated the total of the concept proposal is roughly $49 million. He asked if that was correct. Ms. Beekman noted there is an error in the Resolution. The initial iteration estimated $49 million for the project and the $55 million is for a buffer.

Councilmember Ryan stated if they are looking at $55 million and were so fortunate to receive an 18 percent match, they are talking about a $10 million match to be modest. He asked if he was making sense. Dr. Edwards confirmed Councilmember Ryan was making sense and noted there would be phases in the legislature as well.

Councilmember Ryan stated the project is evolving, and they will continue to look at various aspects in greater detail. If they do go for a large project, the building will have a much larger impact on the parking. Therefore, they may have an issue with parking. It is projected for 60 percent of users to be from outside of the City, but parking can be addressed at a later time. He noted he would like to see recreational facilities in the City improved. Councilmember Ryan added the question is if they can justify the project as a regional attraction, but he will speak with Staff more on that topic at a later time. He added he would be happy to advocate for the project at the State legislature.

Councilmember Graves moved and Mayor Pro Tem Butler seconded to adopt RESOLUTION NO. 2022-20; Supporting the authority to impose a local sales tax to fund specific capital improvements providing regional benefit, to establish the duration of the tax and the revenue to be raised by the tax, and to authorize the city to issue bonds supported by the sales tax revenue.

Motion passed unanimously.

10b. RESOLUTION NO. 2022-21; AUTHORIZING APPLICATION TO MINNESOTA MANAGEMENT AND BUDGET FOR $40,000,000 IN STATE OF MINNESOTA GENERAL OBLIGATION BONDS PROCEEDS FOR THE COMMUNITY WEALTH CREATION THROUGH ACQUISITION PROGRAM

Dr. Edwards introduced the item and invited Ms. Beekman to make the staff presentation.

Ms. Beekman explained one of the City's strategic priorities is resident economic stability, and this priority was further defined in 2020 to include specific initiatives focused on local business economic stability. As part of that work, the City of Brooklyn Center has been working with the community to identify ways to maintain affordable commercial rents for small businesses, provide valid and effective small business support and technical assistance, and provide opportunities for residents and businesses in and from Brooklyn Center to acquire real estate in the City.

Ms. Beekman noted several initiatives have been deployed including formal partnerships with several community-based organizations to provide technical assistance to small businesses, the

feasibility and development of an entrepreneurial market incubator as part of the initial phase of development on the Opportunity Site, and the proposal of a real estate acquisition fund to support local businesses with acquiring their bricks and mortar spaces as part of the American Rescue Plan Act (ARPA) funding plan. Another initiative by the City includes forgivable loans and matching grant programs.

Ms. Beekman stated recently, African Career, Education & Resource (ACER) has requested the Cities of Brooklyn Park and Brooklyn Center to continue this work on a larger scale by requesting the cities in seeking the issuance of GO bonds for the creation of a Community Wealth Creation Through Acquisition Program. There is legislative support to draft a bill in support of this effort. The request is for $40 million in funding to be shared between the two cities. The sites in Brooklyn Center that ACER has identified as potential project areas that would receive the benefit of the GO bonds are Humboldt Square Shopping Center, the Strip Center adjacent to the former Target property, and the Entrepreneurial Market Plaza.

Ms. Beekman explained each proposed site provides a different opportunity for how community ownership would be achieved; however, the general project plan would be funded with GO bonds with certain requirements. ACER or the City may utilize GO bonds funding to purchase or long-term lease high potential, pre-identified sites in Brooklyn Park and Brooklyn Center. These sites were identified as high potential based on the current tenant mix of small, Black, Indigenous, People of Color (BIPOC)-owned businesses, good location, meaning vulnerable to gentrification and rent increases, and good access to transit and transportation. ACER and the City could collaborate to convert the sites over time into co-ops or shared ownership models involving the existing businesses in the spaces. ACER may work with business owners to remodel spaces where possible to accommodate additional small businesses or start-ups. Or, in the case, that redevelopment is the larger goal, provide community ownership in the redevelopment effort which puts the community at the decision-making table and offers an equity stake in future development which creates wealth-building opportunities. In some circumstances, ACER may work with businesses to identify and select operators or managers for each site. ACER may work with the state, City, and businesses to develop a model for selling the property to residents, businesses, or the creation of a co-op. Lastly, ACER may provide technical assistance and ongoing business support within each site.

Ms. Beekman pointed out there are several unknowns with the process, but Staff feels as though it is a good opportunity for the community. She added issues to consider are legal parameters and considerations such as land ownership and use, cumbersome legal process to get through with the State, unique nature of the proposal compared with previous GO bond-funded projects, and considerable legal challenges as there is not a clear path forward.

Ms. Beekman stated there are also administrative considerations. GO bonding is not similar to other types of bonding the City has done and there is a considerable administrative responsibility for the City. Significant resources would be needed to administer funds over a long period. The City would need to maintain a contractual or ownership stake in the properties for the lifetime of the project, and the City would remain responsible for ensuring the funds are used correctly.

Ms. Beekman explained if the City chooses not to support the request, then ACER would need to seek another funding source or a new fiscal agent. GO bonds are not an ideal source of funding for this type of project, but the City's support for the request shows commitment to the project and goals. The project is very innovative for the GO bonding program and could serve as a model for future project proposals. Community wealth building and BIPOC business ownership are goals that are embedded in Brooklyn Center's strategic priorities.

Ms. Beekman noted approval of bonding application is not certain. ACER is seeking a show of support and the potential to unlock other funding sources. The bond request shows commitment regardless of the outcome of the request.

Ms. Beekman stated if GO bonds are allocated by the State, ACER, Brooklyn Center, and Brooklyn Park would enter into a Memorandum of Understanding or a Joint Powers Agreement. ACER would be responsible for working to identify a path forward to create cooperative ownership using GO bonds.

Ms. Beekman stated the City has already applied for $44 million to fund a new community center. The request is included, in part, in the Governor's bonding bill. The City can make more than one bonding request. It has been recommended that the City prioritize the bonding request for the community center and continue to lobby for both applications. Ms. Beekman offered to answer any questions but pointed out she doesn't have all of the answers currently.

Councilmember Lawrence-Anderson stated she received a text from Mayor Elliott. The text asked for Staff to come back with proposed programs and the impact of those proposed programs to be created from the ARPA funds to be presented and discussed at a future work session. Ms. Beekman stated the presentation on the partnership with ACER and Brooklyn Park through GO bonds does not relate to ARPA funds. However, ARPA funds were addressed during the earlier work session.

Councilmember Lawrence-Anderson asked if the GO bond is General Obligation. Ms. Beekman confirmed Councilmember Lawrence-Anderson was correct.

Councilmember Lawrence-Anderson stated Ms. Beekman mentioned the strip center next to Target. She asked if that would displace current businesses. Ms. Beekman stated the intent is to prevent the displacement of current businesses. They want to provide ownership of those spaces by the businesses so if the site is redeveloped, then the business owners would have a seat at the table and an equity share.

Councilmember Lawrence-Anderson asked for clarification on the partnership between the City and ACER since ACER would be the applicant. Ms. Beekman explained Brooklyn Center would be the applicant as they are the fiscal agent and are ultimately responsible for the use of those dollars. Nonprofits can acquire lands and assets through GO bonds in partnership with public entities, so the bonds could look like that. She added there is a chance ACER may not be in the chain of titling.

Councilmember Lawrence-Anderson noted her concerns about the unknowns as the process is atypical. She asked what the in-kind match pertains to. Ms. Beekman stated the Economic Development Authority already holds assets that can be used for the projects. Additionally, the City can contribute administrative resources and Staff time for the in-kind match rather than cash funds.

Councilmember Graves stated she likes the overall concept. Creating cooperative models has been a goal of the Council. She noted her appreciation of showing support to the concept but was still uneasy because there are many unknowns in the proposal. Councilmember Graves asked how the project would be inclusive

Nelima Sitati Munene, ACER representative, noted Ms. Beekman and Dr. Edwards have done an excellent job presenting the concept to the Council. The importance of the project came from ACER's work with micro-businesses in Brooklyn Center and Brooklyn Park. She confirmed there are several unknowns, but there is a lot to be said about being proactive, attracting interest to the project, and building wealth within populations that have been left out.

Ms. Munene confirmed the project would be inclusive of all communities represented in Brooklyn Center and pointed out the micro-business sector is very reflective of Brooklyn Center's diverse population. The City would own the land in the proposal, but there is hope for the GO bonds to assist the entities in acquiring more land. An issue micro-businesses have faced in Brooklyn Center and Brooklyn Park is the lack of affordable commercial space, and ACER wants to promote long-term support of the businesses. Land in Brooklyn Park and Brooklyn Center is a hot market, and they are not going to wait for micro-businesses. The proposal is an opportunity for the community to retain the land and to allow for accessible, sustainable wealth-building.

Councilmember Graves asked what the process is for GO bonding in comparison to the previous bonding presentation. Ms. Beekman explained the State passes a bonding bill every two years. The GO bonding is not local dollars, and most of the money goes to State projects for infrastructure improvements. Cities can apply for GO bonding to support locally significant projects. Ms. Beekman pointed out Second Harvest Heartland is a recent example of that application.

Ms. Beekman noted the GO bonding does not require a referendum as the money is not local. Local sales tax is asking the legislature for special permission to levy a sales tax for a municipality above its typical authority. Both situations need sponsors in the House of Representatives and the Senate. ACER has been working to garner support for the project, and the City has been doing similar work to support the community center.

Councilmember Graves stated she would be interested in hearing comments from Brooklyn Park about the proposal. She asked if the project goes forward, could additional staff be hiredto administer the project.

Ms. Beekman stated she is unsure if Brooklyn Park has received the presentation, though Brooklyn Center and Brooklyn Park have the same bond counsel. As for the hiring of staff, they could leverage funding to hire additional staff or consultants. It is hard to know what ongoing administration would entail.

Councilmember Lawrence-Anderson asked if the matter is time-sensitive. She explained she is not comfortable making a decision that evening. If it is not time-sensitive, she would prefer to absorb the information further. She added she would like to hear feedback from Brooklyn Park regarding the proposal. Ms. Beekman stated the topic is time-sensitive as the deadline to apply is January 31, 2021. She noted it had been difficult to bring items to the Council as its agendas have been extremely full.

Councilmember Graves asked Ms. Munene if ACER has made progress in the House or Senate to support the program. Ms. Munene confirmed they have been talking to State legislature representatives. However, they cannot draft a bill without support from a city.

Councilmember Graves asked if Brooklyn Park had voted on the proposal. Ms. Munene stated Brooklyn Park has not voted on the proposal.

Denise stated the ask is for $40,000,000 to be split evenly between Brooklyn Park and Brooklyn Center. Additionally, the funding can be seen as a capital campaign. There is a huge need in the community for such funding. She noted they were approached by State legislatures for the Brooklyns to partner together for an initiative such as the one proposed. The local political commitment is important to move the project forward. Even if the application does not pass, the support can be used to secure other funding down the line.

Councilmember Graves moved and Mayor Pro Tem Butler seconded to adopt RESOLUTION NO. 2022-21; Authorizing application to Minnesota Management and Budget for $40,000,000 in State of Minnesota General Obligation Bonds Proceeds for the Community Wealth Creation through Acquisition Program.

Councilmember Lawrence-Anderson voted against the same. Motion passed.

10c. AN EMERGENCY ORDINANCE REQUIRING THE USE FACE COVERINGS IN INDOOR SPACES OF PUBLIC ACCOMMODATION WITHIN THE CITY

Dr. Edwards stated the item was meant to be presented by Mayor Elliott. He explained the Ordinance pertains to all businesses and public spaces within the City. Dr. Edwards asked City Attorney Jason Hill to explain the Ordinance further.

Mr. Hill stated the Ordinance is an expansion of the previous Ordinance. The Ordinance in question would supersede the previous Emergency Ordinance and is proposed with consideration of the COVID-19 Omicron variance. He noted the language is similar to the face-covering mandate in Minneapolis. Any type of indoor space with public accommodation would require the use of face coverings.

Mr. Hill added the Ordinance requires those aged five and up to wear a face covering, in line with the latest recommendations of the Center for Disease Control. He noted the Ordinance includes an exemption for those with disabilities, performers, athletes, and the like. The length of the mandate is 61 days unless repealed. He noted the previous Ordinance only included City buildings.

Councilmember Graves stated she would rather continue the previous Resolution they passed. She noted she is okay with raising the Ordinance to age five. Going beyond the previous Resolution is unnecessary, though it is a local trend. The Omicron variant is more contagious, but most businesses she has visited required masks to enter the premises. Implementing the proposed Ordinance is an overuse of power as the community has already been using safety measures.

Councilmember Lawrence-Anderson noted her agreement with Councilmember Graves. Based on the previous week's Friday update email, Brooklyn Center is leading Hennepin County with the number of COVID-19 cases. Councilmember Lawrence-Anderson explained she is on the fence with the issue, and she will defer to her colleagues. She explained she wants to address COVID-19 without imposing upon businesses. Requiring masks could negatively impact businesses.

Mayor Pro Tem Butler stated most stores she has gone to in the City require masks and most people are wearing masks. The community is aware the variant is more contagious. Due to the comments of Councilmember Graves, the Council will be unable to make a unanimous decision. She asked Dr. Edwards if they can end the current mandate. Dr. Edwards stated if that is the direction of the Council, then Staff can draft an Ordinance.

Mr. Hill stated the Ordinance adopted on December 9 will expire at the beginning of February without action. Dr. Edwards asked if they could continue the Ordinance form on December 9 except for changing the age requirements of the masks. Mr. Hill confirmed there was no issue with that action. The motion would be to automatically renew the December 9 Ordinance after its expiration and change the age requirements.

Councilmember Graves moved and Councilmember Lawrence-Anderson seconded to automatically renew the Ordinance passed on December 9, 2021, upon its expiration period in addition to changing the age requirement for children aged two and up to children aged five to wear face coverings.

Motion passed unanimously.

11. COUNCIL REPORT

12. ADJOURNMENT

Mayor Pro Tem Butler moved and Councilmember Graves seconded adjournment of the City Council meeting at 9:58 p.m.

Motion passed unanimously.

Council Regular Meeting

DATE: 2/14/2022

TO: City Council
FROM: Dr. Reggie Edwards, City Manager
THROUGH: N/A
BY: Alix Bentrud, Deputy City Clerk

SUBJECT: Approval of Licenses

Requested Council Action:

- *Motion to approve the licenses as presented.*

Background:

The following businesses/persons have applied for City licenses as noted. Each business/person has fulfilled the requirements of the City Ordinance governing respective licenses, submitted appropriate applications, and paid proper fees. Applicants for rental dwelling licenses are in compliance with Chapter 12 of the City Code of Ordinances, unless comments are noted below the property address on the attached rental report.

-

Mechanical Licenses

Avid Heating & Cooling	7700 County Road 110 W Minnetrista MN 55364
Blue Ox Heating & Air LLC	5720 International Pkwy New Hope MN 55428
GPI Fireplace Services LLC	735 Leon Street Jordan MN 55352
Home Energy Center	2415 Annapolis Lane N Plymouth MN 55441
JCX Heating and Cooling	5912 Washburn Ave N Brooklyn Center MN 55430
Jayhawk Mechanical Inc	3301 N 2nd Street Minneapolis MN 55412
Majestic Customs Const. DBA Majestic Custom Heating	8800 Royal Ct NW Ramsey MN 55303
Michal's HHH Inc	2779 161st Ave NW Andover MN 55304
Myles Mechanical	17522 Concord Dr Ham Lake MN 55304
Regency Plumbing Inc.	3414 Louisiana Ave N Golden Valley MN 55427

Budget Issues:

Inclusive Community Engagement:

Antiracist/Equity Policy Effect:

ATTACHMENTS:

Description	Upload Date	Type
Rental Criteria	3/16/2021	Backup Material
2-14-2022 Rental Licenses	2/8/2022	Backup Material

Property Code and Nuisance Violations Criteria		
License Category (Based on Property Code Only)	**Number of Units**	**Property Code Violations per Inspected Unit**
Type I – 3 Year	1-2 units	0-2
	3+ units	0-0.75
Type II – 2 Year	1-2 units	Greater than 2 but not more than 5
	3+ units	Greater than 0.75 but not more than 1.5
Type III – 1 Year	1-2 units	Greater than 5 but not more than 9
	3+ units	Greater than 1.5 but not more than 3
Type IV – 6 Months	1-2 units	Greater than 9
	3+ units	Greater than 3

b. Police Service Calls.

Police call rates will be based on the average number of valid police calls per unit per year. Police incidences for purposes of determining licensing categories shall include disorderly activities and nuisances as defined in Section 12-911, and events categorized as Part I crimes in the Uniform Crime Reporting System including homicide, rape, robbery, aggravated assault, burglary, theft, auto theft and arson.

Calls will not be counted for purposes of determining licensing categories where the victim and suspect are "Family or household members" as defined in the Domestic Abuse Act, Minnesota Statutes, Section 518B.01, Subd. 2 (b) and where there is a report of "Domestic Abuse" as defined in the Domestic Abuse Act, Minnesota Statutes, Section 518B.01, Subd. 2 (a).

License Category	**Number of Units**	**Validated Calls for Disorderly Conduct Service & Part I Crimes** (Calls Per Unit/Year)
No Category Impact	1-2	0-1
	3-4 units	0-0.25
	5 or more units	0-0.35
Decrease 1 Category	1-2	Greater than 1 but not more than 3
	3-4 units	Greater than 0.25 but not more than 1
	5 or more units	Greater than 0.35 but not more than 0.50
Decrease 2 Categories	1-2	Greater than 3
	3-4 units	Greater than 1
	5 or more units	Greater than 0.50

Rental Licenses for Council Approval on February 14, 2022								
Property Address	Dwelling Type	Renewal or Initial	Owner	Property Code Violations	License Type	Police CFS *	Final License Type **	Previous License Type ***
7025 Drew Ave N	Single	Initial	Home SFR Borrower LLC	0	II	N/A	II	
7124 West River Rd	Single	Initial	Segun Olataya / 7124 West River Rd	14	IV	N/A	IV	
5843 Fremont Ave N	Multi 1 Bldg 7 Units	Renewal	Fremont LLC / Stephanie Steiner	1 .14 per unit	I	0	I	II
5332-5336 Russell Ave N	2 Family 2 Units	Renewal	Douglas Ryan	1	I	0	I	II
3328 49th Ave N	Single	Renewal	Sherman Kho	5	II	0	II	II
5901 Aldrich Ave N	Single	Renewal	Home SFR Borrower LLC - met requirements	8	III	0	III	III
6106 Aldrich Ave N	Single	Renewal	Home SFR Borrower LLC	11	IV	0	IV	II
5614 Bryant Ave N	Single	Renewal	Xian Lin / Properous Property	2	I	0	I	I
5712 Bryant Ave N	Single	Renewal	Home SFR Borrower LLC	8	III	0	III	II
6215 Bryant Ave N	Single	Renewal	Tuuyen Tran	1	I	0	I	II
7211 Camden Ave N	Single	Renewal	Sean Bannerman /Bannerman Real Estate - missing CPTED inspeciton	1	I	0	IV	IV
5316 Colfax Ave N	Single	Renewal	Home SFR Borrower LLC - met requirements	3	II	0	II	III
6718 Colfax Ave N	Single	Renewal	Home SFR Borrower LLC - met requirements	24	IV	0	IV	III
6828 Fremont PL N	Single	Renewal	Ali Sajjad / 786 Homes LLC	2	I	0	I	I
7131 Halifax Ave N	Single	Renewal	Joan Gunderson / Open Hands Inc	0	I	0	I	I
7125 Kyle Ave N	Single	Renewal	Xian Lin / Prosperous Property	0	I	0	I	I
4207 Lakeside Ave #327	Single	Renewal	Rachel Petz	0	I	0	I	I
5301 Logan Ave N	Single	Renewal	MNSF II W1 LLC - met requirements	0	I	0	I	IV
5322 Logan Ave N	Single	Renewal	Mary Jo Schwanz	4	II	0	II	II
5548 Logan Ave N	Single	Renewal	Lateef Olarinde	3	II	0	II	II
5509 Lyndale Ave N	Single	Renewal	Bret Hildreth/Dragon Property Mgt	1	I	0	I	II
7225 Major Ave N	Single	Renewal	Kin Chew / Iasis III LLC	6	III	0	III	II
6400 Noble Ave N	Single	Renewal	Zamzam Gesaade - met requirements	6	III	0	III	IV
3018 Ohenry Rd	Single	Renewal	Chen Zho / Cosco Property I LLC	12	IV	0	IV	I
807 Woodbine La	Single	Renewal	Jon & Erin Green	0	I	0	I	I
6661 Xerxes Pl	Single	Renewal	Ashwin Goel / MN Housing I LLC - met requirements	3	II	0	II	III

* CFS = Calls For Service for Renewal Licenses Only (Initial Licenses are not applicable to calls for service and will be listed N/A.)

** License Type Being Issued

*** Initial licenses will not show a Type 1 = 3 Year Type II = 2 Year Type III = 1 Year

All properties are current on City utilities and property taxes

Council Regular Meeting

DATE: 2/14/2022

TO: City Council
FROM: Dr. Reggie Edwards, City Manager
THROUGH: Mike Marsh, Acting Public Works Director
BY: Mike Albers, P.E., City Engineer

SUBJECT: Resolution Accepting Work Performed and Authorizing Final Payment, Improvement Project Nos. 2021-01, 02, 03, 04 and 12, Grandview South Area Street, Storm Drainage and Utility Improvements and 53rd Avenue Utility Improvements

Requested Council Action:

- Motion to approve a resolution accepting work performed and authorizing final payment, Improvement Project Nos. 2021-01, 02, 03, 04 and 12, Grandview South Area Street, Storm Drainage and Utility Improvements and 53rd Avenue Utility Improvements.

Background:

On March 8, 2021, the City Council awarded Improvement Project Nos. 2021-01, 02, 03, 04 and 12 to Ryan Contracting Company of Elko, Minnesota for construction of the Grandview South Area Street, Storm Drainage, and Utility Improvements and 53rd Avenue Utility Improvements. Ryan Contracting Company has successfully completed the construction work and is requesting final payment for the project.

Budget Issues:

The original contract amount with Ryan Contracting Company for the project improvements was $8,754,418.75. The total value of work certified for final payment is $8,456,800.80. The total project cost including contingencies/administration/engineering/legal is $8,965,558.76 and was completed 15.5 percent under budget in the amount of $1,647,663.69. The attached resolution provides a summary of the final amended costs and funding sources for the project.

Inclusive Community Engagement:

N/A

Antiracist/Equity Policy Effect:

N/A

Strategic Priorities and Values:

Key Transportation Investments

ATTACHMENTS:

Description	Upload Date	Type
Resolution	2/8/2022	Cover Memo

Member introduced the following resolution and moved its adoption:

RESOLUTION NO. _____

RESOLUTION ACCEPTING WORK PERFORMED AND AUTHORIZING FINAL PAYMENT, IMPROVEMENT PROJECT NOS. 2021-01, 02, 03, 04 AND 12, GRANDVIEW SOUTH AREA STREET, STORM DRAINAGE AND UTILITY IMPROVEMENTS AND 53RD AVENUE UTILITY IMPROVEMENTS

WHEREAS, pursuant to a written contract signed with the City of Brooklyn Center, Minnesota, Ryan Contracting Company of Elko, Minnesota has completed the following improvements in accordance with said contract:

Improvement Project Nos. 2021-01, 02, 03, 04 and 12, Grandview South Area Street, Storm Drainage and Utility Improvements and 53rd Avenue Utility Improvements

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Brooklyn Center, Minnesota, that

1. Final payment shall be made on Improvement Project Nos. 2021-01, 02, 03, 04 and 12, Grandview South Area Street, Storm Drainage and Utility Improvements and 53rd Avenue Utility Improvements, taking the contractor's receipt in full. The total amount to be paid for said improvements under said contract shall be $8,456,800.80.

2. The estimated project costs and revenues are hereby amended as follows:

COSTS	As Original Award	As Final
Contract	$ 8,754,418.75	$ 8,456,800.80
Lighting	$ 8,903.70	$ 8,903.70
Contingency	$ 875,900.00	$ 1,050.48
Subtotal Construction Cost	$ 9,639,222.45	$ 8,466,754.98
Admin/Legal/Engr.	$ 974,000.00	$ 498,803.78
Total Estimated Project Cost	$10,613,222.45	$ 8,965,558.76

RESOLUTION NO. _____

REVENUES	As Original Award	As Final
2021-01, 02, 03 & 04: Grandview South Area		
Street Assessment	$ 1,178,450.57	$ 1,178,450.57
Storm Drainage Assessment	$ 371,712.12	$ 371,712.12
Sanitary Sewer Utility	$ 1,697,264.50	$ 1,490,731.60
Water Utility Fund	$ 1,979,421.00	$ 1,728,400.95
Storm Drainage Utility Fund	$ 724,559.88	$ 474,920.83
Street Light Utility	$ 14,803.70	$ 9,602.02
Street Reconstruction Fund	$ 2,688,182.68	$ 1,753,627.67
Municipal State Aid (MSA) Fund	$ 1,517,347.25	$ 1,517,347.25
CenterPoint Energy	$ 26,610.00	$ 25,340.00
Miscellaneous (plan sales)	$ 320.00	$ 875.00
Subtotal Grandview South Revenue	$10,198,671.70	$ 8,551,008.01
2021-12: 53rd Avenue		
Sanitary Sewer Utility	$ 147,516.00	$ 147,516.00
Water Utility Fund	$ 29,632.00	$ 29,632.00
Storm Drainage Utility Fund	$ 4,750.00	$ 4,750.00
Municipal State Aid (MSA) Fund	$ 232,652.75	$ 232,652.75
Subtotal 53rd Avenue Revenue	$ 414,550.75	$ 414,550.75
Total Estimated Revenue	$10,613,222.45	$ 8,965,558.76

February 14, 2022
Date

_____
Mayor

ATTEST: _____
City Clerk

The motion for the adoption of the foregoing resolution was duly seconded by member

and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:
whereupon said resolution was declared duly passed and adopted.

Council Regular Meeting

DATE: 2/14/2022

TO: City Council
FROM: Dr. Reggie Edwards, City Manager
THROUGH: Mike Marsh, Acting Public Works Director
BY: Mike Albers, P.E., City Engineer

SUBJECT: Resolution Approving and Authorizing Execution of a Joint Powers Agreement with the City of Minneapolis for the improvement of a portion of 53rd Avenue North (Penn Avenue North to Mississippi Drive North)

Requested Council Action:

- Motion to approve a resolution approving and authorizing execution of a Joint Powers Agreement with the City of Minneapolis for the improvement of a portion of 53rd Avenue N (Penn Avenue North to Mississippi Drive North).

Background:

In accordance with the City's Capital Improvements Plan (CIP), the area referred to as the 53rd Avenue Mill and Overlay from Penn Avenue North to Mississippi Drive North has been programmed for improvements in 2021 and 2022.

53rd Avenue North is the border between Brooklyn Center and Minneapolis and is designated as a Municipal State Aid (MSA) Route. The CIP calls for 53rd Avenue North to be improved full depth pavement replacement which was last reconstructed in 1985. The City of Minneapolis is recommending a 2-inch mill and overlay rather than a full depth pavement replacement. Minneapolis's Public Works Transportation Planning and Programing department is also recommending the installation of a bikeway facility on 53rd Avenue North between Penn Avenue North and Lyndale Avenue North. Implementing this connector bikeway on this segment of 53rd Avenue North will fill an important gap in Minneapolis' existing Bicycle network as identified in the All Ages and Abilities Network in Minneapolis's 10-year Transportation Action Plan. This recommendation would change 53rd Avenue North from a two-lane configuration with parking lanes that alternates between the north and south side of the road to a two-lane configuration with eastbound and westbound bike lanes between Penn Avenue North and Lyndale Avenue North.

On January 25, 2021, the City Council established the improvement project and directed staff to prepare plans and specifications for the project. The project's utility and concrete improvements were completed in 2021. On January 24, 2022, the City Council approved the construction plans, specifications, and contract documents for the 2022 pavement rehabilitation (mill and overlay) and bikeway facilities on 53rd Avenue North between Penn Avenue North and Lyndale Avenue North.

To memorialize Minneapolis's participation for the mill an overlay project, the City of Brooklyn Center and the City of Minneapolis are proposing to enter into a Joint Powers Agreement that details the cost responsibilities of each party (see attached). The agreement specifies that the City of Brooklyn Center will

act as the project lead and will be reimbursed by the City of Minneapolis for eligible cost. Each city shall be responsible for paying 50% of all Project costs for the mill and overlay portion of the project. This agreement is typical of past joint Minneapolis partnership projects. The document has been reviewed by Public Works and City Attorney's Office staff.

The City of Brooklyn Center and the City of Minneapolis have an existing Joint Powers Agreement for the maintenance of 53rd Ave N from Xerxes Avenue N to Mississippi Dr N. Any cost or expense in connection to the maintenance of the aforesaid streets after the mill and overlay project is completed shall be done in accordance with the maintenance JPA.

Budget Issues:

The total project cost is estimated to be $1,569,000. Funding sources for the project were budgeted from sources as described in the Capital Improvement Program. The funding source amounts for the mill and overlay project are estimated as listed below:

	Estimated Amount (1/24/22)
Sanitary Sewer Utility Fund (2021)	$150,000.00
Water Utility Fund (2021)	$30,000.00
Storm Drainage Utility Fund (2021)	$10,000.00
Street Light Utility Fund (2021)	$0.00
Municipal State Aid Fund (2021)	$240,000.00
Municipal State Aid Fund (2022)	$570,000.00
City of Minneapolis Funding (2022)	$569,000.00
Total	$1,569,000.00

Inclusive Community Engagement:

N/A

Antiracist/Equity Policy Effect:

N/A

Strategic Priorities and Values:

Key Transportation Investments

ATTACHMENTS:

Description	Upload Date	Type
Resolution	2/8/2022	Cover Memo
Agreement	2/8/2022	Cover Memo

Member introduced the following resolution and moved its adoption:

RESOLUTION NO. _____

RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A JOINT POWERS AGREEMENT WITH THE CITY OF MINNEAPOLIS FOR THE IMPROVEMENT OF A PORTION OF 53RD AVENUE NORTH (PENN AVENUE NORTH TO MISSISSIPPI DRIVE NORTH)

WHEREAS, the City of Brooklyn Center ("Brooklyn Center") and the City of Minneapolis ("Minneapolis") desire to undertake a project to construct certain improvements on a portion of 53rd Avenue North between Penn Avenue North and Mississippi Drive North ("**Project Area**") including, but not limited to, milling and paving, installing bicycle facilities (striping and signs), and other related improvements (collectively, the "**Project**"); and

WHEREAS, the Project is multi-jurisdictional, involving Brooklyn Center and Minneapolis; and

WHEREAS, Brooklyn Center's Capital Improvement Program identifies the 53rd Avenue North roadway improvements between Penn Avenue North and Mississippi Drive North to be constructed in 2022; and

WHEREAS, preliminary planning and design of the project have commenced with Brooklyn Center taking the lead as the project manager; and

WHEREAS, Brooklyn Center and Minneapolis desire to set forth their various construction and funding responsibilities in a Joint Powers Agreement.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Brooklyn Center, Minnesota, that:

1. The Joint Powers Agreement with the City of Minneapolis for the improvement of a portion of 53rd Avenue North (Penn Avenue North to Mississippi Drive North) is hereby accepted and approved. The Mayor and City Manager are hereby authorized and directed to execute a final Agreement and any amendments.

February 14, 2022
Date

_____
Mayor

ATTEST: _____
City Clerk

RESOLUTION NO. _____

The motion for the adoption of the foregoing resolution was duly seconded by member

and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:
whereupon said resolution was declared duly passed and adopted.

JOINT POWERS AGREEMENT FOR THE IMPROVEMENT OF A PORTION OF 53rd AVENUE NORTH
(PENN AVENUE NORTH TO MISSISSIPPI DRIVE NORTH)

This Joint Powers Agreement for the Improvement of a Portion of 53rd Avenue North ("**Agreement**") is made and entered into this____ day of _____ 2022 and between the City of Brooklyn Center, Minnesota, a municipal corporation, ("**Brooklyn Center**") and the City of Minneapolis, Minnesota, a municipal corporation ("**Minneapolis**"). Brooklyn Center and Minneapolis may hereinafter be referred to individually as a "party" or collectively as the "parties."

RECITALS

A. The portion of 53rd Avenue North between Xerxes Avenue North and Mississippi Drive North is a common boundary street that is maintained under a separate maintenance agreement between the parties.

B. The parties desire to undertake a project to construct certain improvements on the portion of 53rd Avenue North between Penn Avenue North and Mississippi Drive North ("**Project Area**") including, but not limited to, milling and paving, installing bicycle facilities (striping and signs), and other related improvements (collectively, the "**Project**"). The Project includes project development, preliminary and final engineering plans, administration, construction, inspection, and all other cost and work items described herein.

C. Each of the parties also intend to replace damaged curb and gutter and upgrade ADA pedestrian ramps on the portions of the street located within their jurisdictional boundaries, and to upgrade their respective sewer infrastructure in the Project Area (collectively, for each party, the "**Separate Improvements**").

D. The parties desire to set out their respective obligations regarding the completion of the Project and constructing the Separate Improvements.

E. Minnesota Statutes, section 471.59 authorizes two or more governmental units to enter into agreements to jointly or cooperatively exercise any power common to the contracting parties or any similar power, including the joint undertaking of improvements such as those contemplated in this Agreement.

F. The parties intend to undertake the Project and share costs as provided in this Agreement.

AGREEMENT

In consideration of the mutual undertakings and understandings expressed herein, the parties hereby agree as follows:

1. Preliminary Design. The parties agree to address the preliminary design of the Project as provided in this section.

(a) Brooklyn Center agrees to provide for the surveys, data collection, and preparation of plans for preliminary design.

(b) Each party shall be responsible for conducting informational meetings for public review, input, and comment in their own cities.

(c) Minneapolis will develop proposals for the bicycle facilities and coordinate outreach related to the bicycle facilities.

(d) Brooklyn Center will coordinate the development of the preliminary design and will present it for approval by each party.

2. Final Design. Brooklyn Center shall be responsible for completion of the final design for the Project, including the preparation of plans and specifications (collectively, the "**Plans**"). Brooklyn Center will present the Plans for approval by each party. Advertisement for bids on the Project shall not be released until both parties have approved the Plans.

3. Contracting. Brooklyn Center shall be responsible for advertising, receiving, opening, and letting the contract for the Project as provided in this section.

(a) Brooklyn Center will provide Minneapolis a copy of the bids once they are opened. Minneapolis may provide written comments within 7 days of receipt of the bids, but Brooklyn Center will make the final decision as to the responsiveness of the bids and shall determine which contractor ("**Contractor**") qualifies as the lowest responsible bidder under law. The parties anticipate the total cost of the Project will not exceed $961,083.00 based upon estimated administrative costs and total bid price for the Project as shown in Table 1 of Exhibit B. If either party determines that, based on the bid price received, this total cost will be exceeded, Brooklyn Center will not award the contract unless the parties agree in writing to increase the anticipated total Project cost. Any such written agreement shall be incorporated in and made part of this Agreement.

(b) Brooklyn Center shall be responsible for developing the contract documents, including the contract with the selected Contractor ("**Construction Contract**"). Brooklyn Center shall incorporate Minnesota Department of Transportation standard specifications, rules and contract administration procedure into its Construction Contract and ensure that the project meets all requirements for cost reimbursement through the Municipal State Aid (MSA) program.

(c) Brooklyn Center shall require the Contractor to name Minneapolis as an additional insured on its commercial general liability insurance policy.

4. Project Administration. Brooklyn Center shall be responsible for administering all aspects of the Project including, but not limited to, construction engineering, contract administration, State Aid and other agency submittals, staking and inspection, and contract

management.

5. Project Financing. Each party is responsible for financing and paying for their respective portions of the Project costs as provided in this Agreement. Minneapolis intends to specially assess a portion of its Project costs and is solely responsible for undertaking the procedures for such assessments in accordance with Minnesota Statutes, chapter 429 and its codes, policies, and regulations. Brooklyn Center intends to utilize State Aid to pay its Project costs and is solely responsible for undertaking such procedures as may be required to secure such financing and comply with the associated requirements.

6. Division of Project Costs. The parties agree they shall each be responsible for paying 50% of all Project costs (collectively, the "**Project Costs**"). Project Costs shall include all of the following costs: surveys and data collection; traffic studies; preparation of drawings and exhibits; preliminary and final design; preparation of plans and specifications; contract administration; State Aid submittals; administrative and legal costs; consulting engineering fees as needed; private utility costs; testing; and all contract construction costs. Project Costs do not include the costs associated with installing the Separate Improvements.

7. Invoicing for Project Costs. Brooklyn Center shall bill Minneapolis for its share of the Project Costs as provided in this section.

   (a) Brooklyn Center will invoice Minneapolis for its portion of the Project Costs based on its quantity price and administrative costs as indicated above. The parties understand and agree Brooklyn Center's pre-bid cost estimates are only estimates and that the actual quantity price may be more or less than the figures shown in the estimate.

   (b) Minneapolis shall pay the invoices in full within 30 days of receipt. If Minneapolis has a question regarding any portion of an invoice it receives, the remainder of the invoice shall be promptly paid and include a written explanation of the amounts in question. Payment of any amounts in dispute will be made following good faith negotiation and documentation of actual costs incurred in carrying out the work.

   (c) Final payment on the Construction Contract shall occur only after final acceptance of improvements by the parties.

8. Separate Improvements. Each party shall be responsible for constructing their respective Separate Improvements at its own cost. Construction of the Separate Improvements may occur in advance of the Project.

9. Maintenance of Improvements. Improvement constructed as part of the Project shall be maintained in accordance with the separate maintenance agreement the parties entered into for maintenance of the street in the Project Area. Each party shall be responsible for the Separate Improvements it installs as shown in Exhibit A.

10. Compliance with Laws. The parties agree to comply with all applicable federal, state, and local laws in carrying out their respective obligations under this Agreement. This

Agreement shall be construed and enforced according to the laws of Minnesota.

11. Cooperative Activity. To the fullest extent permitted by law, all activities by the Parties under this Agreement are intended to be and shall be construed as a "cooperative activity," and it is the intent of the Parties that they shall be deemed a "single governmental unit" for the purposes of determining total liability, as set forth in Minnesota Statutes, section 471.59, subd. 1a. Nothing in this Agreement is intended to alter, or shall be interpreted as altering, the treatment of the Parties as a single governmental unit. For purposes of Minnesota Statutes, section 471.59, subdivision 1a, each Party expressly declines responsibility for the acts or omissions of the other Party.

12. Insurance and Indemnification. The Parties shall carry policies of liability insurance in at least the amounts specified as the extent of their individual liability under Minnesota Statutes, section 466.04, as amended. Nothing herein shall be deemed to waive any statutory limits of liability granted to the Parties. Each Party agrees to defend, indemnify and hold harmless (including reasonable attorney's fees) the other Party, their elected officials, officers, agents and employees from any liability, claims, demands, damages, personal injury, costs, judgments or expenses arising from any act or omission of the indemnifying Party relating to the Project. Neither Party shall be required to pay to the other Party any amount as indemnification under this Agreement, whether arising pursuant to this Agreement, expressly, by operation of law or otherwise, in excess of the limits of liability applicable to the indemnifying Party under Minnesota Statutes, Chapter 466, or in the event that Minnesota Statutes, Chapter 466 does not apply, the maximum amount of insurance coverage available to the indemnifying Party. In those instances in which a Party is directly liable for damages as well as for indemnification to the other Party, the combined liability of the indemnifying Party shall not exceed the limits of liability under Minnesota Statutes, Chapter 466 or, in the event that Minnesota Statutes, Chapter 466 does not apply, the maximum amount of insurance coverage available to the indemnifying Party.

13. Notices. Any notices or correspondence required to be given under this Agreement or any statute or ordinance shall be in writing and shall be deemed to be given if delivered personally or mailed postage-prepaid by certified mail, return receipt requested:

(a) As to Minneapolis:
Lawrence Matsumoto, PE
1901 East 26th Street
Minneapolis, Minnesota 55404

(b) As to Brooklyn Center:
Mike Albers
6301 Shingle Creek Parkway
Brooklyn Center, MN 55430

or at such other address as either party may, from time to time, notify the other in writing in accordance with this paragraph.

14. Term. This Agreement is effective as of the Effective Date indicated above and shall continue in effect until the Project is completed, all work is accepted and all required payments have been made. The indemnification and audit obligations shall survive the termination of this Agreement.

15. Employees; Worker's Compensation. Any and all employees of each Party and all other persons engaged by that Party in the performance of the Work or any other work or services required or contemplated by this Agreement shall not be considered employees of the other Party. Any and all claims that might arise under the Worker's Compensation Act or the Unemployment Compensation Act of the State of Minnesota on behalf of said employees while so engaged, and any and all claims made by any third parties as a consequence of any act or omission on the part of said employees while so engaged, shall in no way be the obligation or responsibility of the other Party.

16. Miscellaneous Provisions.

(a) Nonwaiver. If either party waives any default or non-performance by the other party in writing, such waiver shall be deemed to apply only to such event and shall not waive any other prior or subsequent default.

(b) Preamble and Recitals. The preamble and recitals set forth on page one of this Agreement are incorporated into and made a part of this Agreement.

(c) Entire Agreement. This Agreement and its Exhibits attached hereto, if any, evidence the entire agreement between the parties relating to the subject matter addressed herein and supersedes all other prior agreements and understandings, written or oral, between the parties.

(d) Amendment. Any alterations, variations, modifications, or waivers of provisions of this Agreement shall only be valid when they have been reduced to writing as an amendment to this Agreement signed by the parties hereto or their successors.

(e) Paragraph and Section Headings. The paragraph and section headings used in this Agreement have no legal significance and are used solely for convenience of reference.

(f) Contract Administration. To the degree permitted by state law, Minneapolis designates Brooklyn Center as its representative authorized to act on Minneapolis's behalf with respect to this Agreement and delegates to Brooklyn Center such authority as is needed to carry out the purpose of this Agreement.

(g) Limitations. This Agreement is not intended to and shall not create rights of any character whatsoever in favor of any person, corporation, association or entity other than the parties to this Agreement and their successors and assigns, and the obligations herein assumed are solely for the use and benefit of the

parties to this Agreement and their successors and assigns.

(h) Non-Assignment. The parties hereto agree that neither party shall assign, sublet, transfer or pledge this Agreement and/or the services to be performed hereunder, whether in whole or in part, without the prior written consent of the non-assigning party. This non-assignment shall not apply to the hiring of professional services firms (Consultants) to perform services associated with the project.

(i) Counterparts. For the convenience of the parties, any number of counterparts hereof may be executed and each such executed counterpart shall be deemed an original, but all such counterparts together shall constitute one in the same Agreement.

(j) Data Practices. Data provided to either party or received from either party under this Agreement shall be administered in accordance with the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter13.

(k) Audit. Pursuant to Minnesota Statutes, section 16C.05, subdivision 5, any books, records, documents, and accounting procedures and practices of each Party relevant to the Agreement are subject to examination by the other Party and either the Legislative Auditor or the State Auditor as appropriate. The Parties agree to maintain these records for a period of at least six years from completion of the Project.

(l) Severability. In the event that any provision of this Agreement is held to be invalid, illegal or unenforceable by any court of competent jurisdiction, such holding shall pertain only to such section and shall not invalidate or render unenforceable any other provision of this Agreement.

[The remainder of this page is intentionally blank.]

IN TESTIMONY WHEREOF, the City of Minneapolis has caused this Agreement to be executed the day and year first above written.

CITY OF MINNEAPOLIS

Approved by: _____
Department Head responsible for
Contract Monitoring for this contract

_____
Date

Approved by: _____
Finance Officer

_____
Date

Approved as to Form: _____
Assistant City Attorney

_____
Date

IN TESTIMONY WHEREOF, the City of Brooklyn Center has caused these presents to be executed the day and year first above written.

_____
Mayor of Brooklyn Center

_____
City Manager of Brooklyn Center

Exhibit A
Separate and Project Improvements

City of Brooklyn Center Scope of Work (north half of North 53rd Avenue); No Cost Sharing:

1. Select curb and gutter replacement
2. Minimal storm sewer improvements
3. Minimal water system improvements
4. ADA pedestrian corner upgrades

City of Minneapolis Scope of Work (south half of North 53rd Avenue); No Cost Sharing:

1. Select curb and gutter replacement
2. Minimal storm sewer improvements
3. Minimal water system improvements
4. ADA pedestrian corner upgrades

Brooklyn Center scope of work (North 53rd Avenue); 50/50 Cost Sharing:

1. Create design plans, specifications and bidding document for the mill and overlay on North 53rd Avenue (from Penn Avenue N to Lyndale Avenue N (east frontage road), including a new bike lane complete with striping, images and signs for this new bike lane.
2. Bidding, contract award and execution of a contract for North 53rd Avenue (from Penn Avenue N to Lyndale Avenue N (east frontage road) to be milled and overlaid. Settlement of any change orders or supplemental agreements as a part of this contract.
3. Construction management and administration, testing and inspection and documentation of work performed.
4. Milling and installation of a new 2-inch asphalt wear surface.
5. Installation of new bike lanes; complete with traffic lane marking, images, signs and permanent bollards.
6. Communication to property owners along the corridor as necessary.

Exhibit B

Table 1. Project Cost
53rd Avenue Mill and Overlay
BC Project No. 2021-12

Engineer's Estimate
January 6, 2022

	Streets	Estimated Total
Estimated Expenditures		
Estimated Construction Cost Street & Utility	$760,083.00	$760,083.00
Contingencies (10%)	$76,000.00	$76,000.00
Administration, Engineering, Legal (15%)	$125,000.00	$125,000.00
Total Estimated Project Costs	$961,083.00	$961,083.00
Estimated Funding		
Minneapolis Funding	$480,541.50	$480,541.50
Brooklyn Center Funding (MSA)	$480,541.50	$480,541.50
Total Estimated Funding	$961,083.00	$961,083.00

Council Regular Meeting

DATE: 2/14/2022

TO: City Council
FROM: Dr. Reggie Edwards, City Manager
THROUGH: Michael Marsh, Public Works Director Mike Albers, City Engineer
BY: Cynthia Majors, Public Works Admin Technician

SUBJECT: Resolution Declaring a Public Nuisance and Ordering the Removal of Dead Trees at Certain Properties in Brooklyn Center, Minnesota

Requested Council Action:

- Motion to approve a resolution Declaring a public nuisance and ordering the removal of dead/diseased trees at certain properties as listed in the resolution.

Background:

The attached resolution represents the official City Council action required to expedite removal of diseased trees that were recently marked by the City Tree Inspector. The City has maintained a policy of removing and properly disposing of diseased trees in order to prevent tree diseases from spreading throughout the community. The removal of diseased trees is defined in City Ordinance Chapter 20-301 to 20-306. Although the City has historically focused on Dutch Elm disease, other transmissible diseases and infestations are addressed as well.

Property owners are given the opportunity to remove the diseased tree on their own or enter into an agreement to allow the City to remove the diseased tree. Where an agreement with the property owner is executed, a minimal administrative charge of $50 is applied to the costs associated with the tree removal.

After a diseased tree is declared a public nuisance by the City Council, another Compliance Notice will be provided to the property owner allowing additional time, at least five (5) days, for voluntary correction, again providing an option for an agreement with the City. If the property owner does not correct the violation or enter into an agreement, the City will remove the diseased tree. An administrative abatement service charge will be imposed based on the cost of the abatement, with a minimum charge of $150.

Budget Issues:

The City's share of the cost of removal for diseased trees within the public right-of-way and on City property is included in the 2022 budget under the Public Works Forestry operating budget. The cost of removal for diseased trees located on private property is the responsibility of the respective property owner, and if unpaid, is specially assessed to the property.

Inclusive Community Engagement:

Antiracist/Equity Policy Effect:

Strategic Priorities and Values:

Safe, Secure, Stable Community

ATTACHMENTS:

Description	Upload Date	Type
Resolution	2/8/2022	Cover Memo

Member introduced the following resolution and moved its adoption:

RESOLUTION NO. _____

RESOLUTION DECLARING A PUBLIC NUISANCE AND ORDERING THE REMOVAL OF DEAD TREES AT CERTAIN PROPERTIES IN BROOKLYN CENTER, MINNESOTA

WHEREAS, Brooklyn Center City Code Section 20-202 and 19-101 thru 19-106, declares any dead tree a public nuisance and provides for abatement by the City if not corrected by the property owner; and

WHEREAS, removal of dead trees and abatement of the public nuisance is necessary to prevent the hazard and to protect the safety of the public in neighborhoods; and

WHEREAS, a Notice to Abate Nuisance and a Dead Tree Removal Agreement has been issued to the owners of certain properties in the City of Brooklyn Center giving the owners ten (10) days to remove dead trees on the owners' property; and

WHEREAS, the City can expedite the removal of these dead trees by declaring them a public nuisance.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Brooklyn Center, Minnesota, that:

1. The dead tree at the following address is hereby declared to be a public nuisance.

Property Address	Tree Type	Tree Number
3212 QUARLES RD	MAPLE	43
6920 EMERSON AVE N	ASH	74
5715 KNOWX AVE N	ASH	76
5700 GIRARD AVE N	ASH	77, 78,79
5613 IRVING AVE N	ASH	80
5410 FRANCE AVE N	ASH	82
6413 JUNE AVE N	ASH	86

2. After ten (10) days from the date of the initial notice, the property owner(s) was notified of the council action regarding the determination by the City Council declaring the dead tree a public nuisance.

3. The property owner(s) will receive a final written notice providing five (5) business days in which to contest the determination of the City Council by requesting, in writing, a hearing. Said request shall be filed with the City Clerk.

4. After five (5) days, if the property owner fails to request a hearing, the tree(s) shall be removed by the City. The cost of abatement shall be recorded and become the

personal responsibility of the owner of record. If unpaid, the costs shall be specially assessed to the property in accordance with city codes and Minnesota Statutes Chapter 429.

RESOLUTION NO. _____

_____ _____

Date Mayor

ATTEST: _____
City Clerk

The motion for the adoption of the foregoing resolution was duly seconded by member

and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:
whereupon said resolution was declared duly passed and adopted.

Council Regular Meeting

DATE: 2/14/2022

TO: City Council
FROM: Dr. Reggie Edwards, City Manager
THROUGH: Meg Beekman, Economic Development Director
BY: Vong Thao, Economic Development Coordinator

SUBJECT: Resolution Approving Lease Agreement with Phu Bia Produce LLC for City-owned property at 1350B Shingle Creek Crossing

Requested Council Action:

-Motion to approve a resolution approving commercial lease agreement with Phi Bia Produce Limited Liability Company to lease City-owned retail property located at 1350B Shingle Creek Crossing

Background:

1350B Shingle Creek Crossing is a vacant shell space which was constructed by the City when the municipal liquor store was built. The intent of the shell space is to provide brick and mortar space for small business owners and maintaining commercial affordability in Brooklyn Center.

At their January 24, 2022, meeting the EDA approved a $70,000 commercial build out loan to Phu Bia Produce LLC with the condition of executing a lease agreement between Phu Bia Produce LLC and City of Brooklyn Center for the use of this space.

The project scope consists of new flooring, painted walls, walk in cooler, expanding back exit doors for accessibility of pallets and installation of a brand new bathroom.

The City of Brooklyn Center will be charging a base rate of fifteen dollars ($15) per square foot for the space, this is inclusive of any common area maintenance fees. Gross leasable area is three thousand five hundred (3,500) square feet. Monthly rent collected from Phu Bia Produce LLC is four thousand three hundred and seventy five dollars ($4,375). Rent payment will be due the first of each month. Rent shall start on February 15, 2022 and expired on January 31, 2027. There is an option of renewal for an additional five years once initial lease has expired. In lieu of a build-out allowance, six and a half months of rent will be waived in order to support cashflow and minimize start up expenses.

Currently, the shell space is empty and underutilize. Having a tenant in the shell space at this time would occupy a vacant space and generate a source of revenue to further support commercial affordability efforts in the City of Brooklyn Center. Rent collected will be used to offset the costs of construction towards shell space.

Mai Y Lor is a woman of color who would be selling fresh fruits and vegetables in Brooklyn Center. She will be bringing in goods from all over the world and become a strong contributor to healthy food ecosystem in Brooklyn Center.

Budget Issues:

No Budget Consideration

Inclusive Community Engagement:

Business will be woman and BIPOC owned.

Antiracist/Equity Policy Effect:

Business will be a contributor to Brooklyn Center healthy food ecosystem.

Strategic Priorities and Values:

Enhanced Community Image, Resident Economic Stability

ATTACHMENTS:

Description	Upload Date	Type
Resolution to Lease Shell Space	2/9/2022	Resolution Letter
Lease Agreement of Shell Space	2/9/2022	Backup Material

Commissioner _____ introduced the following resolution and moved its adoption:

EDA RESOLUTION NO._____

RESOLUTION APPROVING TERMS OF LOAN TO PHU BIA PRODUCE LIMITED LIABILITY COMPANY FROM EDA REVOLVING LOAN FUND AND AUTHORIZING EXECUTION OF LOAN DOCUMENTS

BE IT RESOLVED BY the Board of Commissioners of the Economic Development Authority of Brooklyn Center, Minnesota (the "Board"), as follows:

1. Revolving Loan Program. The Economic Development Authority of Brooklyn Center, Minnesota (the "EDA") previously approved a Revolving Loan Fund Program (the "Program"), which is administered by the EDA pursuant to its adopted policies, procedures, and guidelines.

2. Request for Loan. Phu Bia Produce Limited Liability Company, a Minnesota limited liability company (the "Borrower"), has submitted a Program application requesting assistance to help finance certain physical improvements to the building located at 1350 Shingle Creek Crossing, Brooklyn Center, Minnesota, including a walk-in cooler, restrooms, sidings and polishing of exiting concrete floor deemed necessary for the operation of a retail store used for produce distribution (the "Project").

3. Board Approval; Proposed Terms of Loans. The loan ("Loan") is to be made from Program funds in the amount of $70,000 at an interest rate of 1.25% per annum. The Loan will be amortized over seven years with the first monthly payment due on August 1, 2022. The Loan will be secured by a Promissory Note and Security Agreement from the Borrower, together with a personal guaranty from the owner of the Borrower. The Board hereby approves the Loan proposed to be provided to Borrower under the Program.

4. Loan Documents and Execution Approved. The EDA has caused a Loan Agreement, Security Agreement, Personal Guaranty, and Promissory Note to be drafted for the above-described Loan (the "Loan Documents"). The Board hereby authorizes the President and Executive Director to finalize and execute the Loan Documents.

January 24, 2022
Date

_____
President

The motion for the adoption of the foregoing resolution was duly seconded by Commissioner

and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

CITY OF BROOKLYN CENTER
COMMERCIAL LEASE AGREEMENT

This Lease Agreement made the ____ day of _____, 20____, by and between City of Brooklyn Center, 6301 Shingle Creek Parkway, Brooklyn Center, Minnesota, hereinafter referred to as "Lessor", and Phu Bia Produce Limited Liability Company, a Minnesota limited liability company, 1350 Shingle Creek Crossing, Brooklyn Center, Minnesota, hereinafter referred to as "Lessee." Lessor and Lessee, collectively referred to herein as the “Parties”, agree as follows:

1. **DESCRIPTION OF LEASED PREMISES**: The Lessor agrees to lease to the Lessee approximately 3,500 square feet (SF) of retail/commercial located at 1350B Shingle Creek Crossing, Brooklyn Center, State of Minnesota, hereinafter referred to as the “Premises”.

2. **USE OF LEASED PREMISES**: The Lessor is leasing the Premises to the Lessee and the Lessee is hereby agreeing to lease the Premises for the following use and purpose: Retail store and distribution of produce.

Any change in use or purpose to the Premises other than as described above shall be upon prior written consent of Lessor only.

3. **TERM OF LEASE**: The term of this Lease shall be for a period of ____ year(s) ____ month(s) commencing on the ____ day of _____, 20____ and expiring at Midnight on the ____ day of _____, 20____. (“Initial Term”).

4. **BASE RENT**: The net monthly payment shall be four thousand three hundred seventy-five dollars ($4,375.00), payable monthly with the first payment due on August 1, 2022 and each monthly installment due thereafter on the 1st day of each month payable by the 10th of each month. Said net monthly payment is-hereafter referred to as the “Base Rent". Rent for any period during the term hereon, which is for less than 1 month shall be a pro-rata portion of the monthly rent.

5. **OPTION TO RENEW**: (Check One)

☐ - Lessee may not renew the Lease.

☐ - Lessee may have the right to renew the Lease with a total of ____ renewal period(s) with each term being ____ year(s) ____ month(s) which may be exercised by giving written notice to Lessor no less than

60 days prior to the expiration of the Lease or respective renewal period.

Rent for each option period shall: (Check One)

☐ - Not increase.

☐ - Shall be based on the current market rates for comparable premises provided that the Base Rent upon the Renewal Term shall not increase by more than 3% above the Base Rent payable in the immediately preceding year.

6. **EXPENSES**: [Check and Initial whether this Lease is Gross, Modified Gross, or Triple Net (NNN)]

☐ - **GROSS**. Tenant's Initials _____ Landlord's Initials _____

It is the intention of the Parties that this Lease be considered a "Gross Lease" and as such, the Base Rent is the entirety of the monthly rent. Therefore, the Lessee is not obligated to pay any additional expenses which includes utilities, real estate taxes, insurance (other than on the Lessee's personal property), charges or expenses of any nature whatsoever in connection with the ownership and operation of the Premises. The Lessor shall be obligated to maintain the general exterior structure of the Premises, in addition, shall maintain all major systems such as the heating, plumbing, and electrical. The parking area shall be maintained by the Lessor including the removal of any snow or environmental hazards as well as the grounds and lands surrounding the Premises. The Lessor shall maintain at their expense casualty insurance for the Premises against loss by fire which may or may not include any extended coverage. The Lessee will provide and maintain personal liability and property damage insurance as a lessee, at least to the limits of $1,500,000.00 per occurrence, that will designate the Lessor as an "also named insured", and shall provide the Lessor with a copy of such insurance certification or policy prior to the effective date of this Lease.

☐. **MODIFIED GROSS**. Tenant's Initials _____ Landlord's Initials _____

It is the intention of the Parties that this Lease shall be considered a "Modified Gross Lease".

In addition to the Base Rent, the Lessee shall be obligated to pay the following monthly expenses: Electricity, Gas, Water/Sewer, Plumbing maintenance (grease traps, drainage and pipes maintenance), Electrical maintenance, other minor repairs.

Lessor shall pay the following monthly expenses: Snow removal, Trash service, Parking lot maintenance, HVAC maintenance.

☐. **TRIPLE NET (NNN)**. Tenant's Initials _____ Landlord's Initials _____

It is the intention of the Parties that this Lease shall be considered a "Triple Net Lease".

I. Operating Expenses. The Lessor shall have no obligation to provide any services, perform any acts, or pay expenses, charges, obligations or costs of any kind whatsoever with respect to the Premises. The Lessee hereby agrees to pay one-hundred percent (100%) of any and all Operating Expenses as hereafter defined for the entire term of the Lease and any extensions thereof in accordance with specific provisions hereinafter set forth. The term "Operating Expenses" shall include all costs to the Lessor of operating and maintaining the Premises, and shall include, without limitation, real estate and personal property taxes and assessments, management fee(s), heating, air conditioning, HVAC, electricity, water, waste disposal, sewage, operating materials and supplies, service agreements and charges, lawn care, snow removal, restriping, repairs, repaving, cleaning and custodial, security, insurance, the cost of contesting the validity or applicability of any governmental acts which may affect operating expenses, and all other direct operating costs of operating and maintaining the Premises and related parking areas, unless expressly excluded from operating expenses.

II. Taxes. Lessee shall pay, during the term of this Lease, the real estate taxes including any special taxes or assessments (collectively, the "taxes") attributable to the Premises and accruing during such term. Lessee, at Lessor's option, shall pay to Lessor said taxes on a monthly basis, based on one-twelfth (1/12) of the estimated annual amount for taxes. Taxes for any fractional calendar year during the term hereof shall be prorated. In the event the Lessee does not make any tax payment required hereunder, Lessee shall be in default of this Lease.

III. Insurance. Lessee shall maintain, at all times during the Term of this Lease, comprehensive general liability insurance in an insurance company licensed to do business in the State in which the Premises are located and that is satisfactory to Lessor, properly protecting and indemnifying Lessor with single limit coverage of not less than _____
Dollars ($_____) for injury to or
_____ dollars ($_____) death of persons and

_____ dollars ($_____) for property damage. During the Term of this Lease, Lessee shall furnish the Lessor with certificate(s) of insurance, in a form acceptable to Lessor, covering such insurance so maintained by Lessee and naming Lessor and Lessor's mortgagees, if any, as additional insured.

7. **SECURITY DEPOSIT**: In addition to the above, a deposit from Lessee in the amount of four thousand three hundred seventy-five dollars ($4,375.00), shall be due and payable to Lessor in advance or at the signing of this Lease, hereinafter referred to as the "Security Deposit." If Lessee fails to perform any term of this Lease, Lessor may use the Security Deposit for payment of money that Lessor may spend or damages that Lessor suffers because of Lessee's failure to perform. Lessor may use the Security Deposit to pay for any damage caused to the Premises caused by Lessee or Lessee's invitees. Lessor shall, within three weeks after termination of this Lease and receipt of Lessee's mailing address or delivery instructions, return the Security Deposit. If Lessor does not return the Security Deposit or only returns a portion of the Security Deposit, Lessor must give Lessee a written statement with the specific reasons for withholding all or part of the Security Deposit.

8. **LEASEHOLD IMPROVEMENTS**: The Lessee agrees that no leasehold improvements, alterations or changes of any nature, (except for those permitted through the Revolving Loan Fund Program loan received by Lessee from the Economic Development Authority of Brooklyn Center, Minnesota) shall be made to the Premises or the exterior of the building without first obtaining the consent of the Lessor in writing, which consent shall not be unreasonably withheld, and thereafter, any and all leasehold improvements made to the Premises which become affixed or attached to the leasehold Premises shall remain the property of the Lessor at the expiration or termination of this Lease. Furthermore, any leasehold improvements shall be made only in accordance with applicable federal, state or local codes, ordinances or regulations, having due regard for the type of construction of the building housing the subject leasehold Premises. If the Lessee makes any improvements to the Premises the Lessee shall be responsible for payment, except the following: None.

Nothing in the Lease shall be construed to authorize the Lessee or any other person acting for the Lessee to encumber the rents of the Premises or the interest of the Lessee in the Premises or any person under and through whom the Lessee has acquired its interest in the Premises with a mechanic's lien or any other type of encumbrance. Under no circumstance shall the Lessee be construed to be the agent, employee or representative of Lessor. In the even a lien is placed against the Premises, through actions of the Lessee, Lessee will promptly pay the same or bond against the same and take steps immediately to have such lien removed. If the Lessee fails to have the Lien removed, the

Lessor shall take steps to remove the lien and the Lessee shall pay Lessor for all expenses related to the Lien and removal thereof and shall be in default of this Lease.

9. **LICENSES AND PERMITS**: A copy of any and all local, state or federal permits acquired by the Lessee which are required for the use of the Premises shall be kept on site at all times and shall be readily accessible and produced to the Lessor and/or their agents or any local, state, or federal officials upon demand.

10. **OBLIGATIONS OF LESSEE**: The Lessee shall be primarily responsible whenever needed for the maintenance and general pickup of the entranceway leading into the Premises, so that this is kept in a neat, safe and presentable condition. The Lessee shall also be responsible for all minor repairs and maintenance of the leasehold Premises, particularly those items which need immediate attention and which the Lessees, or their employees, can do and perform on their own, including but not limited to, the replacement of light bulbs, as well as the normal repair and cleaning of windows, cleaning and clearing of toilets, etc., and the Lessee shall properly maintain the Premises in a good, safe, and clean condition. The Lessee shall properly and promptly remove all rubbish and hazardous wastes and see that the same are properly disposed of according to all local, state or federal laws, rules regulations or ordinances.

In the event the structure of the Premises is damaged as a result of any neglect or negligence of Lessee, their employees, agents, business invitees, or any independent contractors serving the Lessee or in any way as a result of Lessee's use and occupancy of the Premises, then the Lessee shall be primarily responsible for seeing that the proper claims are placed with the Lessee's insurance company, or the damaging party's insurance company, and shall furthermore be responsible for seeing that the building is safeguarded with respect to said damage and that all proper notices with respect to said damage, are made in a timely fashion, including notice to the Lessor, and the party or parties causing said damage. Any damage that is not covered by an insurance company will be the liability of the Lessee.

The Lessee shall, during the term of this Lease, and in the renewal thereof, at its sole expense, keep the interior of the Premises in as good a condition and repair as it is at the date of this Lease, reasonable wear and use excepted. This obligation would include the obligation to replace any plate glass damaged as a result of the neglect or acts of Lessee or her guests or invitees. Furthermore, the Lessee shall not knowingly commit nor permit to be committed any act or thing contrary to the rules and regulations prescribed from time to time by any federal, state or local authorities and shall expressly not be allowed to keep or maintain any hazardous waste materials or contaminates on the Premises. Lessee shall also be responsible for the cost, if any, which would be incurred to bring her contemplated operation and business activity into compliance with any law or regulation of a federal, state or local authority.

11. **INSURANCE**: In the event the Lessee shall fail to obtain insurance required hereunder and fails to maintain the same in force continuously during the term, Lessor may, but shall not be required to, obtain the same and charge the Lessee for same as additional rent. Furthermore, Lessee agrees not to keep upon the Premises any articles or goods which may be prohibited by the standard form of fire insurance policy, and in the event the insurance rates applicable to fire and extended coverage covering the Premises shall be increased by reason of any use of the Premises made by Lessee, then Lessee shall pay to Lessor, upon demand, such increase in insurance premium as shall be caused by said use or Lessee's proportionate share of any such increase.

12. **SUBLET/ASSIGNMENT**: The Lessee may not transfer or assign this Lease, or any right or interest hereunder or sublet said leased Premises or any part thereof without first obtaining the prior written consent and approval of the Lessor.

13. **DAMAGE TO LEASED PREMISES**: In the event the building housing the Premises shall be destroyed or damaged as a result of any fire or other casualty which is not the result of the intentional acts or neglect of Lessee and which precludes or adversely affects the Lessee's occupancy of the Premises, then in every such cause, the rent herein set forth shall be abated or adjusted according to the extent to which the leased Premises have been rendered unfit for use and occupation by the Lessee and until the demised Premises have been put in a condition at the expense of the Lessor, at least to the extent of the value and as nearly as possible to the condition of the Premises existing immediately prior to such damage. It is understood, however, in the event of total or substantial destruction to the Premises that in no event shall the Lessor's obligation to restore, replace or rebuild exceed an amount equal to the sum of the insurance proceeds available for reconstruction with respect to said damage.

14. **DEFAULT AND POSSESSION**: In the event that the Lessee shall fail to pay rent, and any other expenses as set forth herein, or any part thereof, when the same are due and payable, or shall otherwise be in default of any other terms of said Lease for a period of more than 15 days after receiving notice of said default, then the parties hereto expressly agree and covenant that the Lessor may declare the Lease terminated and may immediately re-enter said Premises and take possession of the same together with any of Lessee's personal property, equipment or fixtures left on the Premises which items may be held by the Lessor as security for the Lessee's eventual payment and/or satisfaction of rental defaults or other defaults of Lessee under the Lease. It is further agreed, that if the Lessee is in default, that the Lessor shall be entitled to take any and all action to protect its interest in the personal property and equipment, to prevent the unauthorized removal of said property or equipment which threatened action would be deemed to constitute irreparable harm and injury to the Lessor in violation of its security interest in said items of personal property. Furthermore, in the event of default, the Lessor may expressly undertake all reasonable preparations and efforts to release the

Premises including, but not limited to, the removal of all inventory, equipment or leasehold improvements of the Lessee's, at the Lessee's expense, without the need to first procure an order of any court to do so, although obligated in the interim to undertake reasonable steps and procedures to safeguard the value of Lessee's property, including the storage of the same, under reasonable terms and conditions at Lessee's expense, and, in addition, it is understood that the Lessor may sue the Lessee for any damages or past rents due and owing and may undertake all and additional legal remedies then available.

In the event any legal action has to be instituted to enforce any terms or provisions under this Lease, then the prevailing party in said action shall be entitled to recover a reasonable attorney's fee in addition to all costs of said action.

Rent which is in default for more than 10 days after due date shall accrue a payment penalty of one of the following: (Check One)

☐ - Interest at a rate of _____ percent (_____ %) per annum on a daily basis until the amount is paid in full.
☒ - Late fee of one hundred fifty dollars ($150.00).

In this regard, all delinquent rental payments made shall be applied first toward interest due and the remaining toward delinquent rental payments.

15. **INDEMNIFICATION**: The Lessee hereby covenants and agrees to indemnify, defend and hold the Lessor harmless from any and all claims or liabilities which may arise from any cause whatsoever as a result of Lessee's use and occupancy of the Premises, and further shall indemnify the Lessor for any losses which the Lessor may suffer in connection with the Lessee's use and occupancy or care, custody and control of the Premises. The Lessee also hereby covenants and agrees to indemnify and hold harmless the Lessor from any and all claims or liabilities which may arise from any latent defects in the subject Premises that the Lessor is not aware of at the signing of the lease or at any time during the lease term. Nothing contained herein shall be interpreted to constitute a waiver of any statutory liability limits that Lessor is entitled to, whether under Minnesota Statutes, chapter 466 or any other law.

16. **BANKRUPTCY - INSOLVENCY**: The Lessee agrees that in the event all or a substantial portion of the Lessee's assets are placed in the hands of a receiver or a Trustee, and such status continues for a period of 30 days, or should the Lessee make an assignment for the benefit of creditors or be adjudicated bankrupt; or should the Lessee institute any proceedings under the bankruptcy act or any amendment thereto, then this Lease or interest in and to the leased Premises shall not become an asset in any such proceedings and, in such event, and in addition to any and all other remedies of the Lessor hereunder or by law provided, it shall be lawful for the Lessor to declare the term hereof ended and to reenter the leased land and take possession thereof and all

improvements thereon and to remove all persons therefrom and the Lessee shall have no further claim thereon.

17. **SUBORDINATION AND ATTORNMENT**: Upon request of the Lessor, Lessee will subordinate its rights hereunder to the lien of any mortgage now or hereafter in force against the property or any portion thereof, and to all advances made or hereafter to be made upon the security thereof, and to any ground or underlying lease of the property provided, however, that in such case the holder of such mortgage, or the Lessor under such Lease shall agree that this Lease shall not be divested or in any way affected by foreclosure, or other default proceedings under said mortgage, obligation secured thereby, or Lease, so long as the Lessee shall not be in default under the terms of this Lease. Lessee agrees that this Lease shall remain in full force and effect notwithstanding any such default proceedings under said mortgage or obligation secured thereby.

Lessee shall, in the event of the sale or assignment of Lessor's interest in the building of which the Premises form a part, or in the event of any proceedings brought for the foreclosure of, or in the event of exercise of the power of sale under any mortgage made by Lessor covering the Premises, attorn to the purchaser and recognize such purchaser as Lessor under this Lease.

18. **MISCELLANEOUS TERMS:**

I. Usage by Lessee: Lessee shall comply with all rules, regulations and laws of any governmental authority with respect to use and occupancy. Lessee shall not conduct or permit to be conducted upon the Premises any business or permit any act which is contrary to or in violation of any law, rules or regulations and requirements that may be imposed by any authority or any insurance company with which the Premises is insured, nor will the Lessee allow the Premises to be used in any way which will invalidate or be in conflict with any insurance policies applicable to the building. In no event shall explosives or extra hazardous materials be taken onto or retained on the Premises. Furthermore, Lessee shall not install or use any equipment that will cause undue interference with the peaceable and quiet enjoyment of the Premises by other tenants of the building.

II. Signs: Lessee shall not place on any exterior door, wall or window of the Premises any sign or advertising matter without Lessor’s prior written consent and the approval of any other government authority with jurisdiction. Thereafter, Lessee agrees to maintain such sign or advertising matter as first approved by Lessor in good condition and repair. Furthermore, Lessee shall conform to any uniform reasonable sign plan or policy that the Lessor may introduce with respect to the building. Upon vacating the Premises, Lessee agrees to remove all signs and to repair all damages caused or resulting from such removal.

III. Animals: Unless otherwise stated in this Lease Agreement, the only animals that shall be allowed on the Premises are those needed legally due to a disability or handicap.

IV. Condition of Premises/Inspection by Lessee: The Lessee has had the opportunity to inspect the Premises and acknowledges with its signature on this lease that the Premises are in good condition and comply in all respects with the requirements of this Lease. Furthermore, the Lessor makes no representation or warranty with respect to the condition of the Premises or its fitness or availability for any particular use, and the Lessor shall not be liable for any latent or patent defect therein. Furthermore, the Lessee represents that Lessee has inspected the Premises and is leasing and will take possession of the Premises with all current fixtures present in their "as is" condition as of the date hereof.

V. Right of Entry: It is agreed and understood that the Lessor and its agents shall have the complete and unencumbered right of entry to the Premises at any time or times for purposes of inspecting or showing the Premises and for the purpose of making any necessary repairs to the building or equipment as may be required of the Lessor under the terms of this Lease or as may be deemed necessary with respect to the inspection, maintenance or repair of the building.

19. **ESTOPPEL CERTIFICATE**: Lessee at any time and from time to time, upon at least ten (10) days prior notice by Lessor, shall execute, acknowledge and deliver to Lessor, and/or to any other person, firm or corporation specified by Lessor, a statement certifying that the Lease is unmodified and in full force and effect, or if the Lease has been modified, then that the same is in full force and effect except as modified and stating the modifications, stating the dates to which the fixed rent and additional rent have been paid, and stating whether or not there exists any default by Lessor under this Lease and, if so, specifying each such default.

20. **HOLDOVER**: Should Lessee remain in possession of the Premises after the cancellation, expiration or sooner termination of the Lease, or any renewal thereof, without the execution of a new Lease or addendum, such holding over in the absence of a written agreement to the contrary shall be deemed, if Lessor so elects, to have created and be construed to be a tenancy from month to month, terminable upon thirty (30) days' notice by either party.

21. **WAIVER**: Waiver by Lessor of a default under this Lease shall not constitute a waiver of a subsequent default of any nature.

22. **GOVERNING LAW**: This Lease shall be governed by the laws of the State of Minnesota.

23. **NOTICES**: Payments and notices shall be addressed to the following:

Lessor:
City of Brooklyn Center
6301 Shingle Creek Pkwy
Brooklyn Center, MN 55430
Attn: City Manager

Lessee:
Phu Bia Produce Limited Liability Company
1350 Shingle Creek Crossing
Brooklyn Center, MN 55430
Attention: Mai Y Lor

24. **AMENDMENT**: No amendment of this Lease shall be effective unless reduced to writing and subscribed by the parties with all the formality of the original.

25. **BINDING EFFECT**: This Lease and any amendments thereto shall be binding upon the Lessor and the Lessees and/or their respective successors, heirs, assigns, executors and administrators.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto set their hands and seal this ____ day of _____, 20____.

PHU BIA PRODUCE LIMITED LIABILITY COMPANY:

By: _____

Name: _____
Its: Chief Manager

CITY OF BROOKLYN CENTER

By: _____

Name: Mike Elliott
Its: Mayor

By: _____

Name: Reggie Edwards
Its: City Manager

Council Regular Meeting

DATE: 2/14/2022

TO: City Council
FROM: Dr. Reggie Edwards, City Manager
THROUGH: Meg Beekman, Community Development Director
BY: Jesse Anderson, Deputy Director of Community Development

SUBJECT: An Ordinance Amending Chapter 12 of the City Code of Ordinance Regarding Tenant Protections and Approve a Resolution to allow a Summary Publication of the Ordinance (45 minutes)

Requested Council Action:

- Motion to approve a resolution approving of the second reading of an ordinance amending Chapter 12 of the City of ordinances regarding tenant protection and summary publication of the ordinance.

Background:

Overview

The City Council met on December 13, 2021, and held the public hearing on this item. After the public hearing and Council discussion, the vote on the second reading of the ordinance was delayed until January 24, 2022.

Based on direction from the City Council in response to the public hearing, staff held two meetings with landlords to discuss the proposed ordinance. Based on the feedback received, and in discussions with both landlords and housing advocates, staff made three modifications to the proposed ordinance.

The modified proposed ordinance is attached to this report. The proposed modifications are described below:

- Addition of a provision that would require property managers to track and report to the city any nonrenewals of leases, and the reason for the action. This will help the City track data better and understand the magnitude of the issue.

- Reduce the eviction notification period from 30 days to 14 days. This would match Minneapolis' ordinance and would keep any actions to within a single rent cycle which was the request of the landlords.

- Addition of a provision which would allow landlords the option of either following the nonrenewal without just cause requirements in the ordinance OR providing a 90 day lease termination notice without needing to give a reason. This would provide options to deal with the examples that property managers raised at the public hearing, but would still provide a greater notice to renters than the current 30 day notice period.

Ordinance Summary

- Pre-Eviction Filing Notice requires an owner of an affordable housing unit to provide a **14 day** written notice to a tenant prior to filling an eviction. Evictions would be restricted to non-payment of rent or Material Breach of a Lease

- Just Cause Non-Renewals establishes requirements that prevents a property owner or property manager from non-renewing an existing tenant lease without just cause.

- **Added an alternative option for tenants to be non-renewed without just cause with a 90 day notice of non-renewal.**

- Waiver is not allowed by a tenant to waive their rights under the new ordinance.

- Private Enforcement – A tenant or former tenant of an affordable housing united harmed by an owner in violation of this ordinance may bring and action again the owner in district court.

Landlord/Property Manager/Rental Owner Engagement

City staff have held two sessions with landlords. On January 6, 2022 staff met with approximately 20 landlords and on January 12, 2022 staff met with rental owners, property managers, and tenant advocacy representatives. The feedback from landlords was consistent with the feedback provided at the public hearing. Generally, the majority of landlords spoke against the ordinance as a whole and would prefer that no version of an ordinance be adopted. The suggested compromise by landlords was to reduce the notice period for the pre-eviction notice to 7 or 5 days and to adopt a renewal notice period rather than a just cause non-renewal ordinance. A summary of the comments expressed during the two sessions is attached.

Staff did receive an email from a local landlord speaking in favor of the tenant protection ordinance as proposed at the December 14, 2021 meeting.

Further, the city received communication from landlords prior to the December 13 Council meeting. An email from a landlord, with specific concerns regarding this ordinance, is attached to this report. The following is a summary of those concerns.

- Eviction Notice Requirement:
  - The increase in time for eviction will include more time the property is not available for collecting rent.
  - Owners will be more likely to increase income and credit score requirements.
  - Landlords will be quicker to provide notice of eviction rather than accepting late payments or working out payment plans.
- Just Cause Non-Renewal:
  - This will increase evictions as non-renewals are often used instead of an eviction.
  - Landlords will need to be more stringent on lease infractions regardless of their severity.
  - It was suggested that an alternative be to require a 75-90 day notice for non-renewals.
  - Generally, any property on the edge of being 80% AMI will raise their rents in order to exempt themselves from this ordinance.

Housing Commission feedback:

The Brooklyn Center Housing Commission met on October 19, 2021, and discussed the proposed tenant protection ordinance. The Housing Commission received feedback from multiple Housing Advocacy Groups including ACER, Homeline, and the Housing Justice Center as well as numerous Brooklyn Center tenants. It was strongly recommended from all agencies and tenants to

expedite and approve the ordinance specifically relating to evictions and non-renewals.

The Housing Commission unanimously approved a recommendation to approve the proposed ordinance.

At their November 8, 2021, meeting the City Council approved a first reading of the ordinance and ordered a public hearing for December 13.

Background

City staff have had multiple discussions with the City Council relating to affordable housing policies and programs. The City is currently working with the Center for Urban and Regional Affairs (CURA) and Research in Action (RIA) on a citywide housing study. That work has completed its engagement phase, and the Housing Advisory Council is being reconvened to begin reviewing that work and identifying policy recommendations for the City. The housing study is anticipated to be completed in early 2022. The deliverables from the study will be used to complete a Housing Policy Action Plan to address the housing priorities in the city. Staff is anticipating moving forward with programs and polices based on the results of that study. However, while that work is wrapping up, Brooklyn Center and the Twin Cities region are continuing to experience ongoing and extreme low vacancy rates. According to a recent 2020 Census Report (https://www.census.gov/library/stories/2021/08/united-states-housing-vacancy-rate-declined-in-past-decade.html), Minneapolis has the lowest vacancy rate among the 30 largest U.S. cities.

In addition to a significant and sustained housing shortage, the state legislature recently repealed the eviction moratorium. The state has created an off-ramp process to step back from the moratorium, but already Brooklyn Center has seen increased calls about evictions, and is seeing an increased number of filings. With the lifting of the eviction moratorium, landlords can once again get rid of unwanted tenants through non-renewals, avoiding the eviction process altogether.
Staff has been meeting regularly with residents to talk about issues related to tenant protections and to understand the concerns and increased issues they are facing as a result of compounding regional and national housing shortage trends.

As a result of extensive input from community, Staff have been working with the City Attorney's office to draft an ordinance relating to tenant protections. This ordinance was to include multiple areas of concerns from tenants.

- Just Cause Non-renewal
- Pre-eviction Notices
- Maintenance Fees
- Damage Deposits
- Material changes to the lease
- Discrimination relating to public assistance status

Based on the current low vacancy rates and the urgency created by the phasing out of the Eviction Moratorium, staff thought it to be necessary to expedite the ordinance relating specifically to items addressing evictions and non-renewals. Putting anti-displacement measures into effect sooner rather than later is intended to get ahead of a growing problem, and provide renters with more leverage in negotiations with landlords.

Housing and the policy issues related to housing have become some of the most pressing and important matters facing communities today. For most suburban communities, housing comprises a significant majority of a cities land use and tax base. Maintaining and preserving a safe, quality,

and desirable housing stock is critical to a community's long term economic health and resiliency. Further, a diverse housing stock which offers a wide range of housing choices and price points ensures that a community can be resilient through economic ups and downs as well as provide housing options for a diverse population throughout their lives. In addition to maintaining a quality and diverse supply of housing, communities are more and more becoming focused on concerns regarding livability and accessibility of housing.

Brooklyn Center's Current Rental Housing

The result of the regional trends facing the Twin Cities are being felt in Brooklyn Center. Vacancy rates in the community remain lower than the regional average, hovering around 2 percent. This is common in communities with more affordable rental units. Thirty-seven percent of Brooklyn Center's housing stock is comprised of rental units. Nearly 100 percent of the multi-family housing in Brooklyn Center are one and two bedroom units built between 1961 and 1971, and nearly all of it is naturally occurring affordable housing (NOAH).

Average rents in Brooklyn Center are naturally occurring affordable because the market rents, based on the age and condition of the units make them affordable at around 50 percent AMI in the metropolitan area. Rents in Brooklyn Center are lower than the regional average. While NOAH properties are affordable, they can be at risk of being lost as market demand increases and rents continue to go up. They can also experience disinvestment over time, causing deterioration, loss of value, and most importantly poor quality or unsafe living situations if they are not properly inspected and maintained.

The City's 2040 Comprehensive Plan identifies several broad housing goals

2040 Housing & Neighborhood Goals:

- Promote a diverse housing stock that provides safe, stable, and accessible housing options to all of Brooklyn Center's residents.
- Recognize and identify ways to match Brooklyn Center's housing with the City's changing demographics.
- Explore opportunities to improve the City's housing policies and ordinances to make them more responsive to current and future residents.
- Maintain the existing housing stock in primarily single-family neighborhoods through proper ordinances, incentive programs and enforcement.
- Explore opportunities to incorporate new affordable housing into redevelopment areas that promote safe, secure and economically diverse neighborhoods.

In addition to these goals, the 2040 Comprehensive Plan identifies implementation strategies as well as resources and tools for achieving its housing goals.

Budget Issues:

There are no budgetary issues to consider at this time.

Inclusive Community Engagement:

Staff has been working closely with housing advocacy groups, and met regularly with residents to gather information regarding the need for this ordinance.

Staff held an ARM Meeting on January 6, 2022 at city hall. All licensed landlords/property owners were invited to attend. Feedback was provided and a summary is attached.

A discussing was held with advocacy groups and rental landlords on January 12th, 2022. A summary of that discussion is attached.

Antiracist/Equity Policy Effect:

Renters in Brooklyn Center are disproportionately more likely to be people of color than home owners. Over 50 percent of Brooklyn Center renters pay more than 30% of their incomes on rent and are considered low income. Low income renters have the fewest housing choices and are more likely to experience retaliation by landlords, evictions and displacement. The purpose of this ordinance is to provide protections for primarily low-income and renters of color in Brooklyn Center.

Strategic Priorities and Values:

Safe, Secure, Stable Community

ATTACHMENTS:

Description	Upload Date	Type
Resolution	1/18/2022	Resolution Letter
Proposed Ordinance with Updates	1/18/2022	Ordinance
Marked Ordinance Depicting Updates	1/18/2022	Backup Material
10-19-2021 Draft Housing Commission Minutes	10/25/2021	Backup Material
Email - Soderberg Apartments	12/2/2021	Backup Material
January 12 Joint Meeting Recap	1/14/2022	Backup Material
January 6 ARM Meeting Recap	1/18/2022	Backup Material

Member introduced the following resolution and moved its adoption:

RESOLUTION NO. 2022-____

CITY OF BROOKLYN CENTER, MINNESOTA

A RESOLUTION APPROVING THE SECOND READING OF AN ORDINANCE AMENDING CHAPTER 12 OF THE CITY CODE OF ORDINANCES REGARDING TENANT PROTECTION AND SUMMARY PUBLICATION OF THE ORDINANCE

WHEREAS, the City of Brooklyn Center ("City") previously amended the City Code to establish certain protections for tenants of affordable housing units and now desires to expand those protections; and

WHEREAS, City staff developed a proposed ordinance titled "An Ordinance Amending Chapter 12 of the City Code of Ordinances Regarding Tenant Protections" ("Ordinance"), which amends Sections 12-912D and 12-1401 of the City Code; and

WHEREAS, the City Council discussed this issue at several work sessions and the proposed Ordinance was presented to the City Council to conduct a first reading on November 8, 2021 in accordance with Section 3.04 of the City Charter; and

WHEREAS, the proposed Ordinance was presented to the City Council to conduct a public hearing and a second reading on December 13, 2021 in accordance with Section 3.04 of the City Charter; and

WHEREAS, the City Council continued the second reading from December 13, 2021 to January 24, 2022, and the City Council acted at its meeting on January 24, 2022 to adopt the above-referenced Ordinance; and

WHEREAS, Minnesota Statutes, section 412.191, subdivision 4 allows publication of adopted ordinances by title and summary in the case of lengthy ordinances or those containing maps or charts; and

WHEREAS, the City Council determines publishing the entire text of the Ordinance is not in the best interests of the City as the Ordinance is readily available to the public on the City's website and by contacting City Hall; and

WHEREAS, the City Council determines the following summary clearly informs the public of the intent of Ordinance and where to obtain a copy of the full text.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Brooklyn Center as follows:

1. A second reading has been conducted and the Ordinance is hereby adopted.

2. The City Clerk is hereby authorized and directed to publish the following notice and summary of the Ordinance, which is hereby approved, once in the City's official newspaper:

City of Brooklyn Center

AN ORDINANCE AMENDING CHAPTER 12 OF THE CITY CODE OF ORDINANCES REGARDING TENANT PROTECTION

Please take notice that the City Council of the City of Brooklyn Center has adopted an ordinance to amend Chapter 12 of the City Code by amending Section 12-912D to expand the protections provided to tenants of affordable housing units. The ordinance establishes new requirements for landlords to provide tenants a notice at least 14 days before filing an eviction action, to provide tenants expanded 90 days' notice of nonrenewal or notice explaining the basis of a just cause nonrenewal of a lease, and provides for filing a private enforcement action in district court for a violation of the tenant protections under the section, including the seeking of an award of attorney's fees. A copy of the full ordinance is available on the City's website.

3. City staff and consultants are authorized to take such other actions as may be needed to incorporate the Ordinance into the City Code and to otherwise carry out the intent of this Resolution.

January 24, 2022
Date

_____
Mayor

ATTEST: _____
City Clerk

The motion for the adoption of the foregoing resolution was duly seconded by member

and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

CITY OF BROOKLYN CENTER

Notice is hereby given that a public hearing will be held on the 13th day of December, 2021, at 7:00 p.m. or as soon thereafter as the matter may be heard to consider an ordinance related to tenant protections. City Council meetings are being conducted by electronic means under Minnesota Statutes, section 13D.021 and information on how to connect to the meeting is provided on the City's website. Please notify the City Clerk at 763-569-3306 if there are any questions about how to connect to the meeting.

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 12 OF THE CITY CODE OF ORDINANCES REGARDING TENANT PROTECTION

THE CITY OF BROOKLYN CENTER DOES ORDAIN:

Article I. Legislative Findings. The City Council of the City of Brooklyn Center hereby finds and determines as follows:

a. Tenants of affordable housing units have an income of 80% or less, and in some case much less, of the area median income and so have few resources to fight predatory practices, unjustified repair fees, retaliation, or other practices that exploit tenants within affordable housing buildings;

b. The City Council regularly receives complaints at its meetings from residents of affordable housing units regarding how they are treated by the owners and the resulting negative emotional and financial impacts of those interactions;

c. The City Council previously adopted Section 12-912D to establish certain tenant protections for those living within affordable housing units as an initial step to address the exploitation of these tenants;

d. The City Council determines it is necessary to expand those initial protections in order to promote housing stability and protect the health, safety, and welfare of those living within affordable housing units; and

e. The tenant protections adopted as part of Section 12-912D are intended to be part of the health and safety covenants in Minnesota Statutes, section 504B.161, subdivision 1(a)(4) and as additional conditions provided for by ordinance as acknowledged in subdivision 4 of the same statute.

Article II. Brooklyn Center City Code, Section 12-201 is amended by adding the following definition and renumbering the subsequent definitions as needed:

__. Just Cause – any of the bases listed under Section 12-912D(5)(b) upon which an owner of an affordable housing building may terminate tenancy.

Article III. Brooklyn Center City Code, Section 12-912D is amended by adding subsections 12-912D(4), 12-912D(5), and 12-912(6) as follows, and renumbering the subsequent subsections as needed:

4. Pre-Eviction Filing Notice. Except as provided otherwise in this subsection, an owner of an affordable housing unit shall provide at least 14 days' written notice to a tenant prior to filing an eviction action on the basis of either: (a) an alleged non-payment of rent; or (b) an alleged material breach of a lease.

   a. Notices for Non-payment of Rent. For an allegation of any non-payment of rent, the notice shall, at a minimum, include the following information:

      (1) The name, mailing address, and telephone number of the person authorized to receive rent and fees on behalf of the owner;

      (2) The total amount of money due and owing to the owner by the tenant;

      (3) A specific accounting of the money due and owing to the owner by the tenant, including any past due rents, any late fees, and any other charges; and

      (4) The deadline by which the total amount due and owing to the owner by the tenant shall be paid to avoid an eviction action, which shall be no earlier than 14 days from the date on which the notice is delivered.

   b. Notices for Material Breach of a Lease. For an allegation of a material breach of a lease, the notice shall, at a minimum, include the following information:

      (1) The name, mailing address, and telephone number of the owner;

      (2) A description of the specific conduct that the owner alleges is a violation of the lease, including the dates of the violations and the persons who committed the alleged violations;

      (3) Identification of the specific clause of the lease alleged to have been violated;

      (4) Notification that the tenant has the right to correct the alleged breach;

      (5) Notification of how the tenant may correct the alleged breach;

      (6) The deadline by which the alleged breach shall be corrected to avoid an eviction action, which shall be no earlier than 14 days from the date on which the notice is delivered; and

(7) A copy of the lease attached to the notice.

c. Exception for Expedited Eviction Actions. For an expedited eviction action filed pursuant to Minnesota Statutes, section 504B.321, subdivision 2, the owner shall provide the notice required by Section 12-912D(4)(d) at least three days in advance of filing the eviction action.

d. Additional Notice Requirements. All notices under this subsection shall also include the following information:

(1) Notification that the tenant may be evicted if they do not pay the past due rent or correct the alleged breach of lease by the deadline, as applicable;

(2) Information about accessing rental assistance by calling 211 or visiting https://www.211unitedway.org/; and

(3) Information about accessing legal help by visiting the Law Help Website at https://www.lawhelpmn.org/.

e. Delivery of Notice. The owner, or an agent for the owner, shall deliver any notice required by this subsection personally or by first-class mail to the address of the affordable housing unit. Such notice may, in addition to but not in place of personal delivery or delivery by first-class mail, be delivered to any email or other electronic means to the tenant at the tenant's email address or electronic account.

f. Enforcement. In addition to any other remedy available at equity or law, failure to comply with the provisions of this subsection may result in adverse rental license actions, the imposition of administrative fines, or other penalties as provided in law.

g. Waiver Not Allowed. The parties to a written or oral lease of an affordable housing unit shall not waive or modify the requirements imposed by this subsection. Any such waiver provision that may exist in a lease is not enforceable.

5. Notice of Nonrenewal of Lease to Tenants.

a. Nonrenewal of Tenant With or Without Just Cause. An owner of an affordable housing unit shall not issue a notice of nonrenewal of tenancy, refuse to renew, or issue a notice to quit unless the owner: (a) provides at least 90 days' written notice of nonrenewal to the tenant, with or without Just Cause, or (b) provides written notice of nonrenewal to the tenant that establishes one or more of the Just Causes listed under Section 12-912D(5)(b).

b. Just Cause Notice. One or more of the following bases must be established to meet the requirement under Section 12-912D(5)(a) to provide written notice of nonrenewal to a tenant for Just Cause:

(1) Non-payment of Rent. The tenant fails to pay all monies owed to an owner after receiving a written notice of non-payment from the owner;

(2) Material Non-Compliance. The tenant fails to cure a material breach of the lease after receiving a written notice from the owner;

(3) Refusal to Renew. The tenant refuses to renew or extend the lease after the owner requests in writing that the tenant do so;

(4) Occupancy by Property Owner or Family Member. The owner, in good faith, seeks to recover possession of the unit so that the owner or a family member may occupy the unit as that person's principal residence;

(5) Building Demolishment or Conversion. The building is demolished or converted as follows:

(i) The owner elects to demolish the building in which the affordable housing unit is located, convert it to a cooperative, provided the owner complies with the provisions of Minnesota Statutes, chapter 515B, or convert it to non-residential use, provided that the owner shall obtain all permits necessary to demolish or change the use before terminating any tenancy;

(ii) The owner seeks, in good faith, to recover the unit to sell it in accordance with a condominium conversion, provided the owner complies with the provisions of Minnesota Statutes, chapter 515B; or

(iii) The unit is being converted to a unit subsidized under a local, state, or federal housing program and the tenant does not qualify to rent the unit under that program;

(6) Rehabilitation and Renovation. The owner seeks, in good faith, to recover possession of the unit that will render the unit uninhabitable for the duration of rehabilitation or renovation;

(7) Complying with a Government Order to Vacate. The owner is complying with a government agency's order to vacate, order to abate, or any other order that necessitates the vacating of the unit as a result of a violation of City Code or any other provision of law including, but not limited to, Section 12-911 related to conduct, disorderly activities, or nuisances; or

(8) Occupancy Conditioned on Employment. The tenant's occupancy is conditioned upon employment on the property and the employment relationship is terminated.

c. Owner Responsibilities. Any lease for an affordable housing unit shall include just cause notice language as follows:

"The landlord under this lease shall not unilaterally terminate or attempt to terminate the tenancy of any tenant unless the landlord either: (1) provides 90 days' written notice to the tenant of the termination or nonrenewal of the tenancy, or (b) provides written notice to the tenant that establishes a basis for just cause for the termination of the tenancy. The possible bases of just cause are listed in the City of Brooklyn Center's Just Cause Notice at City Code, Section 12-912D(5)(b). No other basis shall constitute grounds for a just cause under this provision."

d. Nonrenewal Notice Requirements. An owner providing a notice of nonrenewal of a tenancy to a tenant of an affordable housing unit shall: (1) comply with all notice requirements under the lease and applicable law; (2) include in such notice a written statement of the reasons for the nonrenewal and the facts in support of those reasons, and (3) maintain documentation totaling the number of notices of nonrenewal issued by the owner.

e. City Right to Inspection of Nonrenewal Notices. Within ten days of any request by the City, the owner of an affordable housing building shall provide to the City copies of its documentation totaling the number of notices of nonrenewal issued by the owner.

f. Application. This Section applies to every lease, written or oral, for an affordable housing unit.

g. Waiver Not Allowed. The parties to a written or oral lease of an affordable housing unit shall not waive or modify the requirements imposed by this subsection. Any such waiver provision that may exist in a lease is not enforceable.

6. Private Enforcement of Tenant Protection Ordinance. Any tenant or former tenant of an affordable housing unit harmed by an owner's violation of this Section 12-912D may bring an action against the owner in district court. Such person shall be entitled to all remedies available at law or in equity including, but not limited to, damages and injunctive relief. Any plaintiff that prevails in such action may be awarded reasonable attorney's fees and expenses.

Article IV. Brooklyn Center City Code, Section 12-1401 is amended by adding the double-underlined language and deleting the ~~stricken~~ language as follows:

Section 12-1401. SEPARABILITY. Every Section, provision, or part of this ~~Ordinance~~ Chapter is declared separable from every other Section, provision, or part to the extent that if any Section, provision or part of the Chapter shall be held invalid, it shall not invalidate any other Section, provision or part thereof.

Article V. Severability. Should any section or part of this ordinance be declared by a court of competent jurisdiction to be invalid, such decision will not affect the validity of the ordinance as a whole or any part other than the part declared invalid.

Article VI. Effective Date. This ordinance shall become effective after adoption and upon thirty days following its legal publication.

Adopted this 24th day of January, 2022.

_____
Mike Elliott, Mayor

ATTEST: _____
City Clerk

Date of Publication _____

Effective Date _____

(~~Strikeout~~ indicates matter to be deleted, double underline indicates new matter.)

CITY OF BROOKLYN CENTER

Notice is hereby given that a public hearing will be held on the 13th day of December, 2021, at 7:00 p.m. or as soon thereafter as the matter may be heard to consider an ordinance related to tenant protections. City Council meetings are being conducted by electronic means under Minnesota Statutes, section 13D.021 and information on how to connect to the meeting is provided on the City's website. Please notify the City Clerk at 763-569-3306 if there are any questions about how to connect to the meeting.

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a. Tenants of affordable housing units have an income of 80% or less, and in some case much less, of the area median income and so have few resources to fight predatory practices, unjustified repair fees, retaliation, or other practices that exploit tenants within affordable housing buildings;

b. The City Council regularly receives complaints at its meetings from residents of affordable housing units regarding how they are treated by the owners and the resulting negative emotional and financial impacts of those interactions;

c. The City Council previously adopted Section 12-912D to establish certain tenant protections for those living within affordable housing units as an initial step to address the exploitation of these tenants;

d. The City Council determines it is necessary to expand those initial protections in order to promote housing stability and protect the health, safety, and welfare of those living within affordable housing units; and

e. The tenant protections adopted as part of Section 12-912D are intended to be part of the health and safety covenants in Minnesota Statutes, section 504B.161, subdivision 1(a)(4) and as additional conditions provided for by ordinance as acknowledged in subdivision 4 of the same statute.

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      (2) The total amount of money due and owing to the owner by the tenant;

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      (4) The deadline by which the total amount due and owing to the owner by the tenant shall be paid to avoid an eviction action, which shall be no earlier than ~~30~~14 days from the date on which the notice is delivered.

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      (1) The name, mailing address, and telephone number of the owner;

      (2) A description of the specific conduct that the owner alleges is a violation of the lease, including the dates of the violations and the persons who committed the alleged violations;

      (3) Identification of the specific clause of the lease alleged to have been violated;

      (4) Notification that the tenant has the right to correct the alleged breach;

      (5) Notification of how the tenant may correct the alleged breach;

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(7) A copy of the lease attached to the notice.

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d. Additional Notice Requirements. All notices under this subsection shall also include the following information:

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(3) Information about accessing legal help by visiting the Law Help Website at https://www.lawhelpmn.org/.

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f. Enforcement. In addition to any other remedy available at equity or law, failure to comply with the provisions of this subsection may result in adverse rental license actions, the imposition of administrative fines, or other penalties as provided in law.

g. Waiver Not Allowed. The parties to a written or oral lease of an affordable housing unit shall not waive or modify the requirements imposed by this subsection. Any such waiver provision that may exist in a lease is not enforceable.

5. ~~Just Cause~~ Notice of Nonrenewal of Lease to Tenants.

a. Nonrenewal of Tenant With or Without Just Cause ~~Notice~~. An owner of an affordable housing unit shall not issue a notice of nonrenewal of tenancy, refuse to renew, or issue a notice to quit unless the owner ~~is able to establish~~: (a) provides at least 90 days' written notice of nonrenewal to the tenant, with or without Just Cause, or (b) provides written notice of nonrenewal to the tenant that establishes one or more of the Just Causes listed under Section 12-912D(5)(b).

b. Just Cause Notice. One or more of the following ~~grounds for such action:~~bases must be established to meet the requirement under Section 12-912D(5)(a) to provide written notice of nonrenewal to a tenant for Just Cause:

(1) Non-payment of Rent. The tenant fails to pay all monies owed to an owner after receiving a written notice of non-payment from the owner;

(2) Material Non-Compliance. The tenant fails to cure a material breach of the lease after receiving a written notice from the owner;

(3) Refusal to Renew. The tenant refuses to renew or extend the lease after the owner requests in writing that the tenant do so;

(4) Occupancy by Property Owner or Family Member. The owner, in good faith, seeks to recover possession of the unit so that the owner or a family member may occupy the unit as that person's principal residence;

(5) Building Demolishment or Conversion. The building is demolished or converted as follows:

(i) The owner ~~either:~~

~~(i)~~ ~~Elects~~elects to demolish the building in which the affordable housing unit is located, convert it to a cooperative, provided the owner complies with the provisions of Minnesota Statutes, chapter 515B, or convert it to non-residential use, provided that the owner shall obtain all permits necessary to demolish or change the use before terminating any tenancy;

(ii) The owner seeks, in good faith, to recover the unit to sell it in accordance with a condominium conversion, provided the owner complies with the provisions of Minnesota Statutes, chapter 515B; or

(iii) The unit is being converted to a unit subsidized under a local, state, or federal housing program and the tenant does not qualify to rent the unit under that program;

(6) Rehabilitation and Renovation. The owner seeks, in good faith, to recover possession of the unit that will render the unit uninhabitable for the duration of rehabilitation or renovation;

(7) Complying with a Government Order to Vacate. The owner is complying with a government agency's order to vacate, order to abate, or any other order that necessitates the vacating of the unit as a result of a violation of City Code or any other provision of law including, but not limited to, Section 12-911 related to conduct, disorderly activities, or nuisances; or

(8) Occupancy Conditioned on Employment. The tenant's occupancy is conditioned upon employment on the property and the employment relationship is terminated.

c. ~~b.~~ Owner Responsibilities. Any lease for an affordable housing unit shall include just cause notice language as follows:

"The landlord under this lease shall not unilaterally terminate or attempt to terminate the tenancy of any tenant unless the landlord ~~can prove that just cause exists. The reasons for~~either: (1) provides 90 days' written notice to the tenant of the termination or nonrenewal of the tenancy, or (b) provides written notice to the tenant that establishes a basis for just cause for the termination of the tenancy. The possible bases of just cause are listed in the City of Brooklyn Center's Just Cause Notice ~~(~~at City Code, Section 12-912D(5)(b)~~, and no others,~~. No other basis shall constitute grounds for a just cause under this provision."

d. ~~c.~~ Nonrenewal Notice Requirements. An owner providing a notice of nonrenewal of a tenancy to a tenant of an affordable housing unit shall: (1) comply with all notice requirements under the lease and applicable law; ~~and~~ (2) include in such notice a written statement of the reasons for the nonrenewal and the facts in support of those reasons, and (3) maintain documentation totaling the number of notices of nonrenewal issued by the owner.

e. City Right to Inspection of Nonrenewal Notices. Within ten days of any request by the City, the owner of an affordable housing building shall provide to the City copies of its documentation totaling the number of notices of nonrenewal issued by the owner.

f. ~~d.~~ Application. This Section applies to every lease, written or oral, for an affordable housing unit.

g. ~~e.~~ Waiver Not Allowed. The parties to a written or oral lease of an affordable housing unit shall not waive or modify the requirements imposed by this subsection. Any such waiver provision that may exist in a lease is not enforceable.

6. Private Enforcement of Tenant Protection Ordinance. Any tenant or former tenant of an affordable housing unit harmed by an owner's violation of this Section 12-912D may bring an action against the owner in district court. Such person shall be entitled to all remedies available at law or in equity including, but not limited to, damages and injunctive relief. Any plaintiff that prevails in such action may be awarded reasonable attorney's fees and expenses.

Article IV. Brooklyn Center City Code, Section 12-1401 is amended by adding the double-underlined language and deleting the ~~stricken~~ language as follows:

Section 12-1401. SEPARABILITY. Every Section, provision, or part of this ~~Ordinance~~ Chapter is declared separable from every other Section, provision, or part to the extent that if any Section, provision or part of the Chapter shall be held invalid, it shall not invalidate any other Section, provision or part thereof.

Article V. Severability. Should any section or part of this ordinance be declared by a court of competent jurisdiction to be invalid, such decision will not affect the validity of the ordinance as a whole or any part other than the part declared invalid.

Article VI. Effective Date. This ordinance shall become effective after adoption and upon thirty days following its legal publication.

Adopted this ~~13~~24th day of ~~December~~January, ~~2021~~2022.

_____
Mike Elliott, Mayor

ATTEST: _____
City Clerk

Date of Publication _____

Effective Date _____

(~~Strikeout~~ indicates matter to be deleted, double underline indicates new matter.)

Document comparison by Workshare 10.0 on Tuesday, January 18, 2022 11:04:03 AM

Input:	
Document 1 ID	PowerDocs://DOCSOPEN/672010/12
Description	DOCSOPEN-#672010-v12-Tenant_Protection_Ordinance_Amendment
Document 2 ID	PowerDocs://DOCSOPEN/672010/14
Description	DOCSOPEN-#672010-v14-Tenant_Protection_Ordinance_Amendment
Rendering set	Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	35
Deletions	21
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	56

MINUTES OF THE PROCEEDINGS OF THE HOUSING COMMISSION OF THE
CITY OF BROOKLYN CENTER IN THE
COUNTY OF HENNEPIN AND STATE OF MINNESOTA

REGULAR SESSION
OCTOBER 19, 2021

CALL TO ORDER

The Brooklyn Center Housing Commission was called to order by Chairperson Goodell at 7:00 p.m. The meeting was conducted virtually.

MEETING ATTENDEES

Chair Mark Goodell
Commissioner Paul Oman
Commissioner Michael Donnelly
Commissioner Zarita Hester
Commissioner Johnson Yang

City Staff present: Staff Liaison Jesse Anderson, Community Development Director Meg Beekman, City Attorney Sam Ketchum, Planning Staff Olivia Boerschinger, and City Council Liaison Kris Lawrence-Anderson.

Also present: Anab; Agnes; Leah DeGrazia; Lana Hamilton; Victoria Karmo; Madeleine Lerner, ACER; Fadumo Mohamed; Lovetee Polahn; Eric Hauge, HOME Line; Samuel Spaid, HOME Line; Tally; Shana Tomenes; Marie Vincent.

APPROVAL OF AGENDA

There was a motion by Commissioner Oman and seconded by Commissioner Donnelly to approve the agenda as submitted. The motion passed.

APPROVAL OF MINUTES

There was a motion by Commissioner Oman and seconded by Commissioner Donnelly to approve the minutes of the Housing Commission meeting on August 18, 2021. The motion passed.

TENANT PROTECTION ORDINANCE DISCUSSION AND DRAFT ORDINANCE REVIEW

Staff Liaison Jesse Anderson gave an overview of the proposed tenant protection Ordinance He added the City Council has held multiple work sessions regarding housing programs, and the City is currently undergoing a City-wide housing study, which will provide recommendations for City housing policies, housing priorities, and a housing action plan.

Mr. Anderson stated there is urgency related to this issue created by the phasing out of the eviction moratorium as well as low vacancy rates. The proposed Ordinance addresses evictions, requiring a 30-day written notice as well as preventing landlords or property owners from not renewing an existing tenant lease without cause. He added some just cause reasons for non-renewal, as listed in the proposed Ordinance, are non-payment of rent; material non-compliance; refusal to renew;

conversion, demolition, rehab or renovation; compliance with a government order; or occupancy conditional upon employment. He noted the Ordinance also addresses evictions and non-renewal and provides support for tenants who have just cause to bring action against landlords.

Mr. Anderson stated City Staff received feedback and recommendations from ACER, HOME Line and the Housing Justice Center to expedite the proposed Ordinance due to urgency related to evictions and non-renewals. He added representatives of community organizations have joined tonight's meeting. He noted the proposed Ordinance will likely have its first reading at the November 8, 2021 City Council meeting, and second reading and public hearing scheduled for the City Council's December 13, 2021 meeting, with the Ordinance going into effect in January 2022.

Chair Goodell requested feedback and comments from the Housing Commissioners and guests.

Commissioner Oman requested clarification regarding the timing of the Ordinance and actions that can be brought against landlords for something that has already happened. Mr. Anderson stated the Ordinance would go into effect in January 2022, so any violations could not have happened before that.

City Attorney Sam Ketchum agreed with Mr. Anderson's assessment. He added the enforcement provisions would apply to evictions after the Ordinance goes into effect.

A resident requested clarification regarding what control renters have with regard to friendly rental agreements. Chair Goodell stated he believes there has been some investigation into concerns about rental agreements, in terms of changes to a renewal or other limitations.

Mr. Anderson stated the proposed Ordinance amendment relates to non-renewals and evictions. He added there are some areas of the Ordinance that have not been brought forward yet, that could provide limitations on changes to lease agreements, which may be discussed under a future Ordinance amendment.

The resident stated he has been living at Georgetown for 11 years, and management does whatever they want, and imposes restrictions. He added he got a letter that they will not renew his lease and put him on a month-to-month lease. He added he is concerned and hopes the Commission can make some changes. He asked whether the Commission could go into people's homes and find out how they live and how they are being treated.

Chair Goodell thanked the resident for his comments. He added the Commission is interested in hearing about the issue of lease agreements, although tonight's amendment relates to evictions and non-renewals. He added City Staff is researching these other important issues, and he appreciates the resident bringing his concerns to the Housing Commission's attention.

A resident, Tally, stated retaliation by landlords at Georgetown is not fair to tenants, and they are not allowed to have visitors. She added they are not being treated as though Georgetown is their home. She noted they have been towing cars and not giving any information about restrictions or when they can park their cars.

Another resident agreed, stating people do not speak up because they are afraid that they will get an eviction notice. She added she was given an eviction notice because she did not apply for rental assistance. She noted she told them her application was pending.

Tally stated it is not fair to Georgetown residents. She said the landlord does not fix anything, but no one asks questions or asks for help. She added they are taking cars.

Lovetee stated she has been a Georgetown tenant for 2-3 years. She added she is concerned about tenant protections. She asked what it will protect. She noted she has 6 living children, and the Ordinance cannot protect her from being evicted. She added her lease has not been renewed for no reason, and the landlord gave her 3 months to find a new home.

Lovetee stated she went to the office to ask about why her lease cannot be renewed, and she was told she could not enter the office and she was not welcome. She added she is a tenant, and they have no reason for not renewing her lease. She noted this is an emergency and she asked the City for help. She noted the Ordinance needs to be passed now so their leases can be renewed.

Lovetee tasked whether something can be added to the Ordinance about lease renewal. She added the only reason a lease should not be renewed is if a tenant does something crazy. She noted landlords should not be able to renew leases without a reason.

Chair Goodell stated there are some serious issues with renewal of leases and evictions, and it is his understanding that this Ordinance amendment will address both lease renewals and evictions. He added the Ordinance would put restrictions on evictions and eviction notices, and a limit list of reasons why a lease cannot be renewed. He noted the Ordinance will directly affect the residents' situations when it is passed.

Chair Goodell stated the Housing Commission will not be passing the Ordinance, but rather making a recommendation to the City Council. He added the Commission is a board of volunteer citizens, and their job is to provide feedback and recommendations to the City Council. He noted he truly appreciates everyone's comments and feedback.

Sam Spaid, staff attorney for HOME Line, stated his organization supports the proposed Ordinance. HOME Line is a state-wide nonprofit organization providing free, confidential legal advice to residential tenants in Minnesota. He added the personal statements that are being expressed tonight are the same things that HOME Line staff hear on a daily basis from tenants in Minnesota. He noted the proposed Ordinance will address many of these issues – preventing non-renewal without cause and giving tenants time to solve the problem when there are eviction threats, and to seek legal advice to protect their interests.

Mr. Spaid stated there are tenant protections under State law, but they fall short of providing solutions and do not help tenants as much as they should. He added tenant protections are extremely important especially now that Covid restrictions are being lifted.

Madeleine Lerner, Organizing Manager at ACER, thanked the Housing Commission for the opportunity to address this issue. She added the proposed Ordinance is a critical first step in

instituting more comprehensive tenant protections in the City of Brooklyn Center. She noted ACER staff continuously hears these same stories about evictions without notice, no direct contact from landlords, and insufficient notice period for eviction or non-renewal.

Commissioner Zarita Hester stated she fully supports the Ordinance as there should be protection for renters, because there is protection for landlords. She asked whether the Ordinance addresses non-renewal of a lease if the property changes hands. She asked whether the Ordinance addresses leases that are reduced to month-to-month leases.

Mr. Anderson stated there is an existing Ordinance on the books adopted 2 years ago that has a notification requirement of 120 days before the landlord can make any changes to a lease.

Mr. Anderson stated the issue of month-to-month leases is not addressed and could be reviewed in a different revision of this Ordinance, and a future policy change.

A resident asked whether there must be a specific cause for a landlord to change to a month-to-month lease. He added landlords are using month-to-month leases as a form of retaliation.

Mr. Anderson stated just cause for non-renewals is included as a requirement in the Ordinance. The proposed Ordinance will make it more enforceable.

Marie Vincent stated she has lived in Georgetown for 2 years. The lease renewal and eviction issues are very serious, and reasons for eviction should be revealed to the tenant. One neighbor stated that she could not go to the office and speak her mind because she was afraid of being evicted. Brooklyn Center should be a free place for people to live and speak their minds, but they are not able to do so at Georgetown. She asked for the Commission's help with these issues.

Chair Goodell stated the proposed Ordinance includes a limited list of items that could be a reason for eviction or non-renewal of lease, but notice needs to be given to the resident, and there must be facts to support it.

Tally asked if the agreement could include information about when cars are going to be towed in Georgetown. She asked whether the City has anything in place for people with a low credit score to help them get a home, so they don't have to go through this anymore.

Chair Goodell stated he is unsure about the towing regulations at Georgetown. He added the proposed Ordinance being reviewed tonight does not address towing in particular.

Mr. Anderson agreed, adding further discussions can be initiated with the City Attorney for this issue under future Ordinances, regarding regulations and enforcement.

Mr. Anderson stated the City of Brooklyn Center has a down payment assistance program that provides up to $10,000 assistance for current Brooklyn Center renters who want to buy a home in Brooklyn Center.

Chair Goodell agreed to post a link for the down payment assistance program in the chat function.

A resident asked what the Commission is doing to support townhomes and rental complexes as homes that people live in. He added people should not have their cars towed. He asked whether the Commission plans to do something to see how people are living.

Chair Goodell stated he understands the resident is interested in having the Commission or City do a survey of rental properties to find out what conditions tenants are living in, and what their lives are like. He added there are concerns about towing. He noted the proposed Ordinance is related to evictions and just causes for lease changes, but there are many other areas that the City is looking at and these items can be included.

Chair Goodell stated the Housing Commission is a volunteer board that makes recommendations to the City Council, with input from City Staff. He added the City will continue to look into these issues and he appreciates everyone sharing their stories and concerns.

Eric Hauge, HOME Line, stated his organization has provided suggestions and recommendations regarding policies for immediate response to the end of the eviction moratorium. He added his organization hears about these kinds of issues regularly, and there has been inadequate response from the State legislature to address tenant and landlord issues. He noted HOME Line is committed to working with the City of Brooklyn Center to address these issues, recognizing that the majority of tenant/landlord law is at the State level, but cities like Brooklyn Center are taking important roles in regulating the businesses that operate in their City.

Community Development Director Meg Beekman stated the City began a Housing Study in January 2021. An Advisory Council was formed, and the City contracted with CURA and Research in Action to provide quantitative and qualitative analysis regarding housing stock and housing gaps. The Advisory Council, made up of residents, will provide recommendations focused on housing needs in the community, including anti-displacement and tenant protections, as well as housing choice and diversity. The recommendations of the Advisory Council are expected to be received by the City Council early in 2022. These recommendations will form the basis of City-wide Housing Policy Action Plan.

Ms. Beekman stated tenant protection issues are important and extremely urgent, and some housing topics have been tabled until the Housing Study is completed, to form recommendations and implement solutions, so tenant protections can move forward more rapidly. She added City Staff have met with tenants of Georgetown multiple times, as well as ACER and HOME Line, to identify a broad collection of regulations pertaining to tenant protections, and to address concerns that have been voiced this evening, including repairs and maintenance, towing policies, and safety and security.

Ms. Beekman stated, as part of this review, the City has looked at how other cities, particularly St. Paul, have addressed these issues. The City of St. Paul adopted a broad tenant protection Ordinance last year, which covers many of the provisions proposed in the draft Ordinance, including non-renewal without just cause. St. Paul was promptly faced with a lawsuit brought by landlords, and the city rescinded the Ordinance due to an injunction. This situation has been part of the City of Brooklyn Center's consideration and discussions, and the provisions addressed in

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the proposed Ordinance that is being reviewed tonight address urgent anti-placement concerns driven by the ending of the eviction moratorium.

Ms. Beekman stated there will be many more discussions, and City Staff will continue to work with residents and community organizations. She added she wants to underscore that the City Council takes these issues very seriously and they have directed City Staff to focus on actively pursuing solutions.

Chair Goodell stated, to underscore the urgency of the situation, the eviction moratorium ended on October 12, 2021.

Sam Spaid, HOME Line, stated most protections ended October 12, but there is still protection for tenants who are behind on rent but have already applied for financial assistance through Rent Help. He added protection for tenants with pending applications is extended through June 2022.

Meg Beekman stated these issues are not unique to Brooklyn Center. She added it has been a failing of the State legislature to leave cities to deal with these concerns. She noted no other cities have adopted a non-renewal without just cause Ordinance, and this is new territory, so the City wanted to be fairly cautious about how it is brought forward to address concerns within the authority of the City.

Mr. Hauge stressed the importance of understanding that there is nothing that automatically stops an eviction from happening, which is why this Ordinance is so critically important. He added housing instability can happen even when there are protections in place. He expressed his agreement with Ms. Beekman that this is a unique and important protection that no other city in Minnesota has ever done and that the State of Minnesota has not provided support in these areas.

Chair Goodell requested feedback from the Commissioners.

Lovetee asked how strong the Commission is in its relationship with the City. She added the Commissioners have said they are a group of volunteers. She asked how much influence the Commission has over the City. She asked whether the City could have a meeting with landlords and tenants, to create a safe environment for renters and keep people safe in their homes. She added she wants the City to create an atmosphere in which landlords and tenants can be friendly and cooperative, so that non-renewals and evictions will stop. She noted she has lived in Brooklyn Park and Crystal where meetings were held with landlords to evaluate leases.

Chair Goodell stated the Housing Commission is an advisory body comprised of citizens of Brooklyn Center, whose job it is to review issues related to housing and provide recommendations to the City Council. He added the Commission will provide a recommendation to the City Council regarding this Ordinance, and that will be part of their consideration, but the Commission does not pass Ordinances. He noted there have been questions in the past about improving relationships between landlords and tenants.

Ms. Beekman stated the State law related to landlord/tenant relations is vague and untested, and what cities can and cannot do has not been addressed in State statute. She added some cities are

considering measures, including Minneapolis, which is looking into a Charter amendment via referendum that would circumvent State statute with regard to addressing these issues. She noted it is difficult to regulate mutual respect and common decency in landlord/tenant interactions, especially when there are underlying factors, although many landlords and property owners have positive relationships with their tenants.

Ms. Beekman stated City Staff is exploring ways to clarify expectations for how residents should be treated, and what regulations are within the City's authority to impose. She added the City does not regulate private contracts but has some leverage with rental housing licensing. She noted Type 3 and Type 4 rental license properties are required to enter into a mitigation plan, which includes demonstrating communication with tenants.

Commissioner Oman stated the Ordinance should be passed as soon as possible, as it is well-written and concise, and addresses concerns raised by the community.

There was a motion by Commissioner Oman and seconded by Commissioner Hester to recommend City Council approval of the Tenant Protection Ordinance. The motion passed.

Chair Goodell stated he supports expediting this Ordinance as much as possible.

Commissioner Donnelly asked whether the lawsuit regarding the St. Paul Ordinance affects this Ordinance in any way, and whether the City should be concerned about lawsuits.

Ms. Beekman stated the City Attorney's office drafted the proposed Ordinance and followed the proceedings in St. Paul very closely, although no decisions were made in that case.

Mr. Spaid stated the proposed Ordinance is quite different from St. Paul's Ordinance, as it focuses on two items – notice for non-renewal and evictions. He added there is always a risk for a lawsuit in this arena, but this Ordinance is taking a more targeted approach toward anti-displacement.

Chair Goodell thanked everyone for their input, and for sharing their stories and concerns. He added it has been very moving and he appreciates all the comments. He noted the issue of tenant rights and protections is of primary concern to the City Council and Commissions, and there will be many more discussions on this issue.

A resident thanked the Housing Commission for listening to them and expressed her appreciation for everything the City is trying to do for them.

Another resident thanked the Housing Commission for listening. She added she is overwhelmed and hopeful that things will work out. She added the Commission and City Staff explained things well, and she hopes that the City will move as fast as possible so change can come, and they can be happy in their homes.

Lovetee requested a recap of the timetable for the Ordinance. Mr. Anderson stated the first reading of the proposed Ordinance will be at the City Council's November 8, 2021 meeting, at which they will call for a second reading and public hearing, to be held at the City Council's December 13,

2021 meeting. He noted the earliest the proposed Ordinance would go into effect would be mid-January 2022.

NEW NEIGHBOR WELCOME PROGRAM

Chair Goodell stated there have been two deliveries of New Neighbor welcome bags since the Housing Commission's last meeting, and they covered approximately 100 homes. He added there are 139 homes left on the list, and he would like to suggest a few weekend dates for deliveries. He noted, after the last meeting, he sent out a poll with potential dates, and he can do that again. The Commissioners agreed.

City Council Liaison Kris Lawrence-Anderson requested that she be added to the email distribution list. Chair Goodell agreed.

Chair Goodell thanked Commissioners Oman and Yang for delivering bags with him last time. He thanked Mr. Anderson for putting the welcome bags together.

COUNCIL LIAISON REPORT

City Council Liaison Lawrence-Anderson stated City Staff are updating the City calendar with links to Commission meetings. She requested that the Housing Commission meeting information be sent to City Clerk Barb Suciu to be added to the calendar. She added she would like to receive links to the Charter Commission meetings as well.

City Council Liaison Lawrence-Anderson stated the City Council will be finalizing 2022 budgets at their first meeting in December.

City Council Liaison Lawrence-Anderson stated the City is working to secure the safety of residents and City Staff in preparation for the trial of Kim Potter which starts on November 30, 2021.

City Council Liaison Lawrence-Anderson stated she hopes to request a City Council review of the issue of solicitor's licenses in terms of predatory practices. She added this could be related to tenant protections.

Chair Goodell asked whether there has been any movement from the City Council on Commission re-appointments. He stated he received Commissioner Amdahl's resignation recently, so there will be another opening. He added Commissioner Amdahl has been on the Housing Commission since 2008.

City Council Liaison Lawrence-Anderson stated that is very sad, and she will reach out to Commissioner Amdahl.

City Council Liaison Lawrence-Anderson stated the City Council reviewed several applications at our their meeting, and additional appointments will be reviewed at the next meeting in November.

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Chair Goodell asked whether that will include re-appointments for Commissioners whose terms have expired. City Council Liaison Lawrence-Anderson confirmed this.

CHAIRPERSONS REPORT

Chair Goodell expressed his appreciation to the Commissioners at tonight's meeting. He thanked City Staff for their hard work on the proposed Ordinance.

OTHER BUSINESS

There was no other business addressed by the Commission.

ADJOURNMENT

There was a motion by Commissioner Oman and seconded by Commissioner Yang to adjourn the meeting. The motion passed. The Brooklyn Center Housing Commission adjourned at 8:41 p.m.

_____

Chair Goodell

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From: Erik Falkman <erik@sasapartments.com>
Sent: Wednesday, November 24, 2021 10:08 AM
To: Meg Beekman <mbeekman@ci.brooklyn-center.mn.us>
Subject: RE: Tenant Protection Ordinance

Thank you Meg,

You are certainly free to forward to council.

I am sorry to hear this feedback from renters in Brooklyn Center, and I have no doubt that these issues are very real to some in our community, but as you said this ordinance does not do anything to specifically address these concerns. Additionally, as one of the largest owners in Brooklyn Center, this ordinance will affect our current and future residents even though as you stated none of these concerns were at our properties. It seems like a few bad apples are driving an ordinance that may potentially have a negative impact on everyone.

As far as retaliation is concerned, there are already severe penalties for "retaliation" and non-renewal as described in your response, on the state and national level. If that is the primary concern, then this ordinance is redundant and overly burdensome for all concerned and it will drive up the cost and availability of housing in Brooklyn Center. More politics than policy.

As my email outlined, eviction is a last resort only when residents are unresponsive to efforts to communicate. While I certainly believe (and our company practices) that it is in everyone's interest to try to resolve issues outside of the eviction process, the reality is, that it is not always possible. And while the intent is to create space for this to happen, I truly believe that in application it will have the exact opposite effect for most if not all renters, the risk to "work it out" will be too great given the notice requirements. Where the unfortunate circumstances some of these renters are calling about are due to a few bad landlords or managers, the result will be higher costs to all renters, and I believe a higher incidence of eviction filings.

My initial thoughts on how to address this issue through regulatory or administrative means are:

> Why not increase licensing requirements and fees and have a review process established for these on-going repeat offenders and have it affect rental licensing tiers? If property maintenance is not being completed that seems more like an inspection/licensing issue. Brooklyn Center already has a robust and effective tiering system and that could be implemented a little more stringently.
>
> Fears of personal and property safety is tricky, as some of the steps (like towing unauthorized vehicles) are done for these reasons but result in complaints by residents. But overall this seem to me to be a policing issue and not any place where a landlord could be effective. If it is fear of personal harm or stealing committed by a landlord that is again a policing issue. Laws such as Kari Koskinen and penalties for entering without notice etc… already exist and are prohibitive and punitive for managers that violate them. Any decent manager knows these laws, and any crime should be reported to the police, not left to a property manager to enforce, that seems dangerous for people not trained to handle these situations.
>
> If retaliation is a concern, I would think city staff could direct frightened renters to advocacy groups for reporting and intervention, as those laws already exist. Once a complaint is formalized then it is established for correlation to any type of non-renewal or termination of tenancy as retaliation.

Overall I believe again that this ordinance proposal negatively affects all renters in our community while the issues reside with just a few of the owners/managers, and these concerns could be addressed administratively without the long term and unintended consequences of creating more conflict, more eviction filings and more expense to renters with stricter screening requirements, all of which will also impact the quality and availability of housing in Brooklyn Center.

I am happy to discuss further in person, or via zoom or phone.

All my best Meg and have a nice Thanksgiving-

Erik

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From: Meg Beekman [mailto:mbeekman@ci.brooklyn-center.mn.us]
Sent: Tuesday, November 23, 2021 11:43 AM
To: Erik Falkman <erik@sasapartments.com>
Subject: RE: Tenant Protection Ordinance

Erik,

The public hearing is scheduled for December 13, and the Council meetings are virtual. A link to the meeting can be found on the City's website.

I really appreciate your comments and thoughts on this matter. Your insight as a property manager in how this ordinance will be implemented is helpful. Would you like me to forward your email to our Councilmembers?

From the tenant side of things, the Council has been inundated in recent months from tenants complaining about a whole host of issues related to their rental conditions. I will say that none of these complaints have originated from any of your properties. That said, for many renters, the fear of retaliation from their landlords for raising their concerns and asking for better, fairer, policies is very real. Many of these issues center around timely and proper maintenance of units, overly aggressive towing practices, and concerns of personal and property safety. While this ordinance doesn't address these issues specifically, it does attempt to address the underlying concern of non-renewals as a retaliatory act for raising these other concerns.

Further, the purpose of the eviction notification provision within the ordinance is exactly intended to create space for renters and landlords to work through issues, or allow time for the tenant to leave if issues cannot be solved, prior to an eviction being filed.

I welcome your insights in how to better address these issues through regulatory means, if not through a prohibition on non-renewals without just cause.

Thanks,

Meg

Meg Beekman, AICP | Community Development Director
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From: Erik Falkman <erik@sasapartments.com>
Sent: Tuesday, November 23, 2021 11:20 AM
To: Meg Beekman <mbeekman@ci.brooklyn-center.mn.us>
Subject: Tenant Protection Ordinance

Dear Ms. Beekman,

Can you please let me know when the hearing is for the tenant protection ordinance currently under consideration (attached) and if there will be an opportunity for the public to speak at this hearing? It would be nice if the meeting could be in person especially given the potential profound impact of this proposal.

As written, this ordinance has the very real potential to have significant negative consequences to all renters in Brooklyn Center. As is the case in many of these well intentioned ordinances, the unintended consequences could have a devastating effect on the individuals it was meant to help.

As the manager of approximately 25% of the rental units in Brooklyn Center I can tell you that eviction is a remedy of last resort for most property managers and owners. It is expensive, time consuming and we are acutely aware of the damaging effects this has on our residents. It is primarily used when a resident is unresponsive to attempts to communicate and find a solution outside of eviction. At that point it is the only tool available to gain possession of a unit, and even then, it is usually negotiated in court for a resident to stay in their unit if they desire, and the eviction is cancelled.

Most of our units are at or below the 60% AMI level and we take pride in providing safe, quality housing, at a good value. We also take pride in our service and relationship with our residents. While there are certainly some bad landlords, most owners and managers are fair, honest and try to do their best by their residents, keeping up the property, addressing maintenance issues in a timely manner, and updating the property to provide what residents are asking for all while balancing rising costs of labor, materials, property taxes, insurance etc...

Common practice is to have a grace period on rent, in our case it is four days before late fees are assessed and communication efforts begin. Current best practices are to provide notice or a "pay or quit" depending on amount due and communication with the manager around the 7th of the month, as evictions take approximately three weeks to process meaning we most likely will gain possession of a unit 45 days after a notice of intent to file an eviction.

If this ordinance passes, rent will only be due on the first of the month (no grace period) with a notice of intent to file an eviction delivered on the second of the month. This will also trigger late fees on the second day of the month increasing costs to the residents. I believe this ordinance will actually increase evictions. Where before owners and managers are incentivized to find a workable solution or payment plan, with this ordinance the risk is too great if that plan is defaulted upon given the notice provisions. I believe owners and managers will not be willing to work with residents moving forward and will give notice immediately if rent is late.

If this ordinance process works as planned we would most likely be 60-75 days to gain possession of an apartment. That risk is significant, as again that is just for possession and doesn't account for time for repairs, and marketing and re-leasing that apartment. That window of time also allows for potential damage to be done to the apartment. There may be no rent being paid on that unit for 3-4 months in addition to costs. The impact on the renters of Brooklyn Center of this ordinance will be dramatic as owners and managers will not risk any payment plans or other arrangements.

These risks will also require a different approach to screening to minimize that potential loss of income and costs associated with this ordinance. It will be even more critical to try and mitigate risk of default by increasing income and credit score requirements at the time of application for residency. With higher screening requirements, less renters will qualify meaning fewer housing options. This will result in more applications made by renters, increasing their costs to secure housing, and managers and owners less willing to make exceptions.

In regards to the non-renewal portion of the ordinance; non-renewal of leases is another tool alternative to eviction, as again it is understood by all that evictions are time consuming, expensive for manager/owner and renter, and the impact of an eviction is devastating to the ability to secure future housing. This provision will lead to managers being less forgiving and understanding, and will result in more stringent documentation and giving notice to any and all infractions of the lease, regardless of severity. This is also a very signbificant provision, as it increases the stress on both renters and property staff and will inevitably lead to confrontations. The impact on all parties' mental health cannot be understated. In our case, a notice of intent to non-renew a lease is delivered at minimum, 75 days prior to lease expiration. An alternative to this provision would be a simple requirement of a 75-90 day notice on non-renewal of lease.

Lastly, any property on the cusp of the 80% AMI will immediately raise rents to exempt themselves from this ordinance.

This is a solution in search of a problem. A 30 day notice period is one of the longest and most burdensome in the metro area. In most municipalities it is 7-14 days. If there are frequent offenders it would be wiser to address specific concerns with specific management companies or

owners rather that use such a blunt tool that will have these consequences and many others for all renters in the city.

While well intentioned, I believe this ordinance will increase evictions in our community, decrease new investment, increase the cost burden to renters, and result in scarcer housing for the people this ordinance is intended to benefit.

I am happy to discuss further with any member of the city staff or council. Please feel free to share this.

Warmest Regards,

Erik



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Tenant / Landlord Tenant Protection Meeting Recap

January 12, 2022

There were a total of 25 participants, 3 city staff, city attorney, and 2 council members.

Staff provided a brief overview the current tenant protection ordinance stating that it applies to the transfer of ownership.

Staff provided a brief recap of the concerns that were brought up at the ARM meeting. Those concerns were:

- What is the definition of affordable housing, needed some clarification about affordable.
- The city getting involved with a private contract between landlord and tenant, city getting involved with contract law.
- Landlords calling the police for service would impact their license type.
- If landlords are required to give a 30 day notice it would further delay their rent collection and could take as long as 90 days to get the unit back.
- There were questions about the data used to come up with the ordinance.
- State statutes give tenants' rights such retaliation protection and tenant remedies act in the event that the repairs are not being done.
- Possible compromise such as shortening the 30 day notice to 14 days and replacing just cause non-renewal with a notice period for just cause.

Staff provided an explained the 30 day eviction notice. Minneapolis give a 14 day and St. Louis Park's is 7 days. Staff cited that the city is open for a discussion.

The concern regarding the 30 day windows is that it is too long to resolve the issue and would push it into another month of the tenant potentially being late again on rent. Landlords often work with tenants on resolving the matter and requiring a 30 day notice would mean that a notice would be given on the 2nd day requiring eviction which may case tenants to panic and break down the communication between landlord and tenant.

The most common issues that cause late rent is car breakdown or medical bill. If the notice is 30 days, most landlords isn't willing to do a payment plan beyond 30 days.

Staff gave an example of issuing a code violation notice. Staff stated the notice is not a citation but the notice states the amount of time given and also includes language about an abatement or a citation. Once a payment plan is entered into and the tenant breaks that agreement, a Hennepin county judge will throw the case out and would require a new notice.

The citation doesn't pay the mortgage and a tenant who doesn't pay impacts the landlord's mortgage. Pushing the rent back 30 days would compound the amount of rent due making it more difficult for them to pay.

Sam from Homeline stated that landlords who make payment arrangements and could extend for 30-60 and if the tenant defaults the arrangement could be held up in court.

If the notice is sent with language stating that the tenant is behind on rent, and rent isn't paid, another notice will be sent. The tenant would be behind on rent and before housing court, landlords have bent over backwards to assist landlords. Many landlords reach out and willing to work something out.

A notice that states Eviction will cause a lot of stress, notices for noise violations already cause a lot of stress, and a notice stating eviction will further cause stress. Tenants don't know that they can call the office to work out plan on how to pay the rent owed.

If a notice is not given to tenants and do not get a heads up they might not know that there is issue. A suggestion was about crafting the notice so it is not threatening or intimidating. Regardless of the language in the notice, the 30 day requirement would still mean the notice is given on day 2.

A concern about criminal would delay an eviction if a 30 day notice is required. It was stated that criminal activity is exempt from the ordinance and there are state statutes that would allow for expedited eviction.

Another concern was about the different rules that each city has in implementing tenant protection laws. Staff stated that landlords should lobby MN Multi-Housing to lobby the legislature to pass laws that would be implemented state wide.

Evictions take a long time and often times that tenants leave and landlords are not able to collect on the back rent. If there are a few bad landlords only, why implement ordinance that impact the entire rental property in the city. Further, the city already has a difficult rental license program and it is only compounding regulation.

The cost of 30 days has impact on single family homes since there small margins on single family rentals and as large investment companies leave and new ones move in, the cost of rent will increase. The payment of rent language is in the lease and staff is willing to work with a date that will work with everyone. It was suggested that the notice is shorted to 7 days. 7 days is not enough time for tenants prepare and the more notice is preferred. Homeline suggested that the 30 day notice does not get changed.

Staff stated that the courts have upheld Minneapolis and St. Louis Park's ordinance so both dates would be acceptable. 30 days would be in conflict with state statute, state statue is 14 days for a tenant to file a rent abatement.

Landlords don't want to file an eviction and have built a relationship with tenants. Using the word eviction ruins the relationship. It was then stated that the relationship is a business relationship and not friendship relationship.

An example of non-renewal just cause is a tenant who smokes marijuana but the landlord cannot evict because there isn't enough evidence which causes good tenants to move out. If the tenants are not willing to testify, there is no way to get rid of the tenant. The only way would be to non-renew the tenant. BC police does not respond to calls for service for marijuana and the current language would require that the tenant is given an opportunity to correct the behavior.

Staff stated that there are real concerns that the city has continued to hear from residents about maintenance and management practice and staff has to balance the interests of everyone.

ARM Meeting Comments

We have 13 people that signed in, however, there were about 20 people that showed up. Emails (where emails were provided) were sent to invite them back for the January 12th meeting. Notes are not in any particular order of discussion. Let me know if there are additions to this that I may have missed.

1. Questions were asked about the use of the word affordable housing and what would be considered affordable housing. It was explained that affordable housing in the context of the ordnance would be the rent amount based at 80% of AMI. The AMI amounts were referenced in the ARM newsletter. It was suggested that the city adopt the state's definition of affordable housing.
2. The owner stated that due to the rent in Brooklyn Center, 80% of AMI would mean all properties in the city are subject to this new ordinance since the rents are not more than the chart.
3. There were concerns about how the city is interfering with contract law since the contract is between a landlord and tenant not with the city. There was a follow up about enforcement. Staff explained that the ordinance would allow tenants to be more proactive and would be able to use the ordinance as a defense in court. The city would not be enforcing the ordinance.
4. A concern expressed if landlords are non-renewing because of police calls, they would need to call the police for service which would ultimately impact their license type. Staff showed the police calls for service chart and explained that not all calls for service would impact their license type.
5. Many owners/landlords/managers expressed that they are already working with tenants on rent issues and the ordinance would inhibit them to work with tenants since they would have to serve a eviction notice after the 1st of them month.
6. A question about the data used for the reason to come up with the non-renewals. Staff explained that the data for non-renewals do not exist however the data for eviction filings, vacancy rates, and housing costs exist which was used to craft the ordinance to prevent further displacement of low income families who lack housing options. Staff also cited the U of MN study which showed the housing issues.
7. There was concern that the city would be creating an ordinance that would be in conflict with state statutes around tenant rights. It was also expressed that retaliation is outlined in state statutes along with rent escrow procedures for repair or other issues.
8. Questions about why staff didn't engage landlords in a conversation sooner and waited till it was about to be approved by city council.
9. Giving tenants a 30 day notice for eviction filing would mean that every tenant that does not pay rent on the 1st will be served a notice of eviction. Tenants would be upset and cause additional work for landlords. It would also further delay actual evictions up to 60 days and landlords would be without rent up to 3 months without rent collection.
10. It would deter landlords from working with tenants, most already do try to work something out if the tenants are behind on rent.
11. The city is allowing tenants who can't pay rent to live rent free and not allowing the landlord to get the tenant out sooner.
12. Retaliation is already a right under MN statute and if a landlord is retaliating, the tenant has rights that they can utilize.
13. If landlord isn't repairing things, the tenant can file a rent escrow which is protected under MN statute as well.

14. This ordinance is protecting bad tenants and allowing them to live in the unit while the good tenants are going to suffer.
15. This is going to drive out good tenants because landlords won't be able to evict bad tenants quickly enough.
16. Just cause eviction would require that the landlords have enough evidence to prove in court which is often difficult to do such as smoking or marijuana smoking.
17. The city should consider looking at St Louis Park's tenant protection ordinance and change it to 7 day notice vs 30 day notice.
18. Comments were made about RentHelpMN and questions were asked if the city is helping with tenants who need it. Staff stated that staff is not doing the technical assistance but referring to partnering agencies such as CEAP and other organizations that assist with application and in-person assistance. RentHelpMN is down to 30 days for 1st time applicants and 2nd time applicants are as long as 5 months.

Council/EDA Work Session
VIRTUAL meeting being conducted by electronic means in accordance with Minnesota Statutes, section 13D.021 Public portion available for connection via telephone Dial: 1-312-626-6799 Meeting ID: 8753742695#; Passcode: 114379#
February 14, 2022

AGENDA

ACTIVE DISCUSSION ITEMS

1. Continue Allocation of American Rescue Plan Act Funds (20 minutes)

   - Consensus of the City Council to spend up to $3,264,133 in American Rescue Plan Act funds through 2024.

2. Community Development Block Grant Funding Allocation Discussion (20 minutes)

   - It is recommended that the City Council provide direction to staff on the allocation of CDBG funding. Staff will then prepare a resolution and hold a public hearing on February 28, 2022.

3. Heritage Center and Minnesota Orchestra Hall Concert

   - The Mayor seeks direction from the Council related to use and waiving of fees for two days at the Heritage Center by the Minnesota Orchestra.

PENDING LIST FOR FUTURE WORK SESSIONS

1. Upcoming

Council/EDA Work Session

DATE: 2/14/2022

TO: City Council
FROM: Dr. Reggie Edwards, City Manager
THROUGH: N/A
BY: Meg Beekman, Community Development Director

SUBJECT: Continue Allocation of American Rescue Plan Act Funds (20 minutes)

Requested Council Action:

- Consensus of the City Council to spend up to $3,264,133 in American Rescue Plan Act funds through 2024.

Background:

Overview

On March 11, 2021, President Biden signed the American Rescue Plan Act (ARPA) of 2021 into law. The ARPA provides $1.9 trillion in additional relief to respond to the novel coronavirus (COVID-19). According to the U.S. Department of the Treasury, the Coronavirus State and Local Fiscal Recovery Funds provide a substantial infusion of resources to help turn the tide on the pandemic, address its fallout, and lay the foundation for a strong and equitable recovery.

The City of Brooklyn Center received a total allocation of $3,200,000 with half the funds received earlier in 2021 and another half available to be requested in 2022. Since June, the city has coordinated with community partners, residents, local businesses and nonprofit organizations, and city staff to develop an investment plan for ARPA funds.

When CARES Act funds were made available in 2020, the timeline to spend down those funds was very short. As a result, most of the the funding went to cover costs incurred by the City, or were otherwise focused internally. Funding supported a variety of projects including HVAC system upgrades, employee wages, small business support, food shelf operations, and community innovative initiatives. The City abided by several principles including:

1. Erring on the side of safety of staff and the public
2. Recover or reimburse the City for expenditures made in response to the COVID-Pandemic
3. Helping residents survive, respond and thrive beyond (up to 18 months) the COVID-19 Pandemic

ARPA Guiding Principles

Similar to CARES Act funding, similar principles for the use of ARPA Funding were established. An inter-department group of staff initially met to begin discussing the use of funds, the process for allocation, and to develop a framework through which decisions about funding would be made. The intent of principles outlined below was to serve as a guide for the City expenditure of ARPA funding.

- Serving a clear and direct public purpose and benefit
- Take measures that err on the side of improving the safety/health of staff and the public related to the

COVID-19 Pandemic

- Bolstering Long-term Communication Capacity between the City and residents (Citywide and Emergency communications – Electronic and otherwise) – promoting public health through encouraging vaccines, COVID awareness in general, Etc. Bolstering communications throughout the City related to events, facilities, accessibility, and services. Enhanced communication for various emergency and safety campaigns (i.e. code red, vaccines, etc.)
- Recovering or reimbursement for operational financial hardship
- Maximize use of funds to invest and increase capacity within the community to recover and thrive beyond the COVID-19 Pandemic
    - Year One - 60% community investment and 40% operational investment
    - Year Two - 70% community investment and 30% operational investment
- Use funding in a manner that provides long-term, multi-generational wealth building and economic stability.
- Use funding in a manner that lowers overall tax burden of residents
- Any new programs developed or funded with ARPA funds will have a clearly identified sustainability plan for how they will continue after funding period is over

With the framework established, city departments and community partners were asked to identify possible uses of funds, using the establish guiding principles as a matrix.

Community Engagement Process

In summer of 2021, the City convened a group of community stakeholders to develop a framework for a new direction for the City. The results of that work was a report entitled *Evolving Brooklyn Center: A Community Centered City*, and formed the basis for funding requests to several philanthropic organizations. As part of a follow-up to this work, this group was reconvened over two meetings to provide input and guidance on the use of ARPA funds.

During their initial sessions, this group of community stakeholders identified four key areas that were critical to stabilizing community and initiating real change. These areas were around 1) Public Safety/Security; 2) Economic Development; 3) Public Health; and 4) Community Life Resources (i.e. food and housing). These four areas were carried forward into the ARPA funding discussions as a way to identify priorities and ensure that the funds were being used most effectively.

During their first meeting, the community stakeholders learned about the ARPA funding program, the established guiding principles, and the programs and projects that had been proposed previously. They identified gaps in the program proposals and discussed key areas of focus.

At their second meeting, the community stakeholders worked together to come to a consensus on priorities for the use of the funds and the programs to be funded. The input gathered from the work determined the funding priorities included in the ARPA Funding Plan.

APRA Funding Plan

Based on the program priorities identified by the community stakeholder group, staff has prepared a proposed ARPA Investment Plan. The investment plan includes a mix of internal and external funding programs and allows flexibility in terms of what program year the funds will be delivered in.

Out of the community engagement process, and through the work of identifying program funding several themes arose around which ARPA funded initiatives revolved. The funding focuses on programs that:

1. Build capacity. This focus is achieved through leveraging existing assets in the community, strengthening partnerships and investing in community.
2. Center economic development and youth. A majority of the programs and initiatives that were prioritized through the community engagement process involved a focus on multi-generational wealth building and youth engagement.
3. Building community. The process to create the ARPA investment plan was imbedded in community, and involved community-based visioning. The funding centers around strengthening community partnerships and resources.

Last year, the City received CARES Act funding, which was intended to provide relief from the affects of the pandemic. These funds were distributed to communities with a very short timeline for spending them down, and with very little guidance in terms of how spending would be tracked. As a result, most of the funds were utilized internally to the City to provide recovery and make building and facility improvements. A smaller percentage of the funds were allocated externally and provided direct relief to small businesses in the community and to organizations provide direct community services.

With the ARPA funds, one of the guiding principles was to utilize a great proportion of the funds externally, and to build capacity within community. The proposed ARPA Investment Plan utilizes 75 percent of the funds externally and 25 percent of the funds on internal projects and revenue recovery.

The full ARPA Investment Plan is attached to this report, with more detailed descriptions of the funded programs/initiatives.

ARPA Funding Process

The ARPA Investment Plan is intended as a roadmap and guideline for how ARPA funds will be allocated. Funds are received over a two year period, and staff will move projects forward based on available funds and program timing.

Staff proposes to provide an annual report to the City Council on the use of the funds and program implementation. The Investment Plan allows for flexibility over time, and adjustments may need to be made as more information becomes known about individual initiatives.

Budget Issues:

The City will receive an estimated $3,264,133 in American Rescue Plan Act funds which will fund the proposed APRA Investment Plan.

Inclusive Community Engagement:

Community engagement was utilized throughout the process to identify key focus areas, develop proposed programs and initiatives and prioritize the use of funding.

Antiracist/Equity Policy Effect:

Guiding principles of the use of ARPA funding included goals for economic development, youth outreach and engagement and multi-generational wealth building.

Strategic Priorities and Values:

ATTACHMENTS:

Description	Upload Date	Type
Resolution	1/4/2022	Resolution Letter
ARPA Investment Plan	1/4/2022	Backup Material

Member introduced the following resolution and moved its adoption:

RESOLUTION NO. 2021-____

CITY OF BROOKLYN CENTER, MINNESOTA

A RESOLUTION AUTHORIZING STAFF TO SPEND UP TO $3,264,133 IN AMERICAN RESCUE PLAN ACT FUNDS THROUGH 2024

WHEREAS, on March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (H.R.1319) into law. The American Rescue Plan Act provides $1.9 trillion in additional relief to respond to the novelcoronavirus (COVID-19); and

WHEREAS, the city of Brooklyn Center was allocated $3,264,133 which can be used to support urgentCOVID-19 response efforts to continue to decrease the spread of the virus and bring the pandemic under control, replace lost revenue for eligible state, local, territorial and Tribal governments to strengthen support for vital public services and help retain jobs, support immediate economic stability for households and business and address systemic public health and economic challenges that have contributed to the unequal impact of the pandemic, as well as necessary investments in water, sewer, or broadband infrastructure; and

WHEREAS, on June _, 2021, the city of Brooklyn Center received $1,623,762.20, and a supplemental distribution of $53,173.74 of the $3,264,133 with the remaining balance being available for requesting in June 2022; and

WHEREAS, the period of performance for the American Rescue Plan Act is from March 3, 2021 and must be obligated by December 21, 2024, which means all funds must be encumbered and projects contracted. By December 31, 2026, all projects must be complete, including all payments made for encumbrances and projects; and

WHEREAS, the city of Brooklyn Center has established guiding principles for the use of the funds and has utilized community feedback to develop a 2021-2024 investment plan.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the city of Brooklyn Center hereby authorizes staff to spend up to $3,264,133 in American Rescue Recovery Act funds between 2022 and 2024 in accordance with the proposed investment plan.

BE IT FURTHER RESOLVED that all planned investments that do not occur in a given year will roll forward to the following year, provided all funds are expended by the end of 2024.

January 10, 2022
Date

Mayor

ATTEST: _____
City Clerk

The motion for the adoption of the foregoing resolution was duly seconded by member

and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

Key Areas of Strategic Investment to Evolve the City

- Public Safety
- Public Health
- Community Life and Resources (i.e. housing and food)
- Economic Development

ARP Funding Principles

- **Serving a clear and direct public purpose and benefit**
- Take measures that err on the side of improving the safet
- recognition of work during COVID
- Bolstering Long-term Communication Capacity between t
- Recovering or reimbursement for operational financial ha
- **Enhance, modify and/or maintain high level of city servi**
- Maximize use of funds to invest and increase capacity wit
  - Year One - 60% community investment and 40
  - Year Two - 60% community investment and 40
- Use funding in a manner that provides long-term, multi-g
- Use funding in a manner that lowers overall tax burden of
- **Any new programs developed or funded with ARPA fund**
- **Scale or complete pilot for promising Beyond COVID Inn**
- **Leverage funding with potential partners to enhance imp**

Possibility of spending allocation?

Total Alloc	$3,100,000	
Internal	$ 930,000	30.00%
External	$2,170,000	70.00%

General Framework:



2. Assess the causal or compou
3. Assess for disproportionate i
4. Determine how to prove the

Use of Funds:

Eligible Uses: COVID-19 Pandemic Respons

To respond to the public health emergency with Disease 2019 (COVID–19) or its negative econ assistance to households, small businesses, a impacted industries such as tourism, travel, an

- COVID-19 Mitigation and Prevention
- Medical Expenses
- Behavioral Health Care Including Addictic
- Public Health and Public Safety Employe
- Data, Design, and Execution of Health Pr
- Health Disparities
- Survivors Benefits

Eligible Uses: COVID-19 Economic Impa

Presumption of Eligibility inside Tracks (QCT)

- Direct cash and loan interventi
- Assistance to business and no
- Impacted industries and worke
- Housing and Community Deve
- Homelessness
- Childcare and Education

Eligible Uses: Necessary Water, Sewe

Coronavirus State and Local Fiscal Re investments in water, sewer, or broadb

- Projects eligible under the Clean Water
  - Construct, improve, and repair wastewater t pollution; create green infrastructure; manag waterbodies from pollution.
- Projects eligible under the Drinking Wat
  - Build or upgrade facilities to improve water c systems; consolidation or establishment of c
- Cybersecurity
- Climate Change and Resilience

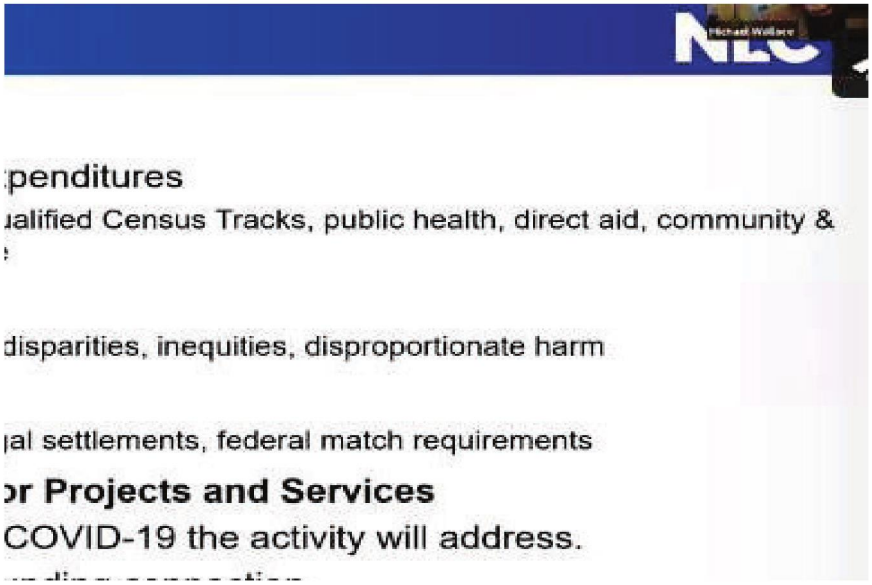
- Climate Change and Resilience
- Lead Service Line Replacement

Eligible Uses: Broadband

- Eligible projects **must**:
  - "be designed to provide service...to unservec
    - Unserved and underserved = lacking access
  - Specific service areas and locations may be
  - Provide service that "reliably meets or excee impossible, at least 100/20 Mbps with the ab
- Eligible projects are **encouraged** to:
  - consider affordability
  - avoid investing in locations with "existing agr with minimum speeds of 100/20 Mbps by De
  - "deliver a physical broadband connection by mile connections"
  - prioritize municipal, nonprofit, and cooperativ
- Digital inclusion: assistance to household literacy assistance, are eligible uses

y/health of staff and the public related to the COVID-19 Pandemic - Staff safety,

he City and residents (Citywide and Emergency communications)
rdship
ces (COVID Related Response or New Way of Working)
hin the community to recover and thrive beyond the COVID-19 Pandemic
% operational investment
% operational investment
enerational **wealth building, health and/or economic stability.**
residents
ls will have a clearly identified sustainability plan for how they will continue al
ovative Initiatives prior to funding new initiatives
pact to Brooklyn Center residents and businesses.



unding connection.
mpact on distressed sectors or populations.
expense produces the expected outcome.

se

n respect to the Coronavirus
nomic impacts, including
nd nonprofits, or aid to
d hospitality.

on Treatment
es
rograms

acts

e Qualified Census

ions
n-profits
ers
elopment

r Projects

covery Funds – "necessary
and infrastructure."

State Revolving Fund
reatment plants; control non-point sources of
ge and treat stormwater; water reuse; protect

er State Revolving Fund
quality; transmission, distribution, and storage
drinking water systems

d and underserved households and businesses."
at least 25/3 Mbps wireline service
defined by community
ds symmetrical speeds of 100 Mbps" or, if
ility to scale to 100 Mbps symmetrical

eements to build reliable wireline service
cember 21, 2024"
prioritizing projects that achieve last-

e-owned networks

ds, including internet access and digital

health (physical or mental) and morale and

ter funding period is over

Explains how

Examples Given During Web

Minimum income for folks that

Workforce training

Impacted industries - travel and

Rehabing property for housing,

Very generous on supporting ch

you will show the outcomes if not explicitely identified in list

Can Transfer funds to:

Can cities transfer their allotted funds to counties?

The statute provides four categories in which a city can transfer funds.

1. A private nonprofit organization
2. A public benefit corporation involved in the transportation of passengers or cargo
3. A special-purpose unit of State or local government
4. A state government

The statute is silent on transferring funds to a county.

ıinar

can't find work?

tourism (no limit to aid to those disproportionately impacted.)
purchase properties to house homeless.
ıildcare and education.

Program item	Key Area	Purpose/description	Cost *(Through 2024)*
External/Community Partnerships			
Workforce Development Program	Economic Development (Resident and Business Economic Stability)	Sub-grants to community parnter organizaitions to deliver workforce development training (Parntership with Brooklyn Park)	$ 560,000
		Youth Entreprenuership Program - Expansion of Brooklynk Services and programming (Parnterhsip with Brooklyn Park)	
		Connect higher barrier youth and Black Indigenous Person of Color (BIPOC) job seekers to jobs	
		Career Pathways Program - Focused on Adult (24+) workforce development (Partnerhsip with Brooklyn Park)	
Youth Outreach and Engagement	Community Life Resources, Public Safety, Public Health, Economic Development	Contract with community partners to establish a Youth Outreach team	$ 158,133
		Youth onBoards	
		Online and in-person youth outreach to enhance and expand youth and family participation and engagement	
Commercial Property Development Fund	Economic Development (Business Economic Stability)	Establish a fund to support local small businesses with the acquisition of bricks and mortar real estate. Funds will be used to provide equity to leverage private lending, and to provide gap financing for commercial development that supports small businesses.	$ 700,000
Food Access	Community Life Resources	Funding to support food distribution operations in the City and expand access through the cretion of a mobile food distribution program in partnership with CEAP and CAPI	$ 125,000
Small Business Resource Hub	Economic Development (Business Economic Stability)	Community-based space to support workforce development, co-working space, innovation lab, and hub for small business technical support	$ 250,000
Humboldt Neighborhood Peace, Harmony and Prosperity Small Area Plan	Community Life Resources	Develop a community-led vision for the future of the Humboldt Neighborhood that includes goals for housing, open space, streetscaping and business development. Identify short and longer-term implementation strategy and support an initial investment in the neighborhood to catalyze the vision.	$ 250,000
Health on the Go	Public Health	Expand upon the partnerships created as part of the pilot Health on the Go program and expand services to residents	$ 225,000
Central Beautification and Business Improvement District	Public Safety and Community Life Resources	Utilize funds to establish a central Business Improvement District to enhane clean-up, snow removal, seasonal lights and greenery, and placemaking (programming to be designed in partnership with district businesses)	$ 75,000
Public Art Matching Fund	Community Life Resources	Funding to cost share public art initiatives on private property	$ 75,000

Daunte Wright Memorial	Community Life Resources	Commission art memorial	$	25,000
External Total			**$**	**2,443,133**
Internal Programs/Initiatives/Revenue Replacement				
Digital Message Boards	Public Health, Public Safety	External digital message boards at City facilities to promote better commuication strategies	$	122,000
Code Red	Public Health, Public Safety	Revenue replacement to pay for Coe Red services for three years	$	24,000
Police labor study	Public Safety	Study to determine number of police officers needed to maintain services	$	130,000
Air Filters	Public Health	Installation of clean air filters in the cabs of fire trucks	$	12,000
Quantifit2 respirator testing system	Public Health	Purchase a respirator testing system to test respirator fit - testing required annually	$	13,000
Front Line Retention and Recognition Incentive	Community Life Resources	Provide a bonus for essential frontline employees who worked in-peson through the pandemic	$	28,000
Public Safety Project Manager	Public Safety	New position to assist with coordinating the Public Safety Resolution Implementation Committee. This includes 1 FTE and supplies for 12 months.	$	150,000
Police Retention Incentive	Public Safety	This measure was taken as part of negotiations and a means to stabalize and retain police officers during civil unrest.	$	192,000
Heritage Center		Revenue replacement for the Heritage Center - utilize funds to explore ways to expand and enhance the Heritage Center's community benefits	$	150,000
Internal Total			**$**	**821,000**

Total investment	**$**	**3,264,133**

Activity	Timeline
Receive ARP Guidelines	June, 2021
Receive ARP Funding	August, 2021
Establish ARP Expenditure Principles	September, 2021
Solicit internal spending via departments	September (3rd week), 2021
Council Resolution Accepting ARP Funding	September (3rd week), 2021
Group Select Internal	
Create staff update and progress report on Beyond COVID Innovation Initiatives	September (4th week), 2021
Onboard evaluator consultant for evaluation of CARES ACT Innovation Initiatives and ARP Community Investment Projects	September, 2021 – September, 2022 (12 months)
Facilitate of discussion with a community group regarding recommendations of the use of funding intended for community capacity building	October (1st week) ~~September (3rd week)~~, 2021
Solicit public ranking of needs (per identified areas for CARES Funding) and additions	October (2nd week), 2021
Draft budget use of all ARP funding	November ~~October September~~ (1st ~~3rd~~ 4th week), 2021
Present ARP funding expenditure plan to the City Council	November ~~October 2~~5, 2021
Implement the ARP funding expenditure plan.	November, 2021

Comment
Todd/Reggie
Meg send out form to departments.
Group
Carissa/Andrew H.
Reggie
BP – created buckets then RFP for community to conduct work in those areas Group Reconvene – On Buckets or review of proposals Process (2 part meeting): -Group Conversation and update on funding Informational session on partners efforts -Interactive discussion on priorities that inform buckets Meg/Janelle/Reggie
Barb/Angel
Andrew S.
Group

Council/EDA Work Session

DATE: 2/14/2022

TO: City Council
FROM: Dr. Reggie Edwards, City Manager
THROUGH: Meg Beekman, Community Development Director
BY: Jesse Anderson, Deputy Director of Community Development

SUBJECT: Community Development Block Grant Funding Allocation Discussion (20 minutes)

Requested Council Action:

- It is recommended that the City Council provide direction to staff on the allocation of CDBG funding. Staff will then prepare a resolution and hold a public hearing on February 28, 2022.

Background:

City Staff is seeking direction from the City Council on the allocation of 2022-2023 Community Development Block Grants (CDBG) funds.
CDBG funds are provided by the U.S. Department of Housing and Urban Development (HUD) to help with community development activities that benefit low and moderate income persons. The funds are primarily intended for bricks and mortar improvements, as opposed to public service activities.

Hennepin County receives CDBG funds directly from HUD as part of a consolidated pool of funds, which is administered on behalf of participating suburban Hennepin County communities. Bloomington, Eden Prairie, Minnetonka and Plymouth do not participate in the consolidated pool and receive CDBG funds directly from HUD. Brooklyn Center is considered a Direct Allocation City and is a sub-recipient of the funds through Hennepin County.

CDBG Statutory and Administrative Requirements
The Federal Authorizing Statute for the CDBG program requires that each funded CDBG activity meet one of three national objectives:

1. Benefiting low income persons
2. Preventing or eliminating slums and/or blight
3. Meeting urgent community needs.

The Federal Law also specifies that each recipient receiving funds must insure at least 70 percent of the CDBG expenditures during the program year be used for activities benefiting low and/or very low income persons. Each city must meet this requirement at the local level.

As part of the administration of the CDBG funds, Hennepin County adopts a 5-year funding plan, which further defines the priority needs of the program and clarifies what activities are eligible for funding. Last year Hennepin County adopted a new 5-year funding plan. Overall, the priority needs are around continuing what's working, while shifting the focus to preserving affordable and reducing disparities in housing stability.

These include:

Priority Need 1: Preserve & Create Rental Opportunities
Priority Need 2: Preserve & Create Homeowners Opportunities
Priority Need 3: Housing Opportunities for Homeless Populations
Priority Need 4: Support Education, Outreach, and Services
Priority Need 5: Encourage Neighborhood Revitalization
Priority Need 6: Stimulate Economic Development

Because Hennepin County is responsible for the monitoring and reporting of the CDBG funds, the County oversees the use of funds within the consolidated pool. Cities that wish to diverge from the typical use of funds must seek permission from the County.

Prior to 2018, cities were allowed to allocate up to 15 percent of their CDBG funding to public services. While Brooklyn Center regularly did so, other communities chose not to. In addition, the reporting requirements for the funds are onerous, and the County determined that it would be easier to pool the public service allocation and administer the distribution of those funds internally. Each city is now asked to send a representative to a committee, which reviews public service funding requests and makes a determination as a whole as to which public service organizations get funding and how much.

Previous CDBG Allocation

CDBG funding allocations run from July 1st-June 30th each year. The 2021-2022 CDBG funding round was allocated by the City Council in February 2021 and is set through June 30, 2022. The funding was allocated as follows:

2021 CDBG Amount	Allocation Recommendation	Program
$100,000	$100,000	Down Payment Assistance
$158,000	Remaining ($158,000)	The remaining funds were allocated to the Hennepin County Home rehab program

The use of the funds is limited to allowed uses under HUD program eligibility and further narrowed by Hennepin County's 5-year funding plan. Most cities utilize CDBG to fund their housing rehab programs. These are programs that provide deferred/forgivable loans to low income home owners to make needed repairs and maintenance to their homes. For communities with an aging housing stock such as Brooklyn Center's, this is the only source of funds available to assist with the maintenance and upkeep of homes. Brooklyn Center has allocated roughly $85,000 to $158,000 annually to its housing rehab program. The funds assist 8-10 households annually. There is currently a waiting list of 164 people seeking funding from the housing rehab program as additional funds become available.

Brooklyn Center had allocated $150,000 of funds towards supporting the Code Enforcement and Neighborhood Revitalization Program since 2009, with 2019 funds being reduced to $75,000. In 2020 the Code Enforcement and Neighborhood Revitalization funding was discontinued.

2022-2023 CDBG Allocation

While we do not yet know the exact amount of CDBG allocation for the next cycle, we have been advised by Hennepin County to use the estimate of $258,000, based off last year's allocation, for the purposes of determining the allocation of funds. However, this allocation amount could be adjusted once HUD provides final amounts. Hennepin County receives the lump sum from HUD and determines the allocation among the participating cities based on a formula that takes into account population and need.

Funding Allocation Options

Housing Rehab Program - As CDBG funds are the only source of funding to maintain the City's existing single family housing stock, one option would be to increase the allocation of CDBG funds to this use. 86 percent of Brooklyn Center's housing supply is single family homes, nearly all of which were constructed prior to 1975. Many of these homes are in need of maintenance, and for low income home owners this cost can be overly burdensome. Maintaining the city's housing stock through this program not only provides stable home ownership for low income home owners, but also maintains an affordable housing stock for new buyers as well. Further this wait list for this program had continued to grow, the current wait list is 164. Further, due to restructuring at Hennepin County, the program is able to accommodate an increase in application processing.

Down Payment Assistance - Brooklyn Center allocated $100,000 towards home buyer assistance with the 2020 and 2021 CDBG funding. The City is contracting with Center for Energy and Environment (CEE) to administer the program. The city has had four down payment loans closed. Due to the pandemic and the lower number of homes available on the market the program has had a slower then anticipated start.

In 2020, the city council made changes to the program to expand eligibility to applicants that work in Brooklyn Center, have a family member who attends school in Brooklyn Center, own a business in Brooklyn Center, or reside in Brooklyn Center. The assistance amount was increased to $10,000.

Staff have increased advertising of this program and coordinated through CEE and PRG. Mailers have gone out to all rental properties in the city, there has been outreach to local businesses, as well as information shared with Brooklyn Center Schools. PRG has seen a 34% increase in calls for Brooklyn Center. However, only two additional loans have closed. The number of restrictions on this program due to it being federally funded, combined with the City's restrictions, and the limited supply of home for sale in Brooklyn Center has continued to eliminate most applicants prior to them submitting an application. A review of the MLS listing for Brooklyn Center on January 31, 2022 provided that there were only 4 single family homes and one condo actively available for purchase. Currently, the program has $215,000 funds available from 2019, 2020, and 2021 allocations.

Scattered site acquisition/rehab - The scattered site acquisition is done in New Hope. It is similar to the City's previous buy and replace program. It allows for the purchase and renovation or demo of a blighted structure, which is then sold to a low/moderate income household. The individual cost per unit is high, minimizing the impact of this program.

Infrastructure improvements - These are physical improvements to community or public facilities that are utilized by low and moderate income residents. Some cities have use CDBG funds to purchase play ground equipment or make other physical improvements. One challenge with the use of CDBG funds in this manner is that it triggers Federal Fair Wage standards, which require a significant amount of reporting and paperwork, and increasing the cost of the project above what it would be if other funds were available, making small scale improvements more work and more expensive than the value of the funding being used.

Small Business Entrepreneur Funding - Options for using CDBG funds for programs to support the creation/support of small businesses were discussed with Hennepin County staff. HUD rules allow for CDBG funds to be used in this manner under certain circumstances, specifically to support job creation. According to Hennepin County staff, use of the funds requires demonstrated job creation over an extended amount of time. Not unlike other uses of CDBG funds, it requires extensive reporting, which falls on individual small business owners and monitoring is required over a number of years. Federal funding often comes with stringent reporting and monitoring requirements, which can create a barrier. Alternatively, the city's EDA funds may be a better mechanism to serve small businesses as the funds can be more nimbly applied.

Recommendation:

The 2022 CDBG funding for Brooklyn Center is anticipated to be $258,000. Staffs recommendation is to discontinue the use of CDBG funds for the Down Payment Assistance Program and recommended allocation of the entire amount towards the Home Rehab Program due to the high number of applicant on the waiting list (164). It is recommended that the down payment assistance program remain in place, but instead be funded with TIF 3 housing funds rather than CDBG.

Further, through the Housing Study that is currently underway, it is possible areas of need or programs may be identified. At that time, staff may bring forward a request for reallocation of CDBG funding.
Based on City Council's direction a resolution will be prepared and a public hearing will be scheduled for the February 28, 2022 City Council Meeting.

Attachments

- CDBG Funding History
- Housing Rehab Program Information

Budget Issues:

Inclusive Community Engagement:

- Are there any other programs or areas that city staff should research?
- Should staff prepare a resolution for the recommend allocations?

Antiracist/Equity Policy Effect:

Strategic Priorities and Values:

Resident Economic Stability

ATTACHMENTS:

Description	Upload Date	Type
Rehab Loan Program 2021 Report	1/28/2022	Backup Material
Brooklyn Center CDBG Funding History	1/28/2022	Backup Material

HENNEPIN COUNTY REHABILITATION LOAN PROGRAM QUARTERLY REPORT

January 1, 2021 to March 31, 2021

Total Funds Spent	Projects Completed	Loans Approved	Amount Approved	Applicants in Loan Process	Funds Reserved for Applicants	Residents waiting	Funds Not Committed	Program Income	Year to Date Funds Spent	Year to Date Projects Completed	Year to Date Loans Approved	Year to Date Amount Approved
$ 23,640	0	1	$ 20,000	5	$ 108,000	131	$ 16,969	$ 22,000	$ 23,640	0	1	$ 20,000
$ 25,404	2	4	$ 60,000	6	$ 107,500	251	$ 32,829	$ 29,279	$ 25,404	2	4	$ 60,000
$ 59,103	0	0	$ -	1	$ 15,000	142	$ 40,248	$ 34,351	$ 59,103	0	0	$ -
$ -	0	1	$ 30,000	1	$ 30,000	5	$ 18,825	$ -	$ -	0	1	$ 30,000
$ 25,699	1	2	$ 40,000	0	$ -	14	$ 8,738	$ 986	$ 25,699	1	2	$ 40,000
$ 8,090	1	0		0	$ -	27	$ 7,889	$ -	$ 8,090	1	0	$ -
$ 28,675	2	1	$ 13,000	4	$ 60,000	89	$ 9,717	$ -	$ 28,675	2	1	$ 13,000
$ -	0	2	$ 60,000	4	$ 120,000	9	$ 14,460	$ 47,750	$ -	0	2	$ 60,000
$ -	0	4	$ 121,000	2	$ 45,000	53	$ 12,055	$ 2,640	$ -	0	4	$ 121,000
$ -	0	0	$ -	2	$ 37,500	57	$ 36,729	$ -	$ -	0	0	$ -
$ 170,611	**6**	**15**	**$ 344,000**	**25**	**$ 523,000**	**778**	**$ 198,459**	**$ 137,007**	**$ 170,611**	**6**	**15**	**$ 344,000**

HENNEPIN COUNTY REHABILITATION LOAN PROGRAM QUARTERLY REPORT

April 1, 2021 to June 30, 2021

Total Funds Spent	Projects Completed	Loans Approved	Amount Approved	Applicants in Loan Process	Funds Reserved for Applicants	Residents waiting	Funds Not Committed	Program Income	Year to Date Funds Spent	Year to Date Projects Completed	Year to Date Loans Approved	Year to Date Amount Approved
$ 1,552	1	1	$ 20,000	3	$ 70,000	140	$ 70,233	$ 3,784	$ 25,192	1	2	$ 40,000
$ 74,253	7	4	$ 67,500	4	$ 69,000	273	$ 39,140	$ -	$ 99,657	9	8	$ 127,500
$ 12,385	0	2	$ 42,000	0	$ -	161	$ 31,856	$ 25,100	$ 71,488	0	0	$ 42,000
$ 1,241	0	0	$ -	1	$ 30,000	5	$ 18,798	$ -	$ 1,241	0	1	$ 30,000
$ 34,516	2	0	$ -	0	$ -	17	$ 11,951	$ 3,271	$ 60,215	3	2	$ 40,000
$ -	0	0	$ -	1	$ 5,000	32	$ 2,889	$ -	$ 8,090	1	0	$ -
$ 23,926	0	1	$ 15,000	3	$ 45,000	92	$ 20,863	$ -	$ 52,602	2	1	$ 28,000
$ 15,001	1	1	$ 30,000	3	$ 90,000	11	$ 14,433	$ -	$ 15,001	1	3	$ 90,000
$ 22,059	1	2	$ 45,000	0	$ -	64	$ 11,982	$ -	$ 22,059	1	6	$ 166,000
$ 32,920	3	2	$ 12,500	1	$ 30,000	61	$ 31,706	$ -	$ 32,920	3	2	$ 12,500
$ 217,854	**15**	**13**	**$ 232,000**	**16**	**$ 339,000**	**856**	**$ 253,851**	**$ 32,155**	**$ 388,465**	**21**	**25**	**$ 576,000**

HENNEPIN COUNTY REHABIL

July 1,

City	Total Funds Spent	Projects Completed	Loans Approved	Amount Approved	Applicants in Loan Process
Brooklyn Center	$ 39,178	1	3	$ 68,000	6
Brooklyn Park	$ 30,115	2	6	$ 86,500	8
Consolidated Pool	$ 94,197	5	1	$ 30,000	7
Edina	$ -	0	0	$ -	2
Hopkins	$ 38,233	1	0	$ -	4
Maple Grove	$ 20,436	1	1	$ 10,000	1
Minnetonka	$ 23,214	3	3	$ 40,000	7
New Hope	$ 2,984	0	1	$ 30,000	4
Richfield	$ 22,744	4	2	$ 35,000	3
St. Louis Park	$ 4,695	1	2	$ 60,000	4
OVERALL TOTAL	**$ 275,795**	**18**	**19**	**$ 359,500**	**46**

ITATION LOAN PROGRAM QUARTERLY REPORT

2021 to September 30, 2021

Funds Reserved for Applicants	Residents waiting	Funds Not Committed	Program Income	Funds Spent	Projects Completed
$ 167,000	147	$ 46,778	$ -	$ 64,370	2
$ 136,000	295	$ 110,828	$ 35,948	$ 129,772	9
$ 147,500	169	$ 46,733	$ 16,535	$ 165,685	5
$ 60,000	6	$ 45,748		$ 1,241	0
$ 100,000	18	$ 35,183	$ 38,770	$ 98,447	3
$ 20,000	36	$ 8,689	$ -	$ 28,526	1
$ 100,378	85	$ 62,124	$ -	$ 75,816	5
$ 360,000	10	$ 39,164	$ 26,400	$ 17,986	1
$ 67,000	71	$ 65,402	$ 47,636	$ 44,803	5
$ 100,000	62	$ 64,763	$ -	$ 37,615	4
$ 1,257,878	**899**	**$ 525,412**	**$ 165,289**	**$ 664,260**	**35**

Year to Date		
Loans Approved	Amount Approved	Program Income
4	$ 108,000	$ 25,784
10	$ 214,000	$ 65,227
3	$ 72,000	$ 75,986
0	$ 30,000	$ -
0	$ 40,000	$ 43,027
1	$ 10,000	$ -
4	$ 68,000	$ -
2	$ 120,000	$ 74,150
4	$ 201,000	$ 50,276
4	$ 72,500	$ -
32	**$ 935,500**	**$ 334,451**

HENNEPIN COUNTY REHABILITATION LOAN PROGRAM QUARTERLY REPORT

October 1, 2021 to December 31, 2021

Total Funds Spent	Projects Completed	Loans Approved	Amount Approved	Applicants in Loan Process	Funds Reserved for Applicants	Residents waiting	Funds Not Committed	Program Income	Year to Date Funds Spent	Year to Date Projects Completed	Year to Date Loans Approved	Year to Date Amount Approved
$ 7,032	1	2	$ 45,000	5	$ 104,000	164	$ 86,652	$ 22,660	$ 71,401	3	5	$ 153,00
$ 52,717	3	2	$ 30,000	10	$ 197,000	297	$ 91,573	$ 13,200	$ 182,489	16	8	$ 244,00
$ 32,836	2	2	$ 40,000	6	$ 170,000	187	$ 52,121	$ 17,600	$ 198,520	8	3	$ 112,00
$ -	0	0	$ -	3	$ 90,000	8	$ 15,748	$ -	$ 1,241	0	0	$ 30,00
$ 33,227	2	0	$ -	6	$ 150,000	18	$ 46,700	$ 9,659	$ 131,674	6	0	$ 40,00
$ 29,799	0	0	$ -	0	$ -	37	$ 28,643	$ -	$ 58,325	2	1	$ 10,00
$ 31,430	0	0	$ -	7	$ 105,000	79	$ 65,460	$ 8,008	$ 107,246	5	3	$ 68,00
$ 49,476	1	1	$ 30,000	6	$ 140,000	10	$ 31,734	$ 34,320	$ 67,461	2	2	$ 150,00
$ 22,956	2	1	$ 7,000	3	$ 90,000	74	$ 36,983	$ 39,398	$ 67,758	7	3	$ 208,00
$ 903	0	2	$ 37,000	4	$ 120,000	65	$ 53,812	$ 35,585	$ 38,518	4	4	$ 109,50
$ 260,374	**11**	**10**	**$ 189,000**	**50**	**$ 1,166,000**	**939**	**$ 509,426**	**$ 180,431**	**$ 924,635**	**53**	**29**	**$ 1,124,50**

Attachment I - Funding History (revised 1-29-2014)

	Resolution Number	Initial Budget	Adjusted	H.O.M.E./SCS	CEAP	Home Line	Neighborhood Stabilization/ Code Enforcement Initiatives	Hennepin County Rehab Funds	Shingle Creek Towers
2013	2013-	$ 211,641.00	$ 239,249.00	$ 12,500.00	$ 12,500.00	$ 6,740.00	$ 150,000.00	$ 57,509.00	
2012	2012-30	$ 170,294.00	$ 211,641.00	$ 14,603.00	$ 10,476.00	$ 6,666.00	$ 150,000.00	$ 29,896.00	
2011	2011-25	$ 203,588.00	$ 170,294.00	$ 11,710.00	$ 8,364.00	$ 5,436.00	$ 125,474.00	$ 19,310.00	
2010	2010-41	$ 188,965.00	$ 203,588.00	$ 15,150.00	$ 9,410.00	$ 3,785.00	$ 164,623.00	$ 10,620.00	
2009	2009-37	$ 186,215.00	$ 188,965.00	$ 15,150.00	$ 9,285.00	$ 3,500.00	$ 150,000.00	$ 11,030.00	
2008	2008-15	$ 186,968.00	$ 186,215.00	$ 17,318.00	$ 10,614.00		$50,000-Amended	$ 158,283.00 $108,283-amended	
2007	2008-27	$ 193,749.00	NA	$ 17,947.00	$ 11,115.00			$ 164,687.00	
2006	2006-16	$ 195,019.00	NA	$ 18,135.00	$ 11,115.00			$ 165,769.00	
2005	2005-38	$ 199,764.00	NA	$ 18,480.00	$ 11,340.00			$ 169,944.00	
2004	2004-29	$ 239,029.00	NA	$ 22,000.00	$ 13,500.00			$ 203,529.00	
2003	2003-35	$ 234,516.00	NA	$ 22,000.00	$ 13,000.00			$ 24,516.00	$175,000.00

	2012 Res No. 2012-30	2011 Adjusted with decrease	2011 Res No 2011-25	2010 Adjusted with increase	2010 Res No. 2010-41	2009 Adjusted with increase	2009 Res No. 2009-37	2008 Res No. 2008-15	2007 Res No. 2008-27	2006 Res No. 2006-16	2005 Res No. 2005-38
CDBG Funds			Reduced		Increased		Increased				
Initial Budget	$211,641	$170,294	$203,588	$203,588	$188,965	$188,965	$186,215	$186,215	$195,019	$195,019	$199,764
Adjusted			$170,294		$203,588		$188,965				
Public Service Projects											
Home/SCS	$14,603	$11,710	$14,000	$15,150	$15,150	$15,150	$15,148	$17,318	$18,135	$18,135	$18,480
CEAP	$10,476	$8,364	$10,000	$9,410	$9,410	$9,285	$9,284	$10,614	$11,115	$11,115	$11,340
Homeline	$6,666	$5,436	$6,500	$3,785	$3,785	$3,500	$3,500				
Neighborhood Stabilization/Code Enforcement	$150,000	$125,474	$150,000	$151,001.83	$150,000	$150,000	$150,000	$150,000 Amended New Program			
Rehab	$29,896	$19,310	$23,088	$24,241.17	$10,620	$11,030	$8,283	$158,283 Amended $100,283	$165,769	$165,769	$169,944
Shingle Creek Towers											
Total Allocation	$211,641	$170,294	$203,588	$203,588	$188,965	$188,965	$186,215	$436,498	$195,019	$195,019	$199,764

*typo on 2010 resolution stating the estimated allocation would be 186,968, actual estimated allocation was 188,965. The Allocation totaled the correc

2004	2003	2002
Res No.	Res No.	Res No.
2004-29	2003-35	2002-32
$239,029	$234,516	$234,516
$22,000	$22,000	$22,000
$13,500	$13,000	$13,000
$203,529	$24,516	$24,516
	$175,000	$175,000
$239,029	$234,516	$234,516

:t aticipated allocation.

CDBG Year	Total	To Non Profits	Home	Ceap	Homeline	Code Enfro	County R	Check Tota
2008						50,000		
2009						150,000		
2010						164623		
2011	171014	25652.1	11760	8400	5460	126000	19394	171014
2012	211641	31745	14603	10476	6666	150000	29896	211641
			15000	15000	7968			

Agency	Application Points	Percent of Total Points	Requested	Points/Requested
HOME	115	100%	$ 14,500.00	$ 14,500.00
Homeline	105	91.00%	$ 9,147.00	$ 8,323.77
CEAP	95	83.00%	$ 15,000.00	$ 12,450.00
Avenues for Youth	78	67.00%	$ 5,000.00	$ 3,350.00
ProUSA	42	37.00%	$ 10,000.00	$ 3,700.00
Total:	435		$ 53,647.00	$ 42,323.77

CDBG Activity	Requested Amount	Option 1 Same as 2013	Option 2 (Recomended)	Option 3	Option 4
Public Services					
Senior Community Services H.O.M.E. Program	$14,500	$12,500	$13,101	8,970	$10,501
CEAP Senior Service Program	$15,000	$12,500	$11,962	8,970	$9,588
HOME Line Tenant Advocacy Program	$	$6,740	$10,823	8,970	$8,675
Youth Financial Literacy Training	$10,000				
Avenues for Youth	$5,000			8,970	$7,123
Total Public Services	$44,500	$31,740	$35,886	$35,880	$35,887
Non-Public Services					
City of Brooklyn Center Neighborhood Stabilization/ Code Enforcement	$150,000	$150,000	$150,000	$150,000	$150,000
Home Rehabilitation Program		$57,509	$53,363	$53,369	$2,014
Total:	$247,086	$239,249	$239,249	$239,249	$239,249

Agency	Application Points	Total Points	Top Three Programs		Percent		Funds
HOME	115	115	100	0	0.3651		$ 13,102
Homeline	105	115	91.3		0.3333		$ 11,962
CEAP	95	115	82.6		0.3016		$ 10,823
Avenues fo	78	115					
ProUSA	30	115					
Total:	423	575	273.9		1.0000		$ 35,887

1.0	$14,500	$14,500.0	0.411237	14758.06
0.9	$9,167	$8,369.5	0.24	8518.426
0.8	$15,000	$12,390.0	0.351395	12610.51
		$35,259.5		35887

Top Four Programs	
Percent	Funds
29%	$ 10,501
24%	$ 8,675
20%	$ 7,123
8%	$ 2,739
	$ 29,038

12500	14500	12789	12800
12500	13035	11496.87	11500
6740	9167	8085.294	8087
3500+647	3500	3500	3500
31740	40202	35871.16	35887
35887	35887	35887	35887
4147	-4315	15.836	0

Funding Year	Initial Budget	Adjusted	Public Service Funds	Neighborhood Stabilization/ Code Enforcement Initiatives	Hennepin County Rehab Funds	Home Owner Assistance Program
2021*	$258,000	$258,000	*	$0	$158,000	$100,000
2020*	$258,000	$258,000	*	$0	$158,000	$100,000
2019*	$257,550	$236,300	*	$75,000	$132,550	$50,000
2018*	$236,300	$236,300	*	$150,000	$86,300	
2017	$255,616	$261,243	$34,840	$150,000	$76,403	
2016	$258,779	$259,455	$38,816	$150,000	$70,639	
2015	$243,462	$258,779	$36,519	$150,000	$72,260	
2014	$239,249	$243,462	$35,887	$150,000	$57,575	
2013	$211,641	$239,249	$31,740	$150,000	$57,509	
2012	$170,294	$211,641	$31,745	$150,000	$29,896	
2011	$203,588	$170,294	$25,510	$125,474	$19,310	
2010	$188,965	$203,588	$28,345	$164,623	$10,620	
2009	$186,215	$188,965	$27,935	$150,000	$11,030	
2008	$186,968	$186,215	$27,932 $0	$50,000 Amended by Council	$158,283 $108,283 Amended by Council	
2007	$193,749	NA	$29,062		$164,687	
2006	$195,019	NA	$29,250		$165,769	
2005	$199,764	NA	$29,820		$169,944	
2004	$239,029	NA	$35,500		$203,529	

*2018 CDBG allocation doesn't include 15% Public service fees as Henneping County Directly distributed the funds.

Council/EDA Work Session

DATE: 2/14/2022

TO: City Council
FROM: Dr. Reggie Edwards, City Manager
THROUGH: N/A
BY: Mayor Michael Elliott

SUBJECT: Heritage Center and Minnesota Orchestra Hall Concert

Requested Council Action:

- The Mayor seeks direction from the Council related to use and waiving of fees for two days at the Heritage Center by the Minnesota Orchestra.

Background:

Mayor Mike Elliot has asked the Minnesota Orchestra and a committee of Brooklyn Center artists and residents to create a community concert celebrating the rich cultural diversity of the City.

The concert will be held on May 09 (dress rehearsal) and 10 (concert day), 2022, at the Heritage Center. Brooklyn Center artists will band together with Orchestra musicians under the theme, "Rhythm of Life," to create an epic music experience offering unique performances to our community and cementing our united cause of supporting the City we love and wish to celebrate.

The community concert will be open to the public and the cost for admission will be a donation of $5.00. Please note, however, that we will be giving away free tickets to ensure that the concert is accessible to all. The community concert will also help promote local businesses because food from local cultural restaurants will be catered.

In view of all the good we believe this community concert will bring to the City of Brooklyn Center, we respectfully request the City Council
(1) waive the Heritage Center's rental fee and
(2) permit outside food and beverage on the day of the concert.

Community Concert Planning Committee
Michael Elliott, Brooklyn Center Mayor
Beth Kellar-Long, Vice President of Orchestra Administration, MN Orchestra
Jessi Ryan, Director of Education & Community Engagement, MN Orchestra
Kau Guannu, Brooklyn Center Resident
Kevin Xiong, Executive Director, New Millennium Academy
Lars McCritty, BCHS Staff Member and Leader of African Drum & Dance Group
Carolynne Darling, Musician and Brooklyn Center Resident

Budget Issues:

The Heritage Center would forgo approximately $16,150, if the space is offered at no cost.

Antiracist/Equity Policy Effect:

Strategic Priorities and Values:

Council/EDA Work Session

DATE: 2/14/2022

TO: City Council
FROM: Dr. Reggie Edwards, City Manager
THROUGH: N/A
BY: Dr. Reginald Edwards, City Manager

SUBJECT: Upcoming

Requested Council Action:

- Zoning Code Update - 2/28
- Earle Brown Name Change for Public Property - 2/28
- Council Policy for City Charter requirement of Mayor's signature on all contracts
- Strategic Plans for years 2018-2020 and 2021-2023
- Review Special Assessment Policy
- Tobacco Ordinance
- Emerald Ash Borer Policy Review
- Community-Wide Survey
- Attorney RFP Process
- Franchise Fees

Background:

Budget Issues:

Antiracist/Equity Policy Effect:

Strategic Priorities and Values:

Economic Development Authority
VIRTUAL meeting being conducted by electronic means in accordance with Minnesota Statutes, section 13D.021 Public portion available for connection via telephone Dial: 1-312-626-6799 Meeting ID: 8753742695#; Passcode: 114379#
February 14, 2022

AGENDA

1. Call to Order

The City Council requests that attendees turn off cell phones and pagers during the meeting. A copy of the full City Council packet, including EDA (Economic Development Authority), is available to the public. The packet ring binder is located at the entrance of the council chambers.

2. Roll Call

3. Approval of Consent Agenda

The following items are considered to be routine by the Economic Development Authority (EDA) and will been acted by one motion. There will be no separate discussion of these items unless a Commissioner so requests, in which event the item will be removed from the consent agenda and considered at the end of Commission Consideration Items.

a. Approval of Minutes

- Approve the meeting minutes from:

- *1.24.22 EDA Session*

4. Commission Consideration Items

a. Resolution Approving a Preliminary Development Agreement With Alatus, LLC, Project for Pride in Living, LLC and Resurrecting Faith World Ministries

- Motion to Approve a resolution approving a Preliminary Development Agreement with Alatus, LLC

5. Adjournment

Economic Development Authority

DATE: 2/14/2022

TO: City Council
FROM: Dr. Reggie Edwards, City Manager
THROUGH: N/A
BY: Barb Suciu, City Clerk

SUBJECT: Approval of Minutes

Requested Council Action:

- Approve the meeting minutes from:

- *1.24.22 EDA Session*

Background:

In accordance with Minnesota State Statute 15.17, the official records of all meetings must be documented and approved by the governing body.

Budget Issues:

- None

Inclusive Community Engagement:

N/A

Antiracist/Equity Policy Effect:

N/A

Strategic Priorities and Values:

Operational Excellence

ATTACHMENTS:

Description	Upload Date	Type
1.24.22 EDA	2/8/2022	Backup Material

MINUTES OF THE PROCEEDINGS OF THE
ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN CENTER
IN THE COUNTY OF HENNEPIN AND THE
STATE OF MINNESOTA

REGULAR SESSION
JANUARY 24, 2022
CITY HALL – COUNCIL CHAMBERS

1. CALL TO ORDER

The Brooklyn Center Economic Development Authority (EDA) met in Regular Session called to order by President Pro Tem Marquita Butler at 9:59 p.m.

2. ROLL CALL

President Pro Tem Marquita Butler and Commissioners April Graves and Kris Lawrence-Anderson were present. Mayor Mike Elliott and Commissioner Dan Ryan were absent. Also present were Executive Director Reggie Edwards, Community Development Director Meg Beekman, and City Clerk Barb Suciu.

3. APPROVAL OF AGENDA AND CONSENT AGENDA

Commissioner Graves moved and President Pro Tem Butler seconded to approve the Agenda and Consent Agenda, and the following item was approved:

3a. APPROVAL OF MINUTES

1. January 10, 2022 – Regular Session

3b. PHU BIA PRODUCE - EDA REVOLVING LOAN FUND PROGRAM REQUEST

3c. TASTE OF AFRICA- EDA REVOLVING LOAN FUND PROGRAM REQUEST

Motion passed unanimously.

4. COMMISSION CONSIDERATION ITEMS

4a. 1601 JAMES CIRCLE DEVELOPMENT CONCEPT AND CONSIDERATION OF LETTER OF INTENT TO PURCHASE EDA PROPERTY

Executive Director Reggie Edwards introduced the item and noted the Council had questions about zoning of the facility and vehicle registration. He invited Community Development Director Meg Beekman to present the staff report.

Community Development Director Meg Beekman stated they gave a similar presentation at the previous meeting. At the January 10, 2022 City Council work session, the Council considered a concept review and letter of intent to purchase EDA-owned property at 1601 James Circle by Carvana.

Ms. Beekman stated he City first acquired and combined two parcels, the former Olive Garden and former Cracker Barrell, in 2006. The EDA acquired both parcels for $2,893,295 and then demolished the structures on site. A portion of the properties were subdivided off and sold when the FBI building was constructed, leaving the current 4.93 acre configuration.

Ms. Beekman explained Carvana has submitted a Letter of Intent to purchase 1601 James Circle as well as a concept plan for how they would intend to use the property. Carvana is proposing to purchase a roughly 3.5 acre portion of 1601 James Circle North to locate a Carvana Vending Machine. The remaining portion of the land would be retained by the EDA. The building would consist of a prominent glass structure up to ten stories in height which would house vehicles. The balance of the site would be parking for employees, customers, and circulation for loading and unloading vehicles. The use would provide approximately ten jobs.

Ms. Beekman stated Carvana has submitted a letter of intent to purchase roughly 3.5 acres of the 4.93 acre site for $2,000,000. This equates to $13.50 per square foot for land, which is a fair market value. The letter of intent identifies $25,000 earnest money, 90 days due diligence to study the site, and an additional 180-day approval period to seek City approvals for the use to include a Preliminary and Final Plat and Site and Building Plan Review. Additionally, the seller pays 4 percent commission to buyer's broker. The buyer is responsible for obtaining City approvals and conducting due diligence.

Ms. Beekman noted at the January 10, 2022 City Council work session, Councilmembers raised several questions about the project that they asked to have resolved prior to making a determination on how to proceed. The Council identified three areas they were seeking additional information on such as information and response to identified issues Carvana has had with vehicle registration and title transfers at other locations throughout the Country, how safety and security would be managed on the site, and how Carvana would meet the City's licensing requirement under Section 23 of the City Code, which requires auto dealer license holders to provide an on-site repair facility as part of the dealership.

Ms. Beekman stated Carvana has prepared a response to the first question, regarding transfer of registration issues, and has been provided to the Council. Carvana and Staff discussed safety and security issues. They are committed to providing ample lighting on the site and are open to the inclusion of a fence or gate to secure the site. Most vehicles are stored inside the vending machine tower and will be secure there.

Ms. Beekman added Staff looked into the licensing question. The City Code requires automobile dealers to have a City license. Based on the definition in the Code, Carvana would be required to obtain a Class A Motor Vehicle license from the City. The Code further requires that, "Class A license holders shall provide, operate and maintain on its premises in the City of Brooklyn Center an equipped and manned repair shop or facility capable of repairing the motors, engines, brakes, lights, tires, electrical and other operating equipment of any motor vehicle sold by such dealer."

Ms. Beekman noted Carvana does maintain a repair facility which would meet the requirements of the license, with the exception that it is not located within the City of Brooklyn Center. Given the changing car market, online vehicle sales dealerships are a growing business offering a different car buying experience and competing with traditional dealerships. The current City Code likely did not contemplate this business model when it was drafted.

Ms. Beekman explained if the City Council is amenable to the concept plan and project moving forward, Staff will ask the City Attorney to draft an amendment to the City Code to remove the requirement that repair services be offered on premises, which will allow for the online vehicle delivery model that Carvana and others provide.

Ms. Beekman explained if the EDA were to approve a Resolution authorizing Staff to enter into a Letter of Intent to purchase the EDA-owned property at 1601 James Circle, from there, Carvana can make a formal application.

Commissioner Lawrence-Anderson noted her concern if they amended the City Code to allow for a dealership without a repair facility, then other car sales facilities could enter the community without their own repair facilities. She explained she is not comfortable altering the City Code for Carvana's business model. She asked if the pros and cons of the amendment have been weighed by Staff.

Ms. Beekman confirmed the topic was discussed with the City Attorney. The intent of the Ordinance is for the repair services to be provided. They can craft an amendment that addresses the intent of the Ordinance. Additionally, repair facilities are generally built into the dealership's business model. The issue is the location of the repair facility. She asked if the repair facility must be on-site or if it can be outside of the City. Staff can continue to discuss the issue with the City Attorney as the outcome of the conversation will impact the outcome of the project.

Commissioner Lawrence-Anderson stated she has concerns with the ten jobs on the 3.5 acres and the leftover 1.5 acres on an already bizarre geographic configuration. Furthermore, the building is very unique and not transferrable such as an office building would be. All in all, she explained she is not sold on the concept. She thanked Ms. Beekman and Staff for their work on the project and presentation.

Commissioner Graves noted she shares concerns of Commissioner Lawrence-Anderson. Considering when they bought the larger plot for around $3 million and Carvana is offering $2 million, they would be recouping the investment in the development site. They have had other opportunities for the site that did not follow through. She explained she in inclined to continue the process.

President Pro Tem Butler agreed she has similar concerns as Commissioner Lawrence-Anderson and Commissioner Graves. President Pro Tem Butler asked if they were to vote in favor of the Resolution, what would the City be locked into. Ms. Beekman explained a letter of intent is similar to an option agreement. A letter of intent would give Carvana control of the site to complete their due diligence and a land use study. From there, they would negotiate a purchase agreement.

President Pro Tem Butler asked if they have already agreed to letters of intent previously. Ms. Beekman confirmed there have been two prior letters of intent. The first was an office building which was not financially feasible. The other was an offer to build an office for 12 jobs, but they ended up in Brooklyn Park.

Commissioner Lawrence-Anderson asked what is the risk to the City if they move forward with a letter of intent. Ms. Beekman stated a letter of intent is non-binding to some degree. It provides Carvana site control for a period of time. She added if the EDA is uninterested in the project, it would be a much better use of Staff's time and Carvana's time if that was made clear now. If there are particular things that need to be addressed, those concerns can be addressed throughout the due diligence process. The use of the property is what is being proposed. Commissioner Lawrence-Anderson noted she is not supportive of the proposed use currently.

Commissioner Graves moved and President Pro Tem Butler seconded to approve a Resolution authorizing Staff to enter into a Letter of Intent to purchase the EDA-owned property at 1601 James Circle.

Commissioner Lawrence-Anderson voted against the same. Motion passed.

5. ADJOURNMENT

President Pro Tem Butler moved and Commissioner Graves seconded adjournment of the Economic Development Authority meeting at 10:19 p.m.

Motion passed unanimously.

Economic Development Authority

DATE: 2/14/2022

TO: City Council
FROM: Dr. Reggie Edwards, City Manager
THROUGH: N/A
BY: Meg Beekman, Community Development Director

SUBJECT: Resolution Approving a Preliminary Development Agreement With Alatus, LLC, Project for Pride in Living, LLC and Resurrecting Faith World Ministries

Requested Council Action:

- *Motion to Approve a resolution approving a Preliminary Development Agreement with Alatus, LLC*

Background:

On February 20, 2018, the City Council heard proposals from two developers regarding concepts for the Opportunity Site. After meeting with each development team, hearing their vision for the site, and reviewing the proposed concepts, the City Council directed staff to move forward with drafting a Preliminary Development Agreement with Alatus, LLC.

The initial Preliminary Development Agreement was for 35 acres of the 80-acre Opportunity Site. Alatus was tasked with developing a master plan for the 35-acre site and initiating a first phase of development.

In April 2019, the Preliminary Development Agreement was renewed. As part of that agreement, the City took the lead on the overall master planning work on the Opportunity Site, and Alatus was to focus on implementing an initial development that aligned with the City's vision for the area. The City engaged with Bolton & Menk consulting and began a comprehensive small area plan for the Opportunity Site in collaboration with Alatus. While the work continued through early 2020, the PDA expired on April 1, 2020, and was not renewed. This in part was due to the pandemic and a desire to pause the planning work around the Opportunity Site until more robust engagement could take place. A full summary of planning and engagement activities that took place between April 2018 and April 2020 is attached to this report.

Over the last two years, Alatus has participated in community engagement efforts which altered and shaped their development concept. They expanded the development team to include Project for Pride in Living and Resurrecting World Faith Ministries to take on various aspects of a 15-acre mixed use development concept. The development team presented their concept plan to the City Council at their January 24, 2022, meeting and shared how the community engagement process has shaped the development plan. The staff report from the January 24, 2022, meeting is attached.

Preliminary Development Agreement
A preliminary development agreement provides a developer with exclusive rights to a site while they complete their due diligence, financing, and land use entitlement process. These agreements are necessary in order for developers to show they have site control as they put together financing applications.

The terms of the preliminary development agreement would provide the development team collectively rights and access to the site to do this work, through the end of 2022.

The agreement also lays out the roles and responsibilities of each party. The development team will be responsible for continuing to show progress on the project. They will be required to participate in ongoing community engagement activities, as well as work with the Citizen Advisory Taskforce to complete a Community Benefits Plan. They will be required to submit land use approvals that address a number of topic areas including public safety, transportation and multimodal access, environmental sustainability, public spaces, and community benefit.

The preliminary development agreement also required the development team to reimburse the City for any expenditures associated with the project. To date the City has incurred $163,000 in expenses that will be able to be reimbursed through this agreement, as well as any future expenses related to the review and approval of the project.

The preliminary development agreement can be terminated by either party in the event that the other party is not fulfilling their obligations under the agreement.

Next Steps
There are a number of activities which need to occur in order to complete the project and bring it to fruition. These include:

- Completing the Environmental Assessment Worksheet (EAW)
- EAW public comment period
- City Council accepting final EAW
- Submittal of land use application for the development project
- Community Benefits Agreement and Development Agreement
- City review and consideration of land use application
- Completing the financial plan
- Purchase Agreement for the land
- Final approvals
- Permit submittal and review
- Construction start

As part of the next steps for the project, PPL, which is leading the LIHTC affordable housing component of the project, and RFWM, which is leading the community event center, need to begin to put together their financing. In order to do this they need to show site control in the form of a preliminary development agreement with the City. An approved PDA is a critical next step to moving ahead with the process of this development.

The development team will continue to conduct their due diligence on the site, as well as moving into final design and engineering of the infrastructure elements of the project such as roadways, utiilties, grading and stormwater.

Once the developer has received sufficient feedback on the project, they would then choose to submit a land use application and public subsidy application, which would be reviewed by the City and its consultants through the typical review process.

Budget Issues:

There are no General Fund expenditures associated with this agreement.

The development team will be responsible for all expenses incurred by the City/EDA related to the predevelopment work on this site, as described in the Preliminary Development Agreement.

This property is included within Tax Increment District No. 7 (Opportunity Site) with future tax increment generated by this development available to the EDA for eligible redevelopment expenditures and activities.

Inclusive Community Engagement:

Extensive community engagement has been done, and continues to be done, related to this project. A community-based engagement process has just wrapped up, and a Citizen Advisory Taskforce has been formed to distill the results of that engagement process and produce a Community Benefits Agreement for the project.

Antiracist/Equity Policy Effect:

The Opportunity Site Master Plan and this initial development phase have been conceived and planned through an equity lens. Considerable stakeholder engagement has occurred which have shaped the project to include community benefits that will affect existing and future residents.

Strategic Priorities and Values:

Targeted Redevelopment

ATTACHMENTS:

Description	Upload Date	Type
Resolution	2/9/2022	Resolution Letter
January 24, 2022, Staff Report	2/9/2022	Backup Material
Opportunity Site Process Summary Memo	2/9/2022	Backup Material
PDA NEOO	2/10/2022	Backup Material

Commissioner introduced the following resolution and moved its adoption:

EDA RESOLUTION NO.

RESOLUTION APPROVING A PRELIMINARY DEVELOPMENT AGREEMENT WITH ALATUS, LLC, PROJECT FOR PRIDE IN LIVING, LLC AND RESURRECTING FAITH WORLD MINISTRIES

WHEREAS, the Economic Development Authority of Brooklyn Center, Minnesota (the "Authority") has received a proposal from Alatus, a Minnesota limited liability company ("Alatus"), Project for Pride in Living, a Minnesota limited liability company ("PPL"), and Resurrecting Faith World Ministries ("RFWM"), collectively referred to as the "Developer" regarding the development of a portion of land owned by the Authority ("Authority Property") for the construction of a mixed use development together with related improvements including centralized park area, new roads and storm water ponding (the "Development"), which proposal contemplates the Authority's conveyance of the Authority Property to the Developer; and

WHEREAS, Alatus and Authority entered into a previous preliminary development agreement on March 26, 2018 for the Authority Property which expired on April 1, 2019; and

WHEREAS, the previous preliminary development agreement was renewed in April 2019, and subsequently expired on April 1, 2020; and

WHEREAS, Alatus has since expanded the development team to include PPL and RFWM to lead various aspects of the overall development plan; and

WHEREAS, Authority's Board of Commissioners and the Developer intend to enter into another Preliminary Development Agreement ("Agreement") to allow the Developer and the Authority time to further refine master PUD plan for the Development, conduct due diligence on the property, negotiate the purchase of the Authority Property, determine financial feasibility of the development plan, and seek approval for a master PUD plan for the Redevelopment Property; and

WHEREAS, the Agreement will allow the Developer time to refine its plans for the Development, which it intends to seek approval for during the term of this Agreement; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Economic Development Authority of Brooklyn Center, Minnesota (the "Board), as follows:

1. The EDA hereby approves the Preliminary Development Agreement substantially in accordance with the terms set forth in the form presented to the Board, together with any related documents necessary in connection therewith (collectively, the "Preliminary Development Documents") and hereby authorizes the President and Executive Director to negotiate the final terms thereof and, in their discretion and at such time as they may deem appropriate, to execute the Preliminary Development Documents on behalf of the Authority, and to carry out, on behalf of the Authority, the Authority's obligations thereunder.

2. The approval hereby given to the Preliminary Development Documents includes approval

of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by legal counsel to the Authority and by the officers authorized herein to execute said documents prior to their execution; and said officers are hereby authorized to approve said changes on behalf of the Authority. The execution of any instrument by the appropriate officers of the Authority herein authorized shall conclusive evidence of the approval of such document in accordance with the terms hereof. In the event of absence or disability of the officers, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the Board by any duly designated acting official, or by such other officer or officers of the Board as, in the opinion of the City Attorney, may act in their behalf.

3. Upon execution and delivery of the Preliminary Development Documents, the officers and employees of the Authority are hereby authorized and directed to take or cause to be taken such actions as may be necessary on behalf of the Authority to implement the Preliminary Development Documents.

4. The Board hereby determines that the execution and performance of the Preliminary Development Documents will help realize the public purposes of the Act.

February 14, 2022
Date

_____
President

ATTEST: _____
City Clerk

The motion for the adoption of the foregoing resolution was duly seconded by commissioner

and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:
whereupon said resolution was declared duly passed and adopted.

Council/EDA Work Session

DATE:	1/10/2022
TO:	City Council
FROM:	Dr. Reggie Edwards, City Manager
THROUGH:	N/A
BY:	Meg Beekman, Community Development Director
SUBJECT:	Concept Opportunity Site Pilot Project - Concept Plan Review

Requested Council Action:

Staff request that the City Council review the Concept Opportunity Site Pilot Project, ask questions, and provide input prior to a formal application.

Background:

A concept plan review is an opportunity for the City Council to review a development concept, ask questions, and provide input prior to a formal application. This provides the City Council an early opportunity to weigh-in on a project and indicate what their priorities are, during the City's negotiation process. It is a critical step for staff and developers to gauge the Council's level of interest and goals while the project is still being developed.

Concept plan reviews are an informal step in the process. They are considered advisory and are non-bonding for the City and the application. No Council action is being requested as part of the concept review process. The developer will receive the input from the Council, and based on that determine whether to proceed with a full formal application and review process.

Background

In April 2018, the City entered into a Preliminary Development Agreement with developer Alatus that would allow them time to develop a master plan for the EDA-owned 35 acres within the Opportunity Site and to conduct due diligence on an initial phase of that development.

Prior to this, the City Council had solicited interest from developers to propose their vision for the site. Three developers came forward with concepts and after meeting with two of them, the Council selected Alatus because their vision aligned with the City's 2006 master plan vision to create a mixed use, walkable town center that existing residents could bene?t from and utilize.

By early 2019, Alatus had re?ned their overall concept for the site and were moving forward with early planning for an initial phase of development that would include approximately 300 units of housing and a mix of commercial on the ground ?oor. The concept was presented to Council and direction was made to renew the Preliminary Development Agreement with Alatus.

A full summary of the planning and engagement on the Opportunity Site is attached.

Community Engagement and Benefits Plan Update

Over the last year, Alatus has formally partnered with Project for Pride in Living and Resurrecting Faith World Ministries on the development project. As a collective partnership the development team has been working closely with the city and the community partners working on engagement to

create and refine their business and concept plan. The development team has been meeting regularly with the community partners to get input on their project, as well as participating in community meetings hosted by the various community partners.

At their November 22, 2021 meeting the City Council received a presentation from Christina Berry, NEOO Partners, and Nelima Sitati Munene, ACER, on the community engagement process to date. The contracted community partners have been meeting regularly for several months and out in community conducting their engagement activities. The formal engagement from the community partners is expected to wrap up by the end of January.

The Citizen Advisory Taskforce has been meeting as well. Their role is to receive and distill the engagement results from the community partners and to work with the developer to establish a community benefits plan. The development team is committed to working with this group, and has begun conversations with them and building in a community benefits framework into the concept plan. This work is anticipated to continue through the end of March.

The development team presented their concept plan to the Citizen Advisory Taskforce and the community partners to get feedback. They then hosted a community-wide meeting at the community center on December 8. The meeting was an opportunity for community to see the plan so far and provide input on it.

The development team will be hosting a series of community engagement sessions in January and February to continue to share the site plan as it

evolves.

Other formal engagement dates will be as follows:

- Neighborhood Meeting – Preliminary Concept Site Plan – Wednesday, December 8th, 2021
- Open Comments & Questions Period – Environmental Assessment Worksheet – Mid-January to Mid-February
- Neighborhood Meeting – Final Concept Site Plan – Wednesday, February 9th, 2022
- Neighborhood Meeting – Final Concept Site Plan #2 – Wednesday, February 23rd, 2022

They have established a project website to share information and receive feedback: https://www.pilotsiteatbrooklyncenter.com/

Concept Plan

The concept plan consists of approximately 15 acres of land at the northeast corner of Shingle Creek Parkway and Bass Lake Road. The concept layout would create five new urban blocks with six buildings of housing, an event center campus with childcare center and additional commercial space, as well as the Entrepreneurial Market Plaza incubator, and new roads, plazas and infrastructure.

The proposed housing mix will include the creation of a gateway 4 to 6-story market-rate multi-family rental housing development with shared plaza a public spaces with the Entrepreneurial Market Plaza incubator. Next to this would be a mixed-income multi-family project with shared pedestrian and vehicular infrastructure. On the east side would be a phased low-income housing tax credit development in four buildings. The site includes the integration of the Gathering and Event Space, a community event space, and its campus concept, all woven together with permeable pedestrian infrastructure, public art and traffic calming vehicular access points.

Project goals include:

- Providing a full spectrum of housing affordability
- Provide wholistic community enhancing spaces and places
- Be environmentally and fiscally sustainable
- Catalyze future equitable development opportunities

The City has been leading the work on the Entrepreneurial Market Plaza. An implementation study has just begun with ACER and NEOO Partners leading that work, and Design by MELO leading the design and architecture of the incubator and entrepreneurial plaza. The space is envisioned as a 25,000 square foot building for incubator and co-working space and attached 10,000 square foot plaza to serve local entrepreneurs and businesses. The incubator would also house a new small business resource center.

The concept includes new roadways, anticipated to be a mix of public and private roads. Roadways are designed to provide a more urban, walkable, experience, with on-street parking, streetscaping, and pedestrian infrastructure. Parking is primarily provided underground, with a mix of some surface and on-street parking. A new shared stormwater pond is shown, designed to provide public amenity space for the new development area.

Three Rivers Park District is planning a new regional "bridging" park in their 2024 funding year. This four-acre amenity will anchor the development and provide high quality public greenspace in the heart of the Opportunity Site.

The concept plan anticipates 744 new housing units as follows:

BUILDING NAME	STORIES	GROSS AREA (INCLUDES PARKING)	UNITS	AVG. UNIT
INCUBATOR	2	19,110		
EVENT CENTER, CHILDCARE CENTER, THERAPY SUITES, & BARBER SUITES	1	58,453		
MARKET RATE RESIDENTIAL	4 - 6	401,541	289	730
MIXED INCOME RESIDENTIAL	2 - 6	314,394	205	777
AFFORDABLE RESIDENTIAL				
FAMILY 1 (NW CORNER)	5	83,432	60	908
FAMILY 2 (SW CORNER)	4	83,432	60	908
FAMILY 3 (NE CORNER)	4	83,432	60	908
WORKFORCE (SE CORNER)	4	76,482	70	713
		1,120,276	**744**	

Next Steps

The development team will continue to work with the community partners and citizen advisory taskforce over the coming months to finalize their project plan and the community benefits plan.

The anticipated timeline for the project is as follows:

December - January - Continue meeting regularly with the community partner groups to share the project, get input, and receive engagement reports

December - March - Work with the Citizen Advisory Taskforce to incorporate a community benefits plan into the project and continue to refine the site and project plan.

January - February - Host 30-day public comment period for EAW

March - May - City considers formal land use application and public subsidy request for the project

June - July - Closing and construction start

Budget Issues:

There are no budget issues to consider at this time

Inclusive Community Engagement:

The community engagement process for this project has been the most extensive in the City's history and has included a pilot engagement process to work directly with community leaders and organizations to deliver a deep and meaningful engagement process. The deliverables from the process

will be distilled through a Citizen Advisory Taskforce that is tasked with establishing recommendations for a community benefits plan to be incorporated into the development project.

Antiracist/Equity Policy Effect:

Strategic Priorities and Values:

Targeted Redevelopment

ATTACHMENTS:

Description	Upload Date	Type
Concept Plan _ Narrative	12/7/2021	Backup Material
Concept Plan _ Site Plan	12/7/2021	Backup Material
Concept Plan _ Elevations	12/7/2021	Cover Memo
Concept Plan _ Elevations2	12/7/2021	Backup Material
Planning and Engagement Process and History	12/7/2021	Backup Material

REVIEWERS:

Department	Reviewer	Action	Date
Community Development	Beekman, Meg	Approved	1/3/2022 - 10:54 AM
Community Development	Edwards, Reggie	Approved	1/6/2022 - 10:31 AM

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January 26, 2021

TO: Meg Beekman, Community Development Director

FROM: Haila Maze, Principal Urban Planner

RE: Brooklyn Center Opportunity Site Engagement Summary to Date

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Background and Purpose



Pre-2018 Opportunity Site Planning

The Opportunity Site is an approximately 80-acre area west of Hwy 100 and east of Shingle Creek Parkway, between Bass Lake Road and Summit Drive.

The City first began planning for redevelopment of this area in the early 2000s. In partnership with the Metropolitan Council, the area was included in a regional study designed to examine how aging retail centers could redevelop to better serve the communities they are in. The resulting study introduced the concept of a mixed-use, walkable, town center as a vision for the area.

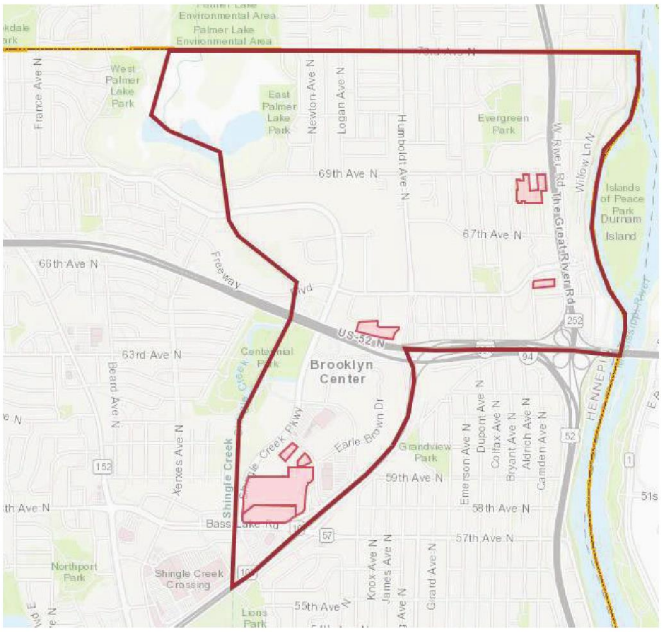
In 2006, the City commissioned Damon Farber and Associates to prepare a master plan for the area that is now known as the "Opportunity Site". The plan identified a series of redevelopment concepts as well as created design guidelines for the new development. The 2006 plan continued to support the vision of the area as a cohesive mixed-use neighborhood and city center and proposed a mix of housing types and densities as well as new commercial development.

The Great Recession stalled the City's redevelopment plans; however, reduced property values allowed the City's EDA to acquire 31 acres of property within the Opportunity Site between 2008 and 2013.

Additional acquisitions occurred after that and by 2018, the City's EDA owned approximately 35 acres of the 80-acre Opportunity Site area. The rest of the parcels are privately owned by various entities.

In early 2018, the Treasury Department rolled out the Opportunity Zone program, asking Governors of each state to submit census tracts into the program. The program was designed to provide capital gains tax relief on investment capital that supported development within

Brooklyn Center Opportunity Zone



designated Opportunity Zones. Minnesota Counties were tasked with identifying eligible census tracts for the program and submitting them to the Governor's office. Hennepin County provided eligibility criteria to its municipalities, which included low-moderate income census tracts with redevelopment opportunities. Brooklyn Center submitted two census tracts, but only one was selected. The selected census tract includes much of the northeast quadrant of the City as well as the area the City had been referring to as the "Opportunity Site". In May 2018, the Governor's office submitted the selected census tracts to the Treasury Department.

Alatus Development Plan

In April 2018, the City entered into a Preliminary Development Agreement with developer Alatus that would allow them time to develop a master plan for the EDA-owned 35 acres within the Opportunity Site and to conduct due diligence on an initial phase of that development.

Prior to this, the City Council had solicited interest from developers to propose their vision for the site. Three developers came forward with concepts and after meeting with two of them, the Council selected Alatus because their vision aligned with the City's 2006 master plan vision to create a mixed use, walkable town center that existing residents could benefit from and utilize.

By early 2019, Alatus had refined their overall concept for the site and were moving forward with early planning for an initial phase of development that would include approximately 300 units of housing and a mix of commercial on the ground floor. The concept was presented to Council and direction was made to renew the Preliminary Development Agreement with Alatus.

City-Led Master Plan

This agreement redirected control of the vision for the city, with the City taking the lead on master planning for the site, in partnership with Alatus, and incorporating the larger 80-acre Opportunity Site into the master plan. Alatus for their part in the agreement was tasked with implementing an initial phase of development and continuing their work to bring a development forward.

Throughout 2019, the City, along with its consultant team, worked to develop the Opportunity Site Master Plan. This was a multi-phased approach that involved a combination of technical assessment, initial community engagement, feasibility analysis, and further community engagement to continue to refine the plan.

In November 2019, the City purchased the 9-acre former Target site, within the Opportunity Site master planning area. The property was purchased soon after the store's closure, in order to hold it for redevelopment that aligned with the master plan.

Approach to Engagement

The scale and reach of community engagement on this project has exceeded that of any past effort in the City's history; however, the intent with this project is to ensure that the outcomes truly benefitted the residents of Brooklyn Center, and this necessitates a much deeper, more inclusive engagement strategy.

From the beginning, the engagement approach was intended to support this vision through an in-depth, inclusive process that connected with diverse groups and views throughout the city. Principles guiding this approach included:

- Consistency with city goals and policies, including the new city comprehensive plan.
- Ensuring the development provided direct access and benefits for city residents.
- Authentic engagement to connect people with the decision-making process.
- Meaningful opportunities to influence outcomes for the plan and the site.
- Transparency in decision making, to build trust and accountability.

While these principles have remained, the approach to engagement has evolved and changed since then, in response to feedback on effectiveness, and changes in external conditions.

Initial Engagement Plan: Spring-Fall 2019

Approach

With the many topics and issues to be considered, it was decided that an in-depth learning experience would be an appropriate way to bring the public into the planning process. As a result, the engagement process began with a series of hands-on workshops facilitated by LISC, which educated participants on the development process and explored options for the site. The outcomes of this process included a list of recommended community priorities and benefits to be included in the project. The final report, which was produced through a consensus-building process by the community, is attached to this summary.

Subsequent events, outlined in an engagement plan developed in Spring 2019, built upon this work by sharing out these ideas for review, input, and further comment.

Communicating About Opportunities

Strategies to communicate about opportunities for engagement included:

- Event flyers and mailed postcards
- Social media updates
- Website postings
- Media advisories and press releases
- Information shared through community-based groups
- Email updates via City systems and lists
- Information available in public buildings
- Updates shared through neighborhood association networks and meetings
- On-site signage
- Joint communications with other partners working in the area
- Direct invitations to key stakeholders

In-Person Engagement Activities

A focus of the engagement approach was to provide multiple opportunities for people who may not otherwise know about this project to participate, learn, and provide input. This included:

- Corridor Development Initiative Workshops, March 20, April 3, April 17, and May 1, 2019

- Brooklyn Center Health Fair Pop-up, April 27, 2019
- Multicultural Advisory Committee Workshop, May 28, 2019
- Earle Brown Days Pop-up, June 22, 2019
- City Council Presentation, July 1, 2019
- Second Saturday Market Pop-up, July 13, 2019
- APA Minnesota Brown Bag Lunch, July 16, 2019
- Youth in Governance Day with Brooklynk Interns, July 22, 2019
- National Night Out with Brooklynk Interns, August 6, 2019
- Second Saturday Market Pop-up, September 14, 2019
- Empire Media Podcast, Voice of Hope with Pastor Loveth, September 17, 2019
- Becoming Brooklyn Center Open House, Opportunity Site focus, September 19, 2019
- CEAP Farm Fresh Fest, September 20, 2019
- Community Band & BBQ, September 21, 2019

Online Engagement

In addition to the events, an online poll was circulated on the City's Polco survey platform throughout July 2019. Project information was shared via a newly developed project website and social media. This resulted in numerous online social media postings (on both city and neighborhood social media accounts), and an additional 80+ people signing up for project updates.

Youth Engagement

The city's Brooklynk interns, a cohort of local high school students paired with city departments, were used at several events to both provide input and collect input from others. The hiring of a temporary intern, also focusing on youth outreach, followed the conclusion of these internships. This involvement resulted in the recruitment and participation of youth in engagement, including their perspectives about what is important for the project.

Results of Engagement

By the end of this stage, there were over 1,000 direct engagements with residents and other community stakeholders. While participants were not asked to identify themselves directly, around one third to one half of participants were estimated to be people of color. By comparison, approximately 57% of the total population in Brooklyn Center, and 45% of the adult (18+) population, are people of color (Source: US Census 2013-2017 American Community Survey).

How This Impacted Plan

The following general themes have emerged from the engagement to date. More specifics are available in individual event summaries. Below is a summary of these themes and how they are addressed in the master plan.

- **Create indoor and outdoor spaces for community activities.** The plan envisions a series of attractive and inviting public spaces and facilities that would be available to all residents for formal and informal activities. This includes walkable downtown area district and a connected series of parks and open space amenities.
- **Make housing options and small business spaces accessible and affordable to the public.** The plan provides for a range of housing and small business spaces, with a focus on affordability. This includes specific goals for housing affordability, as well as prioritizing accommodation of small local businesses via an entrepreneurial market.
- **Build upon the asset of the city's cultural, ethnic, and racial diversity.** The plan envisions open, accessible, safe, and welcoming spaces that include elements reflecting diverse identities. Multicultural event spaces, markets, and public art were also identified as priorities.

- **Counteract disinvestment to strengthen the city's economic and tax base.** The plan is designed to be economically feasible, to attract and leverage private investment on the condition it is consistent with other project goals.
- **Connect this to the community, physically and socially.** The site design in the master plan includes connectivity to existing area sidewalks, trails, and transit networks, to make it part of the larger community. The plan also supported a vision of a site in which all residents could take pride.
- **Support environmental sustainability.** Improvements to the site consistent with the plan would create a much greener, more sustainable space. This includes more trees and landscaping, district stormwater amenities, a walkable neighborhood area, and mix of uses.

Feedback on Process

While effort was made to ensure a diverse representation of participants in the engagement process, concerns were raised that the engagement process had not been extensive or inclusive enough. The city wished to go further to ensure that all voices are heard. To this end, the City and its partners met to develop a subsequent stage of public engagement for the Opportunity Site, described below.

Revised Engagement Approach: Winter 2019- Spring 2020

Approach

This stage of engagement was designed not only to broaden outreach but to put more control of the process in the hands of the community. The intent was to ensure the plan was designed to be truly accountable to the public in terms of delivering on benefits.

To provide more focused guidance for this effort, the Opportunity Site Working Committee was formed. Comprised of a range of community partners (including ACER, CAPI, OLM, LIBA, Alliance for Metropolitan Stability, Brooklyn Bridge Alliance, and others), this group was focused on informing and facilitating the public engagement process. These groups were chosen to reflect the broad diversity of the city, via groups that work directly in the community.

Working Committee Outcomes

This group met regularly – as frequently as weekly – from September 2019 to February 2020, advising on both the plan itself and the engagement process. Needs identified by the working group, and how they were addressed by the process, included:

- **The need for clear understanding of the impacts of the project, particularly potential for gentrification and displacement**. Based on this, the project added a new housing study process to inform the plan and broader city policy on a range of housing policies and priorities. This is currently underway, along with studies of traffic, stormwater, and financial impacts.
- **The need to communicate information about the plan to the community clearly and consistently, so people can understand what they are engaging about**. This was addressed through the development of plan summary documents to help explain plan concepts to the public. A "meeting in a box" tool was designed to put this in a format that was useful to community partners in sharing about the project.
- **The need to ensure the language of the plan is inclusive and reflects community values**. The working group reviewed the plan together, section by section, via a series of facilitated workshops. This resulted in numerous changes to plan language and direction – particularly focused on identified desired community benefits.

- **The need for an ongoing accountability framework through plan implementation.** This was addressed through the development of a community benefits section of the plan, and the initiation of a plan to develop an equity checklist (described further below).
- **The need for more and deeper engagement.** It was determined that partners who know the community best were the ones situated most ideally to do community-based engagement. This resulted in the proposed approach described below.

Partner-Led Engagement

To refocus and expand engagement, an offer was extended to working committee participants to facilitate community-based engagement activities. The format of this was designed to be flexible, so that they could be customized to the specific style that was most accessible, welcoming, and relevant to the targeted populations. As identified by the Working Committee, these populations included youth, renters, communities of color, and low-income communities – including West African, Latinx, African American/Black, and Hmong/Lao communities.

City staff extended an invitation to lead community engagement to all organizations in the working committee. While not all were positioned to do this work, the City contracted with several of them to assist with deepening the community engagement work and reaching out to residents who have historically been marginalized in planning and development processes. Results included:

- Brooklyn Bridge Alliance for Youth completed engagement work with young people in the community and presented their findings to the City Council. Engagement method included a series of facilitated small group focus groups, which included 81 youth. Participants ranged from 14-18 years of age, and reflected the broad diversity of the community's youth and were predominantly people of color.
- Paadio Consulting/Jude Nnadi elected to engage with African-born former and current residents of Brooklyn Center. The purpose was to outreach to various African ethnic and country-specific groups, attend in-person events to connect with residents in their own spaces and places, and administer a survey to gather input. Jude Nnadi attended 15 meetings/events and engaged with 300 participants; 127 participants filled out a survey.
- An OLM representative organized two in-person focus group sessions with renters in the community that allowed staff to have deep and meaningful dialogue with people currently residing in Brooklyn Center. All participants were people of color, with a significant proportion identifying as African.

Other community partner organizations, such as ACER, CAPI and LIBA, also entered into engagement contracts, but their work was largely disrupted by the COVID-19 pandemic and unable to be completed.

Equity Development Scorecard

Through their conversations, the Working Committee recommended that the City utilize the Equity Development Scorecard to evaluate future development projects on the site. The scorecard is a tool that can be customized for each community and is designed to evaluate and score development. The tool could be customized to reflect the values and goals of the master plan, thus creating a method of accountability to the master plan that would last into the future.

When the Working Committee completed its meetings in February 2020, the intention was to transition that group to an Equity Development Scorecard Taskforce, which would be facilitated by the Alliance for Metropolitan Stability, focused on developing the Equity Scorecard.

Pandemic Era Engagement: Spring-Winter 2020

Impact of COVID-19

By January 2020, a draft Master Plan was completed based on the community engagement that had been done, along with the technical assessment work. An engagement strategy to evaluate the draft plan was developed, the beginnings of which began to be implemented.

Just at the time the partner-led engagement was getting started in February-March 2020, the COVID-19 pandemic hit. This disrupted planned events significantly due to the crisis state it brought upon many city residents – and the readjusted priorities of both the city and community partners as they sought to address urgent needs.

As a result, much of the originally planned engagement was cancelled or modified. Working committee partners individually met with City staff in Spring 2020, discussing the need to extend the engagement period to accommodate the fact that people were unavailable to engage in the short term. As a result, while the original intention had been to complete the master planning work by Summer 2020, it became clear that this was no longer possible. The timeline for completing the work has been extended and now a final draft is anticipated no sooner than Spring 2021.

Likewise, the transition into the equity scorecard process was delayed. The Alliance stated that it was no longer able to lead the process, and the City began a search for a suitable replacement to lead the effort so that it could continue based on the Working Committee's recommendation. Brooklyn Bridge Alliance was initially identified as an alternative to serve in this role, though that is currently on hold given the need to further consider options (as described below).

Engagement Results

Due to the pandemic, 2020 engagement was significantly scaled back from the original plan. All in-person engagement attempts were halted for safety reasons. Regardless, some limited engagement continued, including:

- Partner-led engagement identified above via BBA, Paadio, and OLM – largely based on what was achievable when in-person meetings were still feasible
- An expanded visual story map website, to make the plan's online presence more accessible and inviting for comments
- An online comment map hosted on the website, allowing people to review and add comments to various plan elements
- Development of online surveys and meeting in a box tools, for people to review and engage remotely on their own time
- Communications about online engagement opportunities, distributed via direct mailers to residents, social media updates, emails to the community and project partners, and flyer distribution – including at a drive-in movie night.

The project website received significant traffic during this time, resulting around 140,000 total visits. While it was not possible to track all the people who participated during this phase, those who were identifiable brought the total involvement to over 2,500 individuals though the end of this period. This estimate is likely low, because it does not account for anonymous web visitors and those interacting on social media or via informal networks.

Feedback on Process

As heard at the January 4, 2021 City Council meeting, there were significant concerns about the engagement process raised. This included the extensiveness, quality, and validity of the engagement done to date – and the need to refocus the approach going forward. Given this critique, the city is now pursuing plans for a refocused approach to engagement.

Next Steps

City staff has been in communication with the community-based organizations that were involved with the Engagement Working Committee. The intent has been to determine what a community engagement strategy might look like moving forward and when the appropriate time to initiate it would be.

Major considerations identified at this point include:

- **Determining community-based leadership for next stage engagement.** As noted above, the process to do this has been challenged both by lack of capacity for some organizations to take on the role, as well as by the much-larger impact of the pandemic. Community-based engagement leadership has been identified repeatedly as a priority however, so the city will continue to explore options. This will likely be a team effort, since different groups have unique advantages in reaching specific populations.
- **Building and maintaining trust in the city as a partner with community.** Feedback and critiques throughout the planning process point to a stark reality: there are many in the community who do not trust power structures, including the City itself. While there are many justifiable reasons for this distrust, it should not be accepted as a matter of course. Inclusive, transparent, and accountable processes are needed to help build and maintain this – including accountability that extends well into the implementation phase.
- **Building community capacity to understand and influence the plan and future city actions.** This process has pointed to the need to build up the community's capacity to understand and engage effectively in decision-making processes. As with the lack of trust, this reflects the impact of historic and structural issues that extend well beyond the scope of this specific project. While not all of this can be solved in the short term, this should be kept in mind and worked towards.
- **Keeping the project moving forward.** Without some forward momentum in terms of developing the site (including approval of future private development projects), no benefits will be achieved for the community if the site remains empty. Indeed, the result will be worse than zero, as the site's vacancy, blight, and absence from the tax rolls means it is a drain on the city's financial resources and community fabric. While this does not mean the process should be rushed, it also means that delaying the project indefinitely is an undesirable option.

PRELIMINARY DEVELOPMENT AGREEMENT

Pilot Site Development

THIS AGREEMENT is made and entered into this 14th day of February, 2022, by and between the Economic Development Authority of Brooklyn Center, Minnesota (the "Authority") with its principal office at 6301 Shingle Creek Parkway, Brooklyn Center, Minnesota 55430, and Alatus, LLC, a Minnesota limited liability company ("Alatus"), Project for Pride in Living, a ("PPL"), and Resurrecting Faith World Ministries, a Minnesota 501c3 Nonprofit Organization ("RFWM"), collectively known as the "Developer".

WITNESSETH:

WHEREAS, the Authority is the owner of certain real property described in Exhibit A (the "Authority Property") located in the City of Brooklyn Center (the "City"); and

WHEREAS, on February 20, 2018, Alatus presented to the Authority a concept for the development of the Authority Property through the construction of a mixed use development, together, with related improvements including a centralized park area, new roads and storm water ponding (the "Development"), which proposal contemplates the Authority's conveyance of the Authority Property to the Developer; and

WHEREAS, on March 26, 2018, the Authority's Board of Commissioners reviewed the Developer's development concept and voted to enter into a Preliminary Development Agreement to allow the Developer time to further refine its development concept and to negotiate the sale of Authority Property, public participation in the Development, and approval of the final development concept; and

WHEREAS, the previous preliminary development agreement was renewed in April 2019, and subsequently expired on April 1, 2020; and

WHEREAS, the Authority and Alatus have continued to refine the development program, which has included the Developer narrowing the focus on the development concept from a larger master plan to 15 acres of the Authority Property at the northeast corner of Shingle Creek Parkway and Bass Lake Road, focusing on an initial Pilot development project within the aforementioned 15 acres ("Pilot Site"), and expanding the development team to include Project for Pride in Living, LLC ("PPL") and Resurrecting Faith World Ministries ("RFWM"), each to lead a distinct portion of the development concept; and

WHEREAS, on January 24, 2022, the Developer presented to the Authority Board of Commissioners a revised concept development plan that included approximately 750 multifamily housing units in a mix of affordability's, an entrepreneurial incubator, a community event center, childcare center, and small business suites, along with public and private roadways, plazas, utilities, stormwater and infrastructure; and

WHEREAS, Authority's Board of Commissioners and the Developer intend to enter into another Preliminary Development Agreement ("Agreement") to allow the Developer and the Authority time to further refine master PUD plan for the Development, conduct due diligence on the property, negotiate the purchase of the Authority Property, determine financial feasibility of the development plan, and seek approval for a master PUD plan for the Redevelopment Property; and

WHEREAS, the Authority and Developer intend to proceed with the Development if: (i) a master PUD plan for the Development can be agreed upon by the Authority and the Development Team; (ii) a satisfactory agreement can be reached regarding the purchase price to be paid by the Developer for the Authority Property; (iii) satisfactory financing for the Development can be secured; and (iv) the economic feasibility and soundness of the Development and other necessary preconditions have been determined to the satisfaction of the parties. (v) such necessary preconditions to include a Community Benefits Agreement.

WHEREAS, the City Council in February, 2021 determined that insufficient public participation had been done with the City's diverse populations. The Authority has since hired a community engagement manager, and multiple community partners to conduct community engagement. This phase of engagement should be concluded by March; and

WHEREAS, the Authority has made the determination to develop 15 acres of land at the intersection of Shingle Creek Parkway and Bass Lake Rd. as a pilot site to demonstrate public participation best practices, and to increase the diversity of uses across the entire Authority Property. This resulted in the Pilot Site designation for the 15 acres at the aforementioned intersection whereby the Developer will focus their development efforts. Discussions regarding additional Authority Property are contingent upon the Developer's performance on the Pilot Site.

NOW, THEREFORE, in consideration of the foregoing, the Authority and the Developer hereby agree as follows:

Section 1. Preliminary Nature of Agreement. The Authority and Developer agree that this Agreement is intended to be preliminary in nature. Before the Authority and Developer can decide on whether to proceed with the implementation of the Developer's Pilot Site, it will be necessary to assemble and consider information relative to the uses, design, economics and other aspects of the Pilot Site development. The purpose of this Agreement is to allow the Developer and Authority an opportunity to assemble such necessary information, to refine the above referenced Pilot Site development concept, and to negotiate concerning the execution of a purchase and development agreement (the "Contract") which, if executed, will set for the rights and responsibilities of the Authority and the Developer with respect to the Pilot Site development.

During the term of this Agreement, the Authority agrees that it will not (i) subject to the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, without the prior written consent of the Developer, discuss the terms of the Development, or (ii) enter into or negotiate a similar agreement or any other proposals with any party other than the Developer to develop the Authority Property.

Section 2. Present Intent of Parties. It is the intention of the parties that this Agreement document their present understanding and commitments and that if the following conditions can be fulfilled to the satisfaction of the Authority and Developer that the parties will proceed in an orderly and timely manner attempt to formulate a mutually satisfactory Contract:

(a) the Developer demonstrates the feasibility of the Pilot Site Development as refined pursuant to this Agreement;

(b) the Developer provides such documentation regarding the economic feasibility of the Development as the Authority may wish to receive during the term of this Agreement;

(c) the completion of all undertakings required by this Agreement in a satisfactner;

(d) the satisfaction of such other conditions as are determined to be appropriate by either party; and

(e) the Development is generally consistent with the proposal submitted to the Authority's Board of Commissioners on December 13, 2021.

(f) The Contract (together with any other agreements entered into between the parties hereto contemporaneously therewith) when executed will supersede all understandings and obligations of the parties hereunder.

Section 3. Development Design. The Developer's concept for the Pilot Site development on the Pilot Site is preliminary in nature and must be refined before implementation. The concept as proposed involves the construction of several mixed-use developments; defined in Exhibit B, together with related improvements including a centralized plaza area, new roads and storm water management improvements.

Section 4. Developer Undertakings. During the term of this Agreement the Developer shall do the following:

(a) Continue to refine the site and building plans for the Pilot Site of the Pilot Site Development.

(b) Seek land use approvals from the City for the Pilot Site of the Pilot Site Development in coordination with the approval of a master PUD plan for the Development

(c) Collaborate and cooperate with the Authority, the City, or their consultants to refine and complete the Pilot Site master plan for the Pilot Site Development in alignment with the goals and objectives laid out by the Authority and the City's comprehensive plan.

(d) Undertake preliminary engineering, soil testing/borings and geotechnical analysis of the Pilot Site Property, in the form of an Environment Assessment Worksheet, with a

scope mutually agreed upon by the Authority, the City, and their consultants. For this purpose, the Developer and its contractors shall have the right to enter upon the Authority Pilot Site Property at reasonable times and after at least 72 hours prior notice to the Authority.

(e) The Developer shall indemnify, defend and hold the Authority harmless from and against any claims or damage, of whatsoever nature, arising out of the entry onto the Authority Property and shall repair any damage caused to the Authority Property.

(f) In coordination with the Authority, develop a proposed schedule for the undertaking of the Pilot Site Development including phasing and the timing of the purchase, financial closing of each phase, and tax increment financing.

(g) Use title information and surveying provided by the Authority to update evidence of title to the Authority Property and provide to the Authority any objections to title.

(h) Secure a commitment for financing sufficient for construction of Pilot Site's initial phase and subsequent additional improvements of the overall Pilot Site development.

(i) Submit to the Authority a complete set of Pilot Site financials to include but not limited to; a project pro forma detailing all development costs associated with the Pilot Site development, a complete sources and uses of all funds to be raised to finance development of the the Pilot Site, and a 10-year project cash flow projections, a proposed purchase price for the Pilot Site including justification, a list of committed capital for the project.

(j) Submit to the Authority a complete Pilot Site phasing Plan that will detail the construction, funding and completion of all Pilot Site improvements, buildings, roadways, utilities, storm water infrastructure, and all connections to the existing grid network.

(k) Submit to the Authority a comprehensive Pilot Site Master PUD Plan that the Developer has coordinated with Authority, City, and their consultants to include the following topic areas that must be addressed by the Development:

- Infrastructure Plan
- Stormwater
- Phasing Plan
- Housing Plan
- Commercial / Retail Plan
- Green / Sustainability Plan
- Planned Social Impact / Social Benefits Plan Public /
- Any and all Communal Ownership Plans
- Public and Private Safety Plan
- Plans for Parks and Green Space
- Public and Private Financing Plan
- Multi-Modal Transportation and Pedestrian Plan

- Community Benefits Agreement

(l) Seek to secure tenants for the Development; provided that the Developer has no authority by virtue of this Agreement to lease or otherwise encumber the Authority Property.

(m) Obtain environmental reports and studies provided by the Authority and such other studies and testing deemed necessary, to determine the acceptability of the environmental condition of the Authority Property and any Additional Property.

(n) Conduct and participate in all community open house(s), and/or other related community engagement activities, to solicit public input regarding the proposed Pilot Site development and such other neighborhood meetings as may reasonably be requested by the Authority.

(o) Work with the Authority or City to provide information necessary to apply for funding grants from governmental grant sources.

(p) Obtain any market studies for the Pilot Site development to assess overall feasibility and to refine the scope of the Development and complete a traffic impact assessment study to assess the overall traffic impact resulting from the development.

(q) Make all required presentations to the City Council of the City, the Authority's Board of Commissioners and the City Planning Commission in connection with approvals of the Development.

(r) Submit to the Authority a Final Draft of the Community Benefits Agreements between the City, Authority and General Public.

All of the information described above shall be prepared or collected at the sole expense of the Developer. The Developer agrees that it will provide the Authority with monthly status reports on progress made with respect to its activities under this Agreement. The Developer shall have no obligation to provide the Authority or City any reports, tests, analyses or any other due diligence it has prepared internally or obtained from any third party except as specifically provided herein.

Section 5. Authority Undertakings. During the term of this Agreement, the Authority will undertake the following:

(a) Refine and complete the master PUD plan for the Pilot Site Property in cooperation with the Developer; including, identifying a land use and transportation framework for the site, a phasing plan, entitlement process, and shared community amenities.

(b) Refine and complete a Master Infrastructure Plan that identifies necessary public infrastructure related to the Pilot Site.

(c) Identify, and lead the design and engineering of, any off-site public improvements expected or required to be completed as part of the Development.

(d) Identify any on-site public improvements expected or required to be completed as part of the Development, including any centralized plazas, public spaces, new roads and storm water ponding.

(e) Identify construction, permit, application, utility and any other fees and the amount of such fees that the Developer may be expected to pay in connection with the Development.

(f) Identify the approval process and timeframes for development approvals that may be expected for the Development.

(g) Identify the sources of public financial assistance that may be made available to the Developer in connection with the Development such as tax increment financing, state, local and federal grants and land write down assistance. If any such financial assistance is actually provided in connection with the Development, the amount, timing and terms of such assistance will be set forth in the definitive Contract and no commitment is being made in this Agreement that any such assistance will be provided to the Developer.

(h) Provide to the Developer any title information and any 3rd party reports the Authority has on hand regarding the Authority Property.

(i) Cause to be prepared drafts of the Contract upon satisfaction of the conditions in Section 2.

(j) Provide to the Developer any surveys and environmental reports related to the Authority Property that are in the possession of the Authority. The Authority will, at the Developer's expense, cooperate with the Developer in pursuing any federal or State environmental approvals, permits, program enrollments or determinations requested by the Developer with respect to the Authority Property.

(k) Analyze information provided by the Developer to determine if the conveyance of the Authority Property for the Developer proposed purchase price is justified.

(l) Notwithstanding any provisions or understanding to the contrary, neither the City nor the Authority will exercise its condemnation powers to acquire any additional property in connection with the Development.

(m) Cooperate with the Developer, at the Developer's expense, in completing the traffic study as required.

(n) Coordinate with the Developer in pursuing any grants that may assist with environmental analysis, brownfield remediation, gap financing, and/or others that may be identified that would assist the Development.

Section 5.5 **Community Benefits Agreement.** The parties acknowledge and agree that as a requirement of the Development is for the Developer to enter into a Community Benefits Agreements with the City, and the Authority for the Pilot Site Project. The intent of the Community Benefits Agreement is to codify the planned and intentional community, economic and social impacts of the Development Project. The community, economic and social impacts are intended to focus on Brooklyn Center residents, businesses and students through intentional hiring, contracting, programming, and funding partnerships to be further defined in the Community Benefits Agreement. The Community Benefits Agreement will be a part of the Final Development Agreement and such agreement cannot proceed prior to the completion of the Community Benefits Agreement.

Section 6. Contingencies. The parties acknowledge and agree that proceeding with the Development is subject to a number of contingencies, including, but not limited to, the following:

(a) The acquisition of all or part of the Authority Property by direct purchase, on such terms and conditions as are acceptable to the Authority in its sole and absolute discretion.

(b) The acceptance by the Developer of its environmental and geotechnical assessments and all other environmental and wetland reports and surveys certified to the Developer and its lender, deemed necessary by the Authority and the Developer for all of the property to be encompassed by the Development, which reports and surveys must be satisfactory to the Authority and the Developer.

(c) The Authority and the Developer having obtained all necessary approvals for the Development from any participating governmental authority including, but not limited to, any necessary watershed district approvals.

(d) The Developer having obtained such zoning modifications, rezoning, planned unit development approvals, conditional use permits and such other approvals as are necessary to allow the Development to move forward.

(e) Title to the Pilot Site having been found acceptable to the Developer in its sole discretion.

(f) The Developer having conducted such soils, well, engineering, hazardous waste, environmental and other testing as it determines necessary.

(g) The Developer having obtained financing for, at a minimum, the initial Phase of the Development acceptable to Developer and satisfactory to the Authority.

(h) The Developer having reached an agreement with the City, the Authority, and Community Partners as to the nature and extent of the Community Benefits Agreement.

Section 7. Negotiation of Contract. During the term of this Agreement, the Authority and the Developer shall proceed with the negotiation of a Contract relative to the Development. The decision to enter into a Contract shall be in the sole discretion of each of the parties. If prior to execution of the Contract either party determines in its sole discretion that it is not in its best interest, for whatever reason, to proceed with the Development or the Contract, it shall so notify the other party, whereupon this Agreement shall terminate and neither party shall have any rights or obligations to the other or to any third party under or *with* respect to this Agreement, except as provided in Section 9 regarding Authority costs incurred prior to such termination. If the Developer determines during the term of this Agreement that undertaking the Development is not financially feasible, it will promptly notify the Authority of such determination and the parties will terminate this Agreement.

Section 8. Effect of Approvals. No approval given by the Authority hereunder or in connection herewith shall be deemed to constitute an approval of the Development for any purpose other than as stated herein and the process outlined in this Agreement shall not be deemed to supersede any concept review, conditional use permit, vacation, subdivision, or other zoning or planning approval process of the Authority or the City relative to the development of real estate.

Section 9. Payment of Authority Costs. In consideration of the Authority's covenants and agreements set forth herein, the Developer agrees that it will pay costs incurred by the Authority in the manner and to the extent provided in this Section 9.

(a) The Developer agrees to pay costs incurred by the Authority in connection with the Pilot Site master plan. The Developer shall deposit $200,000 with the Authority to pay costs in connection with the planning, review, and design of the Pilot Site development concept. These costs include consulting fees for design and engineering of on-site infrastructure, review of environmental documents, preparation of this Agreement, financial analysis, the negotiation, preparation and implementation of the Contract. The Authority shall have the right to draw upon these amounts to pay such costs, both future and those costs which have already been incurred. If the amount on deposit becomes fully depleted or the Authority wishes to incur a cost that would cause the deposit to be fully depleted, the Authority shall have the right to request that the Developer replenish such funds. Upon such request, the Developer shall remit to the Authority additional funds to be held on deposit and used to pay costs. If the Developer fails to make such a deposit within 3 business days, the Authority may terminate this Agreement. The Authority shall not incur any cost unless it has sufficient funds on deposit to pay for such costs. Upon completion of the project, any funds remaining on deposit shall be returned to the Developer.

(b) Upon request by the Developer, the Authority shall provide an accounting of the

use of any funds deposited with the Authority. If this Agreement is terminated in accordance with the terms hereof, any sums remaining on deposit with the Authority, after the Authority pays or reimburses itself for costs incurred to the date of termination, shall be returned to the Developer. No other financial obligations shall exist between the parties, other than those that may be negotiated and contained in the Contract.

Section 10. Modifications. This Agreement may be modified and the term hereof may be extended only through written amendments hereto signed by both of the parties to this Agreement.

Section 11. Exclusive Rights. In consideration of the time, effort and expenses to be incurred by Developer in pursuing the undertakings set forth herein and in further consideration of the funds paid to the Authority, the receipt of which is hereby acknowledged, the Authority hereby agrees that for the term of this agreement it will not: (i) provide or enter into an agreement for provision of financial assistance to any third pru1y in connection with any proposed development of the Authority Property. During such period the Developer shall have the exclusive right to work with the Authority in establishing a definitive Contract for the Redevelopment Property. Said exclusive rights shall continue, unless earlier terminated as provided herein, for the period described within Section 12 of this agreement.

Section 12. Termination. This Agreement shall be effective until October 30, 2022, unless terminated earlier in accordance with Section 7. If for any reason a Contract has not been entered into by the pat1ies by such date or any mutually approved extension thereof, this Agreement shall be null and void and neither party shall have any liability or obligations to the other, except as provided in Section 9 regarding Authority costs incurred prior to the termination of this Agreement.

Section 13. Severability. If any portion of this Agreement is held invalid by a court of competent jurisdiction, such decision shall not affect the validity of any remaining portion of this Agreement.

Section 14. Notices. Notice, demand, or other communication from one party to the other shall be deemed effective if sent by certified mail, postage prepaid, return receipt requested or delivered personally to a party at its address in the first paragraph of this Agreement, or at such other address as such party may designate in writing to the other party.

IN WITNESS WHEREOF, the Authority has caused this Agreement to be duly executed in its name and behalf and the Developer has caused this Agreement to be duly executed in its name and behalf on or as of the date first above written

ECONOMIC DEVELOPMENT AUTHORITY OF BROOKLYN CENTER, MINNESOTA

By_____

Its _____

By_____

Its _____

ALATUS, LLC

By_____

Its _____

PROJECT FOR PRIDE IN LIVING, LLC

By_____

Its_____

RESURRECTING FAITH WORLD MINISTRIES

By_____

Its_____

EXHIBIT A

Authority Property

Exhibit B
Development Program

The Development Design contemplates the following development programming:

(a) Approximately 750 units of housing in a mixed-use building type

a. Whereas, 50% of the units will be restricted to those who earn less than 60% of the Area Median Income.
b. Whereas, 50% of the units will be available for general occupancy at prevailing "market rent" levels.
c. Whereas, there will be a 25,000 SF Entrepreneurship Market and Plaza, ("EMP") to be sold to the City of Brooklyn Center's EDA upon completion.
d. Whereas, there will be a community event center with the capacity for single events up 1,000 persons, and that will be available to the community for rent no less than 200 days per year.
e. Whereas, there will be 25,000 SF of commercial space throughout the pilot site, not including the "EMP".
f. Whereas, the Developer agrees to park the opportunity at a ratio of 1.25 to 1 unit across the opportunity through a combination of street parking, underground parking. Parking reduction will be considered through the use of multimodal planning to include but not limited to;
    i. Mass Transit
    ii. Bicycle Infrastructure