ECONOMIC DEVELOPMENT AUTHORITY MEETING

City Hall Council Chambers
April 27, 2026

AGENDA

1. **Call to Order**

2. **Roll Call**

3. **Approval of Agenda and Consent Agenda**

   These items are considered to be routine by the City Council and will be enacted by one motion. There isn't a separate discussion for these items unless a Councilmember so requests, then it is moved to the end of the Council Consideration Items.

   a. Approval of Minutes

      - Motion to approve the following minutes:

      - *March 23, 2026*

4. **Commission Consideration Items**

   a. Proposal: Scooter's Coffee (6245 Brooklyn Boulevard)

      - Motion to have the City Attorney prepare a Purchase and Development Agreement and schedule a public hearing regarding the sale of the Subject Property located at 6245 Brooklyn Boulevard.

5. **Commission Discussion Items**

   a. Economic Development Update

      EDA Update

6. **Adjournment**

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
MARCH 23, 2026
CITY HALL – COUNCIL CHAMBERS

1. CALL TO ORDER

The Brooklyn Center Economic Development Authority (EDA) met in Regular Session called to order by President April Graves at 6:05 p.m.

2. ROLL CALL

President April Graves and Commissioners Dan Jerzak, Teneshia Kragness, Kris Lawrence-Anderson, and Laurie Ann Moore. Also present were Interim City Manager Daren Nyquist, Economic Development Manager Ian Alexander, Interim Community Development Director Jason Aarsvold, Interim Deputy Community Development Director and Planning Manager Ginny McIntosh, City Clerk Shannon Pettit, and City Attorney Siobhan Tolar.

3. APPROVAL OF AGENDA AND CONSENT AGENDA

President Graves moved and Commissioner Moore seconded to approve the Agenda and Consent Agenda, and the following item was approved:

3a. APPROVAL OF MINUTES

1. February 23, 2026

4. COMMISSION CONSIDERATION ITEMS

4a. ALATUS DEVELOPMENT UPDATE

Mr. Nyquist introduced Economic Development Manager Ian Alexander to provide this update.

Mr. Alexander explained that the former Brookdale site was targeted for H3 Development starting in 2017 for Resurrecting Faith World Ministries, Project Group Pride, and Living in Alatus, envisioned phase one with 707 market-rate affordable housing units, and Trail Market Plaza, additional affordable buildings, and a conference child care wellness center, with Alatus building the infrastructure. He noted that two preliminary development agreements were signed in 2018 and 2019, but both expired in 2020 without a binding, definitive agreement. City Staff provided extensive grant support and ongoing assistance to Alatus in good faith, and despite years of discussion, including a recent foundation partnership and market study, Alatus has not secured construction financing. He noted that PPL exited phase one, and Resurrecting Faith now plans to pursue this project independently at a different location within the City that will be discussed at a later date. Staff recommends that the EDA approve a resolution to formally terminate the expired agreement with Alatus, which clears the path for new development proposals while allowing any party to submit future ideas and structures that the City has provided.

President Graves thanked Mr. Alexander for the presentation and asked if there were any questions or comments from Commissioners.

Commissioner Jerzak asked about the grants that were procured for Alatus and what will happen to them now. Mr. Alexander added that those grants will be presented in the EDA work plan later, but Staff plans to utilize those grants, and there is a plan put together. Mr. Alexander noted that one of the grants is a bit tenuous, but the others will be utilized. He noted that some of those grants are for deep affordability, and a plan will be shared with the Commission at a later date, but some of these grants could still be utilized in a constructive way without hurting the bottom line of the City.

Commissioner Jerzak asked if Alatus is aware that this termination is coming. Mr. Alexander noted that City Staff have had very lengthy and cordial discussions with Alatus about where they are and where they are going. Mr. Alexander pointed out that at a neighborhood meeting last summer, he spoke about having Alatus close; however, after numerous conversations with Jason Aarsvold and Ginny McIntosh, the Staff have discovered that it is probably not going to happen in a way that would be beneficial to the City.

Commissioner Jerzak noted this comment is not meant to sound harsh, but Alatus kept representing that they could get their own financing, and while that may happen someday for them, why did it take the City so long to recognize that Alatus was not going to perform. He added that this situation is much like an offer on a pending house; it tends to hold other people off if someone is already involved with the development. Mr. Alexander agreed, and he brought that point up many times since he started working with the City, and it has always been a concern. Mr. Alexander stated that over the years, there was a path for Alatus to close previously, and for many reasons, that path was not executed, due to engagement that occurred, among other things. Mr. Alexander added that it got to a point where Alatus had to close on the project, and Alatus passed that point a while ago. He pointed out that Alatus came to City Staff a few months ago with a new development partner that they wanted to work with, and the more City Staff went into the weeds with Alatus, the more Staff learned that the development partner wanted more and more affordability, and the City cannot take a position on affordability. The Commission has made it clear that it would like a good income mix in the City, and Alatus could not give the City a timeline that would make any sense whatsoever.

Commissioner Moore asked if there were any legal ramifications for the City in the termination of this agreement. Mr. Alexander stated he could not speak for all the legal matters, but Staff did have conversations with Jenny Boulton with Kutak Rock, and Alatus was already operating with an expired contract, so this would be the City finalizing moving forward. He stated he did not want to speak for the City, but Alatus does not have an active contract.

Commissioner Moore reiterated Commissioner Jerzak's point and that the Commission would get a fresh look at the open vacant spaces across the City, and this was long overdue, and she was glad to see that the City is tying up the bow and moving on.

Commissioner Kragness added that she respects the Staff's opinion on this and pointed out that this is the third termination of this contract. Despite this not going as planned, she was glad that the Staff was diligent, and now the City can plan something that can be feasible. She thanked the Staff for staying on top of this issue.

Commissioner Jerzak noted his final comment was based on a pet peeve; on page 10 of 48, he cannot read the font. Commissioner Moore added that she cannot read it either.

President Graves asked if he was talking about the picture of the letter. Commissioner Jerzak confirmed that that is what he was talking about.

Mr. Alexander apologized for that, and did not realize the picture of the letter was that small in the document. He noted that there should be a full-size copy of the letter in the documents.

President Graves moved and Commissioner Moore seconded approval of a Resolution approving a notification of termination for the EDA's expired agreements with Alatus.

Motion passed unanimously.

5. COMMISSION DISCUSSION ITEMS

5a. BLVD APARTMENTS – REQUEST FOR 4D(1) TAX CLASSIFICATION

Mr. Nyquist introduced Interim Community Development Director Jason Aarsvold to present this item.

Mr. Aarsvold explained that the City did receive a request for financial assistance from the Boulevard Apartments related to their property tax classification. He stated he would briefly go through how the property tax system works as it relates to this request, talk about the benefits of that, what the cost to the City would look like, and then discuss whether or not that is something the Commission would like to move forward with.

Mr. Aarsvold explained that property valuations are set through extensive assessment processes. The assessed market value gets converted to a "tax capacity" number using different tax classification rates. He noted that rates differ depending on the property type; other taxes may be included based on the property type, with market value taxes from voter-approved referendums, fiscal disparities taxes for commercial properties, and state general tax levy for commercial properties.

Mr. Aarsvold explained that tax rates range anywhere from 0.25 percent all the way up to 2.00 percent for commercial property, depending on whether the market value goes up, and then tax rates go up, depending on the type of use and services the commercial property offers. He noted that he would focus on the affordable housing class rate, as there have been some recent changes to that.

Mr. Aarsvold explained that the 4D tax classification rate refers to the affordable housing rate and was put in place to ensure that affordable housing would pay a lower tax rate. Historically, this was set up in a two-tiered system, with the first tier of value at $100,000 per unit, the market value was taxed at 0.75 percent, and any value above $100,000 per unit was taxed at 0.25 percent. He added that during that time, those properties were valued at $100,000 or less, so most affordable housing units were taxed at 0.75 percent across the board.

Mr. Aarsvold explained that the legislature made some changes a few years ago, and those took effect last year in 2025. These changes lowered existing and future 4D property tax classes to a flat rate of 0.25 percent on all market value, and the tier system was removed. He stated that change also included a new 4D(1) rate, which refers to apartment buildings, and a 4D(2) rate, which refers to single-family homes and land trusts. He noted that for this presentation, he would be discussing the 4D(1) rate, and because of the benefit that exists with this tax break, it has generated a lot of interest from existing owners who are not already in that classification and want to be. There are a few ways that statutes let a property quality have that rate in place; three of them are outside of the City's control, but as long as 20 percent of the units are rent and income restricted below 60 percent AMI, and meet one of several requirements. One of those requirements is that units are subject to a housing assistant payments contract under Section 8. Another requirement is a low-income taxing credit project, such as Sonder Point and Wangstad Commons, which would qualify for this 4D tax class by right without any additional City approvals. The third requirement is that the housing is financed by the Rural Housing Service. He noted that the final requirement is that units are subject to rent or income restrictions under the terms of a financial assistance agreement with the state, federal, or a local unit of government. The property would have to enter into an agreement to provide some financial assistance with the City, and take that to Minnesota Housing and say they have an agreement with the City and could qualify as a 4D property. He noted that the first three options are outside of the City and EDA's control, with the fourth qualification being entirely at the City and EDA's discretion.

Mr. Aarsvold continued that the EDA is not required to do any of this, and can choose whether or not to enter into these agreements, and decide which properties will be granted the 4D tax class status. He noted that the request coming to the EDA tonight is because of that tax status, and Boulevard Apartments are really interested in obtaining the 4D tax class status, and the only way they can do that is by entering into an agreement with the EDA for financial assistance and agreeing to rent with income limitations that would be recorded against the property. He added that the City is required by statute to provide some level of upfront assistance, but that can be a very minimal amount. There are cities that have entered into agreements for $100, and that is sufficient with those rental restrictions for that property to qualify to meet those restrictions. He noted that other cities have done this to encourage affordable housing, and they may have rent that is outpacing what those median limitations are.

Mr. Aarsvold explained that the owner of BLVD apartments would exchange, making certain improvements to the property, and in their application, they indicated they would be replacing appliances, flooring, electrical panels, and fixtures, and paying to modernize the units. He stated that as City Staff worked through this request, it became apparent that the owner had already made some of these improvements, and when asked, the owner confirmed that those improvements were done by the prior owner. The current owner will be replacing the roof, doing exterior painting, and resurfacing the parking lot, which would cost about $400,000 and is included in the total renovation budget of $856,000.

Mr. Aarsvold explained some of the benefits of granting this assistance and whether it outweighs the cost. The primary benefits that come to the community are the agreement that the owner would provide a fixed rent and income requirements at or below the 60 percent AMI threshold. This is important when the City is seeing rent rise above and outpace affordability, and the owner of the property would never be able to increase the rent above those thresholds. He added that those thresholds do adjust annually upwards by three percent. He added that the other benefit of this is that it makes it easier for the owner to afford capital improvements. As mentioned before, the BLVD apartments are looking at spending $400,000 for improvements. He continued that the Commission also needs to look at how the City's current rent compares to the maximum and noted that, currently, a one-bedroom apartment is renting for $1,100 at the market rate and a two-bedroom is renting at $1,400. The 60 percent AMI maximum rent rate for a one-bedroom would be $1,490, and $1,788 for a two-bedroom. He added that most of the apartment complexes already fall within or below the 60 percent AMI maximum rate, which means the rent for the BLVD apartments would not have to be lowered to meet the requirement, and would actually be raised by $10 to $15, which the owner indicated would happen.

Mr. Aarsvold continued that there is concern that over time, rent might outpace what those 60 percent AMI maximums are, but based on his experience with both Brooklyn Park and Brooklyn Center, that has never happened, and rent has consistently stayed below those thresholds, but that does not mean that dynamic is going to stay that way. He noted that the other potential benefit is capital improvements, being a big one, and if major renovations are needed to take place, this could be a way to incentivize that. The costs to the City would include the up-front assistance, which is a nominal amount; the higher cost occurs with the tax base. He explained that right now, for 2026, the BLVD apartments would pay $106,668 in property taxes, and $44,392 of that would go to the City. If the BLVD apartments get classified in the 4D tax rate, their tax bill would be reduced to 0.25 percent, or $22,006, and $8,878 of that would go to the City. He noted that the owner would be saving about $84,000 in property taxes, and the EDA has to think about what that means relative to what they are getting in return, such as property improvements and the affordability guarantee.

Mr. Aarsvold explained that the estimated tax impact would be to the taxpayers. He noted that if the City did lose the tax capacity by giving BLVD apartments the 4D class, the estimated tax rate increase would be 0.105 percent to cover that loss in revenue. He noted a good example to explain this increase would be a $300,000 home, which would have to pay another three dollars a year in property taxes to cover the loss in tax base. He added that this is not a huge number, but if these requests continue to come in for the 4D tax rate, and there are several of them, it would add up over time to a number that would be more substantial. He noted that when properties convert to the 4D tax rate, those taxes do not just go away; they are spread to other taxpayers in Brooklyn Center, and it is up to the EDA and the Commission to determine if that is worth it.

Mr. Aarsvold added that BLVD apartments has applied to the City through the normal process, and did formally request assistance. Tonight, the Commission will decide if they would like to move forward with this conversation, and if so, City Staff could return with a formal agreement that would lay out all the improvements that would be required, as well as the duration of the affordability. He added that the Staff would also determine what the upfront amount of dollars would be required from the City, and then, if approved, BLVD apartments would obtain the lower 4D tax rate classification. He noted that if the Commission determines they do not want to move forward, then the project will stay at the market rate rental classification, and he is uncertain if the owners would still complete property improvements.

Mr. Aarsvold added that almost all of these properties in Brooklyn Center that are not already restricted by some kind of financing and have rent structures that look very similar to the BLVD apartments will be interested in having the same conversation to reduce their tax rate, since they would not have to reduce rent in order to qualify. He noted that if there is any feedback at all that the Commission has about that, and is interested in hearing about those properties in the future, then Staff will process those. If the Commission is not interested in hearing from other property owners, then Staff will pass on that information too and direct property owners to save time and cost accordingly. He asked if the Commissioners had any questions.

President Graves noted she typically opens up to Commissioners first, but in the interest of trying to continue moving through the agenda, she asked if there are any properties that would meet the criteria and qualify for the 4D tax rate that do not involve the City. Mr. Aarsvold stated he has not counted them yet, but there are only a handful of properties that are already in the 4D tax rate, and virtually every other apartment complex in the City would qualify without having to change their rent structures. President Graves asked if those properties would qualify if they came to the City and asked for approval, or if they would qualify in any other scenarios that do not involve the City's approval. Mr. Aarsvold noted the properties are already affordable and would need to come to the City for that ask, which is why he projects that there would be several that would want to, and all of them already have rents that are below the prescribed thresholds. President Graves asked if any of those properties could pursue avenues to getting the 4D tax rate other than coming to the City for approval. Mr. Aarsvold stated those properties could certainly pursue that. President Graves responded that she is not in favor of doing this. She noted that she cares about affordable housing, and there is a lot of it in the City, and doing this will put an undue burden on the rest of the taxpayers and the City's ability to provide services to the rest of the City. She reiterated she is supportive of affordable housing, but not on the backs of City services and current residents.

Commissioner Jerzak added that he has reviewed this proposal thoroughly with skeptical eyes and reached out to other experts in this area who have personal experience with buying or converting buildings to 4D. He concurred with President Graves, and when the Commission reduces or eliminates a source of revenue, in this case, property taxes, everyone else pays for it, even if it is a smaller amount that continues to add up, especially when it is for perpetuity. He noted that the Staff indicated that, based on this decision, because all City rental housing falls below 60 percent of the AMI, there is really not a lot of gain there, and his fear is that this would open the floodgates for limited Staff time. He added that if the City is contributing several dollars potentially in perpetuity, even though the improvements would cause a rise in tax value as long as it is 4D, there is still a cost to the City regarding funding those improvements. Commissioner Jerzak asked if the BLVD apartments would repair their roof regardless of the tax rate, to prevent future damage to the property, and due diligence, and it already appears the owners have made a number of improvements to this property. He noted he believes each case deserves scrutinization, and when he was reviewing the project, and the list of positives he did not see the benefit to the City or its taxpayers as a whole. He noted his other concern is that as the property's value increases, their equity at some point when they sell is never cleared, and there is no reimbursement. He added that there are 58 units in this complex, and not all 58 are marked for the value of the AMI, so it is a very small number of people overall that would benefit from this, versus spreading it to all the taxpayers in the City. He reiterated that he would not support this or the Staff bringing it back to the Commission.

Commissioner Kragness added she appreciates the ask; she noted that they have had to increase property taxes just to maintain the City's expenses, so the City is clearly not in a position where it can willingly forego tax capacity.

Commissioner Moore concurred with her fellow Commissioners and the President and is not in support of this. She added that she thought there were seven properties that fell under the category of low-income housing tax credit projects that would qualify for this, but compared to the number of homeowners, as well as commercial and industrial property owners, she cannot support this. She noted that allowing this would set the precedent, and the City could be locked in with this lower tax rate, which could cause problems down the road.

Commissioner Lawrence-Anderson stated the decision is unanimous.

President Graves thanked Mr. Aarsvold for his presentation.

5b. CONCEPT REVIEW: FLAME

Mr. Nyquist welcomed Mr. Alexander back to explain this concept review.

Mr. Alexander stated he would be as timely as possible, and has a few things to discuss regarding the Flame project and concept, and noted that Mr. McNeal is present too, and it would be wonderful if he had a chance to speak. Mr. Alexander added he would speak on the project at a high level and would let Mr. McNeal go into the details.

Mr. Alexander explained that this project is called the McNeal Flame and Spark project, and is a great fit for the City. He noted that the company was founded in 2019 by an African American-owned business. The owner, Tommy McNeal, brings 20-plus years of experience in corporate, entrepreneurial, and non-profit environments. The project features a 30,000 square foot mixed-use commercial facility. He added that the location for this project is at 57th and Logan, which Mr. McNeal was interested in being at the site closest to the highway for visibility. He added that the site is zoned MX-N1 and allows for bike trail access along the north edge of the lot, and is a wonderful site to get some economic activity in. Mr. Alexander continued that this site became available because of a larger project that the City took on years ago. The preliminary concept is for a mixed-use facility that supports entrepreneurship and professional development with a large indoor venue, a seasonal patio café and catering, and six boutique hotel suites. He added that Mr. McNeal came to the City a while ago, and the Staff attempted to put Mr. McNeal's project in part of phase one of the Opportunity Site, but for multiple reasons, that did not happen. He noted that Mr. McNeal was open to relocating across the street from where Staff had originally planned to put him, and the overall concept is a wonderful project for the City. He asked if Mr. McNeal would like to say a few words about the project.

Mr. McNeal stated he appreciated the opportunity to be able to speak today, and it is important to understand that this is God's blessing to be able to leverage his skills, ability, and resources to bring this to the City of Brooklyn Center. He added he is excited about the opportunity of bringing more professional development and economic stimulus to the City. He noted that he has been a customer, has family that is residents of Brooklyn Center, and is currently a business coach providing counsel to a lot of the businesses of the community. He noted he does that in addition to being a married man for 24 years, three kids, and three grandkids, and is committed to excellence and success. He added that he has helped financially support and co-founded the Heritage Center's Positive Image mother and son, and father and daughter gala, which has been hosted at the Heritage Center for almost 15 years. He stated he is really excited about bringing something fresh, new, and innovative to the City of Brooklyn Center, and hopes to gain the Commission's support in doing so.

Commissioner Kragness stated some of the terms in Mr. McNeal's proposal were committed, credible, experienced, and long-term. She thanked Mr. McNeal for choosing Brooklyn Center and noted it would be an honor to have his facility there.

Commissioner Jerzak explained that he called Mr. McNeal earlier today and asked some very pointed questions, and in the interest of transparency, he noted that he asked Mr. McNeal about his funding and Mr. McNeal indicated he did not have the funding for this project yet, but was connected with the deed and was going to do a capital drive project, among other things. He noted he felt very comfortable with the steps that Mr. McNeal committed to Commissioner Jerzak, and he firmly believes that Mr. McNeal answered all of his questions directly. He added that a journey of a thousand miles begins with a single step, and he hoped tonight Mr. McNeal could take that first step. He noted that there is competition out there, and the Commission just approved another project up on Hennepin, and there are several others that have struggled, and some have not. The City has its own Heritage Center, and Commissioner Jerzak wanted the public to know that he vetted that through Mr. McNeal as well. He wished Mr. McNeal all the luck with Godspeed and is in favor of this project.

Commissioner Moore concurred with her fellow Commissioners and President, and she is very excited about this project. She added that this Commission and even previous Commissioners, some of whom are currently sitting, have been looking to revitalize Brooklyn Center and to move forward and bring change in a new direction, and let others see Brooklyn Center as a destination. She stated they love serving Brooklyn Center, the residents love living here, the businesses that have stayed love it, and the Staff love working with everyone in the City. She wished Mr. McNeal luck in the process of getting funding and looks forward to seeing his plan go through the Planning Commission.

Commissioner Lawrence-Anderson noted it is obvious the Commission is very excited about this project, and she supports it as well. She asked Mr. McNeal about the parking issue. She referenced the drawing, but is map-challenged, as she has mentioned before. She asked Mr. McNeal if he would have adequate parking to support this project, and presumed that would be worked out. Mr. McNeal stated that parking would be worked out.

President Graves added she is in support of this project, too. She thanked Mr. McNeal for coming in to share his vision with the Commission.

Mr. Alexander asked if the EDA would negotiate a development agreement. All Commissioners and President Graves nodded in agreement.

5c. EDA WORK PLAN

Mr. Nyquist stated Mr. Alexander would continue presenting with the EDA work plan.

Mr. Alexander noted that he wanted to take a moment to say that he has been with the City for two years now, and for the record, loves working for the City, and there is great Staff that really wants to make a difference and see things get done, and it is moving in the right direction. He stated he would now go over the EDA work plan. He noted that EDA Staff are preparing a coordinated multi-year strategy to rebrand Brooklyn Center. This work plan includes seven key objectives identified to bring this strategy into focus to drive a stronger tax base, population growth, reduced tax burden on homeowners, distinctive amenities, environmental restoration, and inclusive shared prosperity.

Mr. Alexander noted that the EDA work plan implementation strategy involves seven objectives to achieve a coordinated strategy with subsequent EDA meetings where he will go into these in more detail, but they include: Brooklyn Center 2030 vision, developer recruitment and partnership modeling, legislative agenda implementation and targeted discussions with EDA leadership, grants and funding strategy, economic development and housing structure, scattered site housing plan, and business outreach and business retention strategies.

Mr. Alexander explained the Brooklyn Center 2030 vision, which consisted of speaking to various people in the City over the last few months, including business leaders, Commission members, and citizens, and what came out of those conversations was a civic-led structure that would shape the narrative to develop the necessary multi-year framework to rebrand the City as a vibrant mixed-use destination by the year 2030. The goal of this vision would be tax-base growth, reversing population decline, lowering the homeowner burden, distinctive amenities, and inclusive prosperity. He added that the Staff plans to discuss this plan in more detail at the April 27 EDA meeting.

Mr. Alexander explained that objective one would be to create a pillar, or a mixed-use stadium village, and to bring this to fruition. Staff had many conversations with Commissioners, Commissioner Jerzak being one of them. He noted that he believes an anchor is possible that would include a family and youth sports venue and a year-round urban blueway corridor, which would include kayaking, events, and skating. IN short, the blueway corridor is a high-density mixed-use residential, small retail, commercial, and community space, and it is a phase of redevelopment across the entire Opportunity Site. He noted that objective one is the pillars, the innovation and active stormwater strategy, and a few months ago, he talked to different Commission members about what to do with the stormwater strategy, and brought it to the former Community Development Director and the former City Manager. The idea behind those conversations was that they would be communicated to the Commissioners or the Council, but they were never communicated. He stated he heard there was a conversation about canals, but it has never been about canals, and he is not trying to make the City into Europe, although there are a lot of good European jokes he stated he could make right now, but no, the City will not be turned into Europe. He noted that the City has to figure out how to create active uses with the storm water, because the original plan with the site was to create, believe it or not, six acres of the Opportunity Site facing the highway were designated as storm water ponds.

Mr. Alexander continued that now that Alatus has left the Opportunity Site, there is an entirely new area to redevelop and redesign, and the existing structure that is in place does not work. He noted that the idea is to shift to an active amenity focus design, which increases land value and supports density and creates unique recreation. A proposed model is scalable and more affordable for developers and the City, and transforms the need for traditional large-scale district ponding or small scattered ponds into place-making local amenities.

Mr. Alexander explained that objective two is the proactive development, recruitment, and partnership modeling. He stressed that when anyone hears the word public-private partnership, they usually cringe because that usually means that developers are asking the City to take on the burdens that they should be taking on themselves. He stated that he is trying to look at that differently and work collaboratively in this fashion. He explained that the concept behind this model is that the EDA would work to originate deals proactively and control the vision versus traditional RFPS. He stated the EDA would work on the land, securing entitlement incentives, preparing flexible public-private partnerships when appropriate to recruit developers with proven youth, family, and sports backgrounds. He noted that this would be discussed in more detail at the next EDA meeting.

Mr. Alexander continued that objective three pillar a; would implement a legislative agenda and advance SF 3896, which is the Brooklyn Center Revitalization Pilot Act. He stated that Senator Pa brought this forth and got it a hearing, and there is a chance it will make it through the session. He noted that SF 3896 is about leveling the playing field and enabling the City to more effectively attract transformative projects, and does not create additional tax burden for City homeowners. He added that this bill would provide different amenities and different structures to get things done and financed in the City. He explained that objective three pillar b would foster increased transparency between the EDA board and Staff with regular meetings. He noted that there has not been great communication within the City structure, and that is something that Staff needs to work on, so Staff knows what is going on and things are not sprung on them. Mr. Alexander noted that communication is something that Staff are trying to actively work on, and he had a long conversation with Mr. Nyquist and the idea would be to have more meetings with EDA Staff and the Commissions so everyone is aware of what is going on, and there can be feedback and opinions presented to determine what everyone does or does not want to see in the City.

Mr. Alexander explained that objective four is about the grant and funding strategy. He noted that EDA Staff believe that they could realign currently awarded Opportunity Site grants to the highest priority EDA outcomes. He pointed out that this could create efficient layered funding for currently-funded and future housing, without burdening the EDA and the City with a lot of unnecessary regulation. He stated that a lot of reasons things are difficult to do in the City are because when the EDA applies for funding, that funding has strings that make certain development projects very difficult. He added that when people take funding for housing developments, the funding provides prevailing wage and other restrictions, which then makes a project that should cost $350 a square foot, cost $500 a square foot, which means that no one can afford to build a house. He noted that the builder will then come to the EDA and ask if the EDA can subsidize the subsidy, and when the builder is asked how much money they need, the builder will respond with a million dollars. Mr. Alexander noted this is the reason the City needs to re-envision how it goes about funding.

Mr. Alexander noted that objective five, pillar a, is about the EDA and noted that the EDA has to do a better job. He noted he looked at Brooklyn Park as an example, which also has an Economic Development Corporation (EDC), which does a lot of the same things the EDA does, but has another level of business leaders and staff that play an active role in initiating contracts and bringing that to their EDC to sign off or to give input. He noted that if the EDA is successful in getting the type of development that they want, it will be really difficult for the EDA to take on everything that comes with that unless Staff are all working until 9:30 p.m. every night.

Mr. Alexander noted objective five, pillar b, which is the Housing Redevelopment Authority (HRA), which exists in the City but has not been used to its fullest potential. He noted certain things have never made sense about how the City has used the HRA in the past, for example, the Heritage Center is owned by the HRA. He noted this is peculiar, but there are probably reasons as to why that is the case that he is unaware of. He stated that it could be discussed at a later date.

Mr. Alexander explained objective six, which is a scattered-site housing plan. He stated that Commissioners probably have their own ideas of what they would like to see, and the EDA would love to hear those ideas. He stated that the EDA is going on a tour on Friday to look at a modular unit of housing that was recently built in the City and came in under budget and was much larger.

Mr. Alexander noted that objective seven is about collaborating and working with the Chamber of Commerce, and he has had conversations with different people who would like to join the Chamber. The goal is to support them in any way the EDA can in order to bring vitality to the City. He added that the goal of the EDA is to work collaboratively with people in the city. He noted that he met with Director of Public Works Liz Heyman today and had a good conversation about things, as well as Interim City Manager Daren Nyquist, and other members of the City Staff. He stated that there are ways to get things done in the City that are effective and will cause long-term positive change.

President Graves thanked Mr. Alexander for his presentation and stated she is excited about exploring the idea of an Economic Development Corporation. She noted that years ago, she took a trip to New York, and an EDC was one of the things discussed. She stated she does not have all the answers around economic development, but she has learned a lot being on the Council and often feels like the City could be better utilizing the EDA.

Commissioner Jerzak thanked Mr. Alexander for the presentation and stated that one of the things that would be helpful is receiving a copy of the presentation slides in their packet. He asked about a companion bill being introduced in the House, since he has been following Senator Pha's testimony as well as the Mayor's. President Graves stated there is not a companion bill yet, but she will ask, or maybe Commissioner Jerzak can ask.

Commissioner Jerzak stated that one of the reasons he brought it up is that the deadline is fast approaching. He continued that there are a lot of exciting things in this presentation, but to be clear, the City and the EDA may have to take more than one run at this plan. He stated he was aware Mr. Alexander would bring this plan back, and recommended that his next presentation have slides in the Commissioner's packets to formulate questions.

Commissioner Moore stated she has quite a few questions, but they are running out of time to start the regular Council meeting, and asked if this can be continued after the regular session. President Graves noted the Commission could come back to this.

ADJOURNMENT TO REGULAR MEETING

President Graves moved and Commissioner Jerzak seconded a temporary adjournment of the Economic Development Authority meeting at 7:00 p.m.

Motion passed unanimously.

RECONVENE EDA MEETING

President Graves moved and Commissioner seconded to reopen the Economic Development Authority meeting at 7:48 p.m.

Motion passed unanimously.

Commissioner Moore noted they had ended the previous conversation with Commissioner Jerzak, saying there was no companion bill in the House for Senator Pha's bill. She asked if that was correct. President Graves noted that it was correct, and no, there was no companion bill yet.

Commissioner Moore stated she had questions about the economic development structure regarding the EDC. She stated she thought an EDC had been established and there was money in that fund. She asked what the cost would be to the City to establish a non-profit Brooklyn Center Development Corporation. Mr. Alexander noted that City Staff is currently exploring this structure, but there is no cost associated with creating a new structure at this time, and this is a high-level conversation about whether Commissioners would like to keep things as they are or if that is something they would like to do.

Commissioner Moore pointed out that Mr. Alexander had brought up Brooklyn Park's EDC and asked if that was something Staff was getting more information about, what that cost is, and what that looks like in a future presentation. Mr. Alexander noted in the report he provided that this would be further discussed over the summer in June or July. He added that in Brooklyn Park, the EDA Commissioners appoint members to the EDC, so there are different members based on their own structure in place. He commented that the Staff is exploring the idea now for Brooklyn Center.

Commissioner Moore added that Mr. Alexander also talked about the Scattered Site housing plan and taking a tour of modular units, and asked Planning Manager Ginny McIntosh about tiny homes and accessory structures being allowed in Brooklyn Center. She noted that some of the City parcels are big enough for modular units, and she has seen examples in other cities where women-owned tiny houses are on a parcel. She asked Mr. Alexander if he is looking at options like that for some of the larger parcels that are City-owned. Mr. Alexander pointed out that someone did bring a presentation of a concept of densely structured homes that were not tiny homes, on a bigger parcel of land. He stated that what they are touring is a parcel where three modular units that are 15 feet by 40 feet next to each other, and they built the house around them. He noted that members of the inspection team seem to think pretty highly of this project, and he would like to see how it is structured and built. He explained that if this model works effectively, he would schedule EDA Commission tours to look at it and see if this is something that could be built this way in Brooklyn Center.

Commissioner Moore stated there was a proposed townhouse development near Northport Elementary that has fallen by the wayside since she has not heard an update on it. She noted she knows that both Council and residents have looked for a variety of opportunities beyond rental and single-family homes, including townhomes or modular units, and she appreciates that there are EDA updates with projects across the City. She asked if he had an update on the location for the proposed development. Mr. Alexander explained the challenge with that project, and it is still there; it is the challenge that is happening everywhere in the country; it is just too expensive to build housing. The way that project was originally structured, the developer wanted to use state funding to build townhome units with an affordable 120 AMI, but the problem is by the time the developer is done using all that money, the project costs $700 per square foot, or a $700,000 unit and the City would have to come back and subsidize to sell it at market price. He added that instead, the Staff reached out to three modular developers to figure out if this is a good product, and how much it will cost. He noted that City Staff discovered that modulars are affordable, but when hiring a general contractor to get everything ready at the site, the price of everything goes up, and there cannot be 15 units; it would not make any money. He reached out to a modular developer that was doing 100 units in Crystal, and asked if they could do an additional 15 units for Brooklyn Center, and they were very receptive, but the issue is they would have to squeeze this developer in to make that work. He noted this site is not a bad site, but it would be better if there were 100 more units there, and the EDA is trying to figure out how to make that work effectively.

Commissioner Lawrence-Anderson asked about the EDC and what the EDA Commissioner's role would be in that. She stated she was looking at the Housing and Redevelopment Authority (HRA) to enhance and activate the HRA to provide specialized governance separate from general City operations. She stated she cannot conceptualize what Mr. Alexander means by that. Mr. Alexander explained that right now, the HRA and the EDA all go through the Commission, and it gets sent back sometimes when there are questions, which is fine when there is not a lot of development going on. He noted that what he is raising is that HRA members and members of the EDC would work on all those pieces and bring them to the EDA. It would be similar to the Planning Commission, but it would be directly controlled by the Commission members or the Council to be more nimble. The question is whether the Commission wants to take on all the additional pieces and negotiate contracts and get into the weeds on those things. He noted that EDA Staff can do it, but EDA Staff consists of two people, and there are other people who are available that he could give more work to, but that is not part of their jobs either. He added it would be nice to get people in the housing world and the business world to contribute more to the City.

President Graves stated that, from her perspective, having more people who have a stake at the table, helping make the decisions, and bringing in their relationships to make connections that have their expertise to come up with more innovative and strategic ideas would be helpful.

Commissioner Jerzak noted under the Consent Agenda tonight, 6d. Resolution identifying the need for an application to the Metropolitan Council Livable Communities Environmental Site Investigation & Cleanup Grant Fund for Dur Dur Bakery & Grocery Inc (5951 Earle Brown Drive), and noted that a lot of these properties have asbestos issues and other types of issues. He noted Commissioner Moore had asked about the townhouses, and for many of these projects, the EDA would like to find out early on if the projects are feasible or not. He stated he wanted to acknowledge that the Staff is well aware of those things, and they pursue grants when they can, and they are appropriate.

Commissioner Moore added that under business outreach and retention strategies on Mr. Alexander's presentation, there was an amount of money given to the owner of UPS to establish a Brooklyn Center Chamber of Commerce, and he has since left. She asked where that money went for that kind of startup. Mr. Alexander stated that the gentleman did not leave and is still there; the issue is that he was doing all of the startup himself. Mr. Alexander noted that City Staff had a conversation with the gentleman, and the Commissioners recommended some people to help share some of the burden of the startup, which was communicated to the gentleman. He added that he just had a meeting with that gentleman, and the gentleman expressed a desire to do more work together in the structure of the Chamber. While that would be helpful, there needs to be more business community involvement in the Chamber, and there are conversations occurring about that now.

Commissioner Moore asked about the terms of the money and stated that there was a certain amount of money given to the gentleman in order to expand the Brooklyn Center Chamber of Commerce. Mr. Alexander noted money was given to start the Chamber of Commerce, as Brooklyn Center did not have one; there was a closed Business Association. He noted there was a conversation within the Community Development about how much of a role the EDA could play in the Chamber, and he wanted to advocate more, but the idea at that time was to let the Chamber do its own thing. He noted his fear back then was that he would be having a conversation just like this in a few months. He added that now the EDA is playing a more active role in connecting the Chamber to people to bring more people in to make it work. Commissioner Moore asked if the Commission should reach out to the gentleman or others to help assist with the Chamber of Commerce, and if it is a viable option to get business owners in the City together to talk about the successes and challenges of doing business in Brooklyn Center. Mr. Alexander noted that Commissioner Jerzak connected a few people to the EDA for the Chamber of Commerce, which was extremely helpful, and it is moving along in a positive way. He stated the real issue is giving people a reason to participate in the Chamber of Commerce right now. He noted that right now, there is no reason to participate, so the good thing about the people that Commissioner Jerzak connected them with is that they recognized that this is a growing year, and are choosing to focus on the things they need to do to grow the Chamber of Commerce to take it seriously, so people want to invest and participate.

Commissioner Lawrence-Anderson asked what it costs for a business to join the Chamber of Commerce. Mr. Alexander stated he does not know the cost, and there was a conversation that he had with the gentleman working on the startup to focus on building this year and not worry about the dues, because that is not really where they are at.

Commissioner Jerzak stated, for clarification purposes, on December 31, 2024, there was an EDA expenditure for $19,000 to establish a website for the Chamber of Commerce, which has been done. He noted the costs to join the Chamber of Commerce are on the website, and while they are fluid, and the Chamber is struggling, they are trying to get things together. He pointed out that, like any other thing, it is always a challenge to get people to serve on Commissions, so he is trying to encourage people where he can and will continue. He added that he does not know what the outcome is going to be, and sometimes you try things, and it does not always work, but that does not mean that they should not try.

Commissioner Jerzak stated that one of the things he noticed is the property at 5951 Earle Brown Drive, which is adjacent to the former Target building, and while there are additional EDA meetings coming up, the sooner the Commission gets involved with that project within reason, the better to help it move forward. He commented that there are some challenges with that site, and there has also been discussion about aspects of a stadium, which would include coordination with other businesses. While he does not want to be the bearer of bad news, Plymouth is likely going to ask for $138 million to upgrade its stadium and ice rinks, and there is a lot of competition. He added that this does not necessarily mean Brooklyn Center should not step up to the plate, but moving those types of things up for discussion, or if it is not going to work, then the Commission needs to move on to the next project.

Commissioner Moore stated she is so excited about this presentation and the bullet points, whether it works or not, and to have residents be able to look at the PowerPoint. She commented that she would also like to have communications about the Brooklyn Center Chamber of Commerce, because she did not see anything about it in the newsletter or any of her emails. She added that information about the Chamber of Commerce could also be on the City's website for businesses in order to promote Brooklyn Center as best they can. She added that the Commission wants people to come to Brooklyn Center, which is why they live and work there. Mr. Alexander apologized that the Commission did not receive his PowerPoint. He stated that one of the concepts that is part of Brooklyn Center 2030 is rebranding the City. Brooklyn Center is a great City, with great people, and it is full of exciting things if it is structured in the right way, and that has been one of the challenges. This City is no different than some other cities, and one city he looked at as an example is St. Anthony. He stated he visits St. Anthony all the time, and they had the Apache Mall that closed, and it was replaced with a Walmart and a strip mall. He stated that eventually the Walmart closed and the strip mall did too, and then eventually mixed-use housing was brought in after 10 years of the property sitting vacant. He noted that the mixed-use housing is doing very well, the tax base is stabilized, and the city has done exceptionally well. He added that St. Anthony does not have a lot of the same demographics that Brooklyn Center has, but it was in the same financial situation that Brooklyn Center is in. He added that Brooklyn Center has the potential to improve based on that fact pattern; it is just that it has not gone through that process of change as it could have in the past.

Mr. Alexander continued that Brooklyn Center has a lot of opportunity, and to Commissioner Jerzak’s point about the stadium, there are a lot of locations that developers are going to spend a lot of money on their facilities that the City does not have. He noted the difference is that Brooklyn Center has something that those other areas do not, which is land, and it is valuable if structured correctly. He noted he would continue talking about this in the EDA update. President Graves confirmed they could move on to the EDA update.

5d. EDA UPDATE

Mr. Alexander explained that the EDA is working with two individuals who are helping consolidate some of the remaining parcels into one big parcel and will probably ask the EDA to help them develop it, which is fine. He stated that those two individuals have some very innovative ideas about what they would like to see, and most importantly, they have financing. He stated it is nice to have people come to the table who can afford to do things in terms of development. He continued that these individuals do not just want to build luxury housing, they want to build workforce housing, and luxury housing with some really interesting ideas that he will discuss more at the April 27 meeting. He noted that these two individuals are working with the Brown College owners to build nine-story buildings there, and have been working with Resurrecting Faith Ministries, which is interested in relocating to a site in Brooklyn Center, and work with those two individuals effectively. Those two individuals have also spoken to Mr. McNeal about Flame and some of the financing for that project. He noted that those two individuals are very interested in this City because there is land available, and they do not want to come to the table with some random idea; they want to put together an actual plan for the site, so City Staff is excited about that.

Mr. Alexander stated that Alatus leaving the Opportunity Site is going to open the door for more things, and if Alatus wanted to do a development somewhere in the City, that would be fine, but the EDA cannot keep the entire Opportunity Site available for them to have those discussions. He noted the EDA is in a good spot, and it is a great team, and some of them find him mildly humorous. He appreciated the Commission's input, and he looks forward to more one-on-ones. He added that Mr. Nyquist has done a great job of getting people in the City to work collaboratively together, and that is impressive. He noted it is important that the Commission has someone to steer the ship. He asked Interim Deputy Community Development Director and Planning Manager Ginny McIntosh to come up and give a quick update on the coffee shop coming in.

Ms. McIntosh noted she has been in conversations with one of the EDA-owned properties at 6245 Brooklyn Boulevard, which is a tiny site at just under 14,000 square feet, north of Nye Market, across from the West Fire Station. She has been making progress and having conversations with a potential developer, has gone over some plans, and is at a point of talking about potential sale and concept review. She stated she did mention the next April meeting as a potential option to discuss this project, and might have a concept review at that point. The site does have a former auto use there, and the City has had that lot for quite a while. She stated she was able to find the MPCA tank release letter, so cleanup has taken place at that site, but the group interested in this site might need to do phase one and other environmental reviews as part of that. She noted that for potential use of that site, the buyer might be looking at a purchase and development agreement because the buyer is interested in getting construction underway this year. She stated she will have more information at the April meeting, but will keep the Commission updated on that site.

President Graves stated she would like to go back to the conversation around the Chamber of Commerce and getting businesses involved. She stated she appreciates Commissioner Jerzak’s efforts to connect different business owners and strengthen that body. She asked if the Commission could be doing something too, and if Commissioner Jerzak could give them a boilerplate invitation to do some of their own reaching out to businesses that would be a good fit to let business owners know about it. She noted it could be something like an invitation later, with contact information and commitment information to help get the word out and connect people, rather than just the website and a flyer. She noted that sometimes a personal invitation will get people to show up.

Commissioner Jerzak stated his approach to these businesses is to tell them that somebody has to join the Chamber of Commerce first, and others will follow. He stated he also tells business owners that when they are members of the Chamber of Commerce, they would have a spokesperson who could go to the Council with any concerns, which provides a channel for them. He noted he has gotten some movement on that, and he continues to speak to business owners and ask if they have signed up yet with the Chamber.

President Graves added that the personal pitch is a big part of that, but it is also about making sure that there is contextual information that can be provided so business owners have what they need to follow up. Mr. Alexander agreed and noted he would follow up with the Commission on that.

6. ADJOURNMENT

Commissioner Moore moved and Commissioner Jerzak seconded the adjournment of the Economic Development Authority meeting at 8:18 p.m.

Motion passed unanimously.

Council Regular Meeting

DATE: 4/27/2026
TO: Economic Development Authority
FROM: Ginny McIntosh, Planning Manager
THROUGH: Daren Nyquist, Interim City Manager
BY: Ginny McIntosh, Planning Manager
SUBJECT: Proposal: Scooter's Coffee (6245 Brooklyn Boulevard)

Requested Council Action:
- Motion to have the City Attorney prepare a Purchase and Development Agreement and schedule a public hearing regarding the sale of the Subject Property located at 6245 Brooklyn Boulevard.

Background:

Concept Review:

The concept review process is an opportunity for the City's Economic Development Authority (EDA) to review a development concept prior to a formal proposal from an Applicant and provide comments, ask questions, and indicate whether or not the City would generally be open to the project. Concept reviews also provide insight to City staff and the Applicant as to the EDA's level of interest, and any specific concerns related to a project.

A concept review is generally considered advisory and is non-binding to the City and the Applicant; <u>however</u>, given the Developer/Buyer's interest in developing the site, provision of a Letter of Intent, and identified timeline for construction, City staff are requesting the Economic Development Authority determine whether there is sufficient interest for the City Attorney to proceed with preparing a Purchase and Development Agreement and schedule a public hearing regarding the sale of the Subject Property located at 6245 Brooklyn Boulevard, which is owned by the City's Economic Development Authority.

Background:

City staff initiated communication regarding a potential Scooter’s Coffee location at 6245 Brooklyn Boulevard in late 2025. This address contains two properties that are both owned by the City’s Economic Development Authority (EDA). City staff had strategically reached out to users who might be able to develop on small sites, and Scooter’s Coffee was receptive as they had indicated a past interest in locating within Brooklyn Center. These properties were purchased in December 2013 for $280,000, which was the same price paid by the former owner when they purchased the Subject Property in 1993.

The Subject Property was previously the site of an automotive use (Brooklyn Center

Service/Mobil) and following a review of records, it was determined a cleanup was performed on the Subject Property in 1991 after a petroleum tank release at the site. The MPCA letter on file, dated October 1, 1991, notes that corrective actions were taken in response to the release and four (4) underground gasoline tanks were excavated from the Subject Property. Soils were screened and removed per MPCA standards, soil samples collected, and soil borings taken around the tank basin. At the conclusion of the work, the MPCA determined no additional investigation or cleanup work was needed at that time. The building was eventually demolished, and the site has remained vacant since.

EDA Resolution No. 2013-18 (attached) notes that acquisition of the Subject Property was, "consistent with the goals and objectives of the Brooklyn Boulevard Streetscape Amenities Study, the City's Comprehensive Plan, the Tax Increment District No. 3 Finance Plan, and in the best interests of the City of Brooklyn Center and its citizens."

Acquisition of the Subject Property ultimately allowed for the creation of a new right-turn lane along 61st Avenue North (eastbound), new sidewalk, new trail, and a new bus stop, which is located across one of the Subject Property's former curb cuts along 61st Avenue North.

The property is zoned MX-N2 (Neighborhood Mixed-Use) District, which allows for "drive-thru eating establishments" as a conditional use. As the surrounding properties to the south are already developed, the City is not holding the Subject Property for a larger-scale development, or for additional parcel acquisition.

As proposed, Scooter's Coffee would partner with local franchisee Miressa Morka to develop a new Scooter's Coffee drive-thru concept on the EDA-owned parcels. Founded in 1998, Scooter's Coffee has grown into one of the nation's fastest-growing drive-thru coffee brands. The nearest current Scooter's Coffee locations are in Brooklyn Park, Blaine (2 locations), and Maplewood (2 locations).

Since January, City staff has had ongoing communication with the broker representing Scooter's Coffee and worked through multiple fit plans to comply with the City's Unified Development Ordinance requirements around building setbacks, drive-thru access and circulation, and the inclusion of a pedestrian walk-up window and patio given its location near a bus stop and trail, which runs along the east side of the Subject Property. As the provided fit plans are still considered conceptual, City staff anticipate some additional discussion around the site and plan and architecture of the building, etc.

The building, as currently designed, would be positions along Brooklyn Boulevard with a dedicated drive-thru and parking lot located behind the building. Access to the Subject Property would be provided off Ewing Avenue North, in approximately the same location as the former automotive use's secondary curb cut.

Similar to other convenience coffee shops (e.g. Caribou Coffee cabins, Starbucks drive-thrus, 7 Brew) there would be no indoor seating for customers inside the building, although, seasonally, there would be the option to use the proposed outdoor patio.

Letter of Intent and Next Steps

Prime Coffee LLC (“the Buyer”) has submitted a Letter of Intent to purchase the approximately 0.36-acre Subject Property for $150,000. This equates to approximately $10.20 per square foot of land, which appears to be fair market value.

City staff conducted a review of nearby commercial properties, which came in between $8 to $10 per square foot or $108,288 to $135,360 for a similar-sized property. City staff also pulled CoStar data for comparable recent sales and reached out to the Hennepin County Assessor’s Office who noted a 2025/Payable 2026 valuation of $133,000.

The broker representing Prime Coffee LLC indicated that, depending on progression, the Buyer may be in a position to break ground yet this year; however, an executed Purchase and Development Agreement would be required in order to initiate work on any architectural or civil plans.

EDA Questions

- Do you have any concerns regarding the concept layout that the Developer/Buyer should take into consideration?
- If the City is amenable to the concept and project, the City Attorney will draft a Purchase and Development Agreement to be brought forward at a later date.
    - Developer/Buyer would need to submit a Planning Commission application and receive City Council approval for the proposed development in order to proceed to closing.

A copy of the latest fit plan and example building exteriors with walk-up windows and outdoor patios have been provided. Scooter’s Coffee further provided City staff with an introduction letter, fact sheet, and their real estate site criteria. A copy of EDA Resolution No. 2013-18, which authorized the acquisition of 6245 Brooklyn Boulevard is also included with this memo.

Budget Issues:
There are no budget issues to consider at this time. Any proceeds from the sale of this property would go to TIF District 3 and could be used for future redevelopment opportunities.

Inclusive Community Engagement:

Antiracist/Equity Policy Effect:

Strategic Priorities and Values:

<u>ATTACHMENTS:</u>

1. PowerPoint Presentation — Scooter's Coffee Proposal (6245 Brooklyn Boulevard)
2. Fit Plan for 6245 Brooklyn Boulevard and Example Exteriors (6245 Brooklyn Boulevard)
3. Scooter's Coffee Introduction, Fact Sheet, and Site Criteria
4. EDA Resolution No. 2013-018 (Acquisition of 6245 Brooklyn Boulevard)

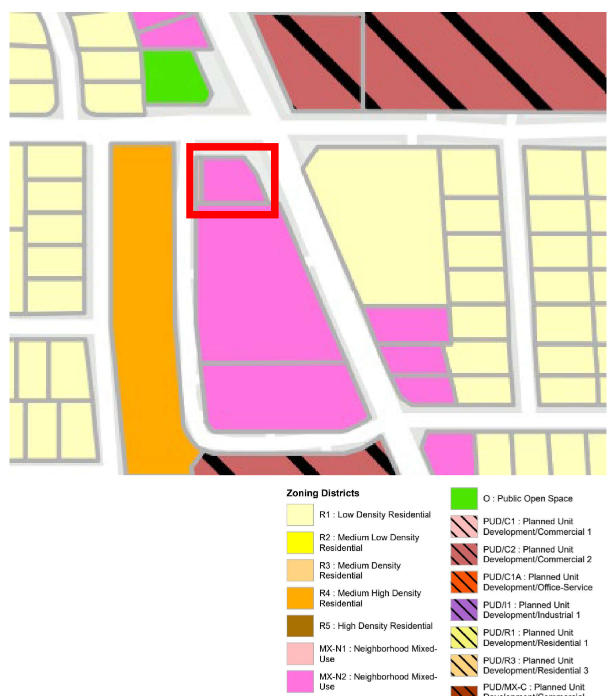
Proposal: Scooter's Coffee (6245 Brooklyn Boulevard)

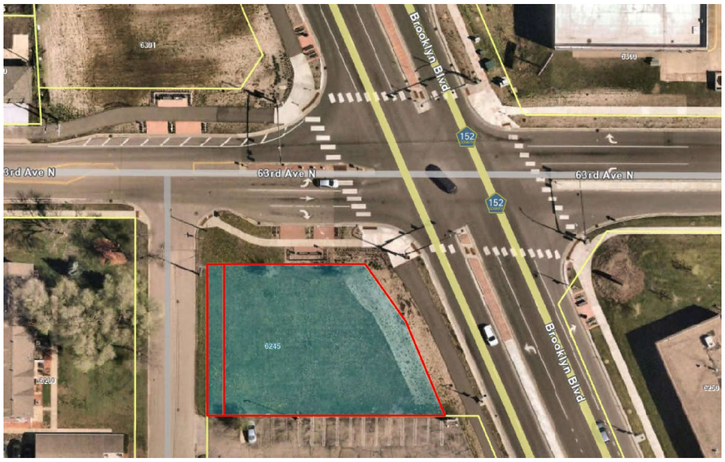
EDA Meeting — April 27, 2026

Ginny McIntosh, Interim Deputy Community Development Director and Planning Manager

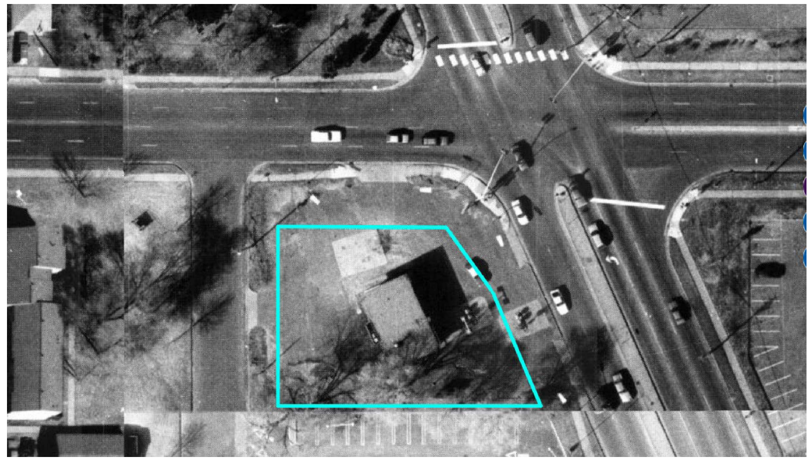
6245 Brooklyn Boulevard

- **Acres:** 0.36 (14,705 SF)
- **Zoning:** Neighborhood Mixed-Use (MX-N2)
- **2040 Comprehensive Plan:** Neighborhood Mixed-Use (N-MU)
- **Current Use:** Vacant
- **Former Use:** Automotive (Brooklyn Center Service/Mobil)
- **Neighboring Land Uses:**
  - Commercial (Strip Mall), Multi-Family Residential (Ewing Square Townhouses), Government (West Fire Station)





2025 Imagery



1994 Imagery

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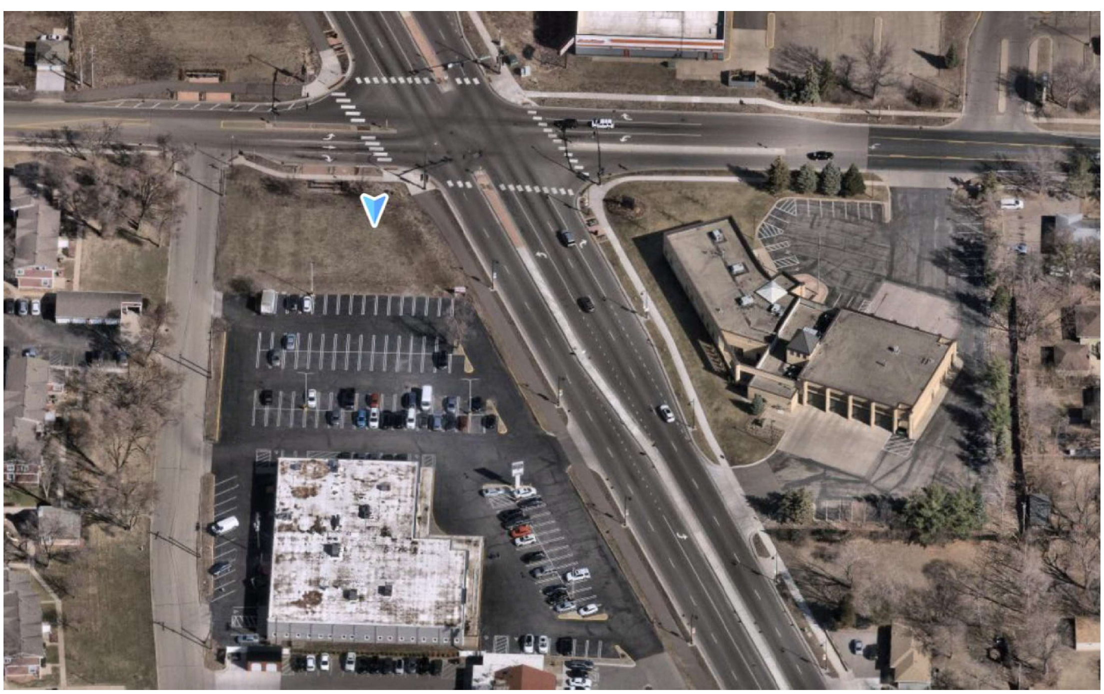

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6245 Brooklyn Boulevard — Additional Info

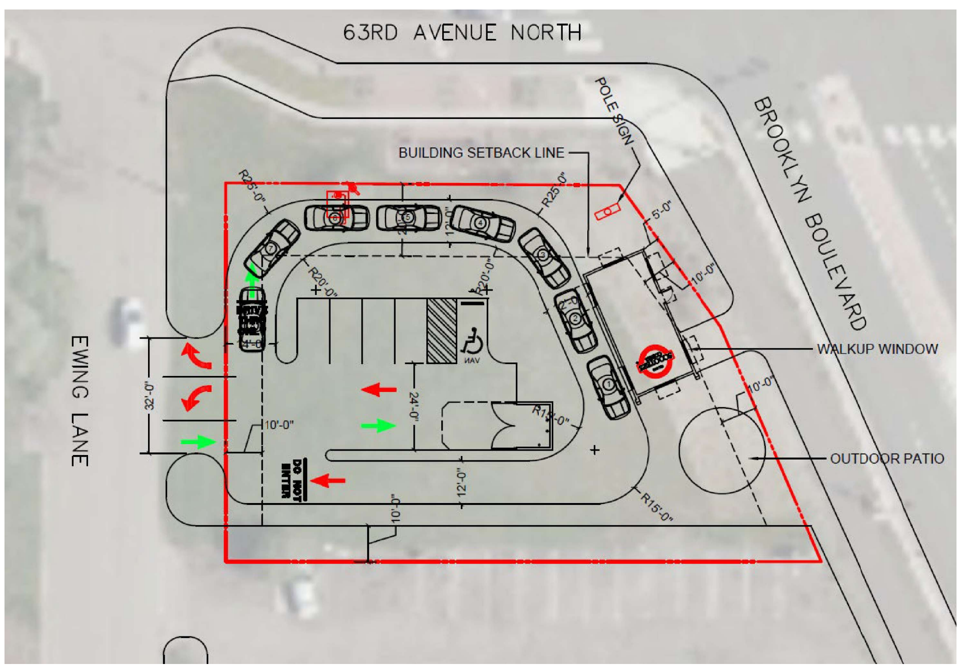
- Great visibility with three frontages and situated at a signalized intersection (Brooklyn Boulevard and 63rd Avenue North)
- Drive-thru eating establishments are a conditional use in the MX-N2 District
- EDA purchased two properties for $280,000 in 2013
  - Purchased as vacant property
  - Former automotive use (Brooklyn Center Service/Mobil) — underground tanks removed and cleanup completed in 1991. MPCA letter on file indicated adequate cleanup of petroleum release.
  - Property was acquired by former owner in 1993 for the same price.
  - Acquisition facilitated installation of new right-turn lane on 61st Avenue North, new sidewalk, new trail, and a new bus stop (61st).

Additional Info | Offer Details

- Median land value of neighboring properties: Between $8-10/SF ($108,288 - $135,360)
- CoStar recent sales data reviewed for comparables
- Hennepin County Assessor's Office 2025/PY2026 Valuation: $133,000
- **Offer Amount:** $150,000 for approximately 0.36 acres
  - Approximately $10.20 per square foot
- 90 days due diligence to study the site, with three optional 30-day extensions

Concept

- City staff worked with broker on numerous fit plans.
- Scooter's Coffee location would operate similar to a Caribou Cabin or Starbucks drive-thru, with no seating for customers inside the building
  - Walk-up window with outdoor patio
  - Drive thru with queuing for 8 vehicles
  - Private curb cut access off Ewing Avenue North



Example Exteriors with Walk-ups and Patios

EDA Questions

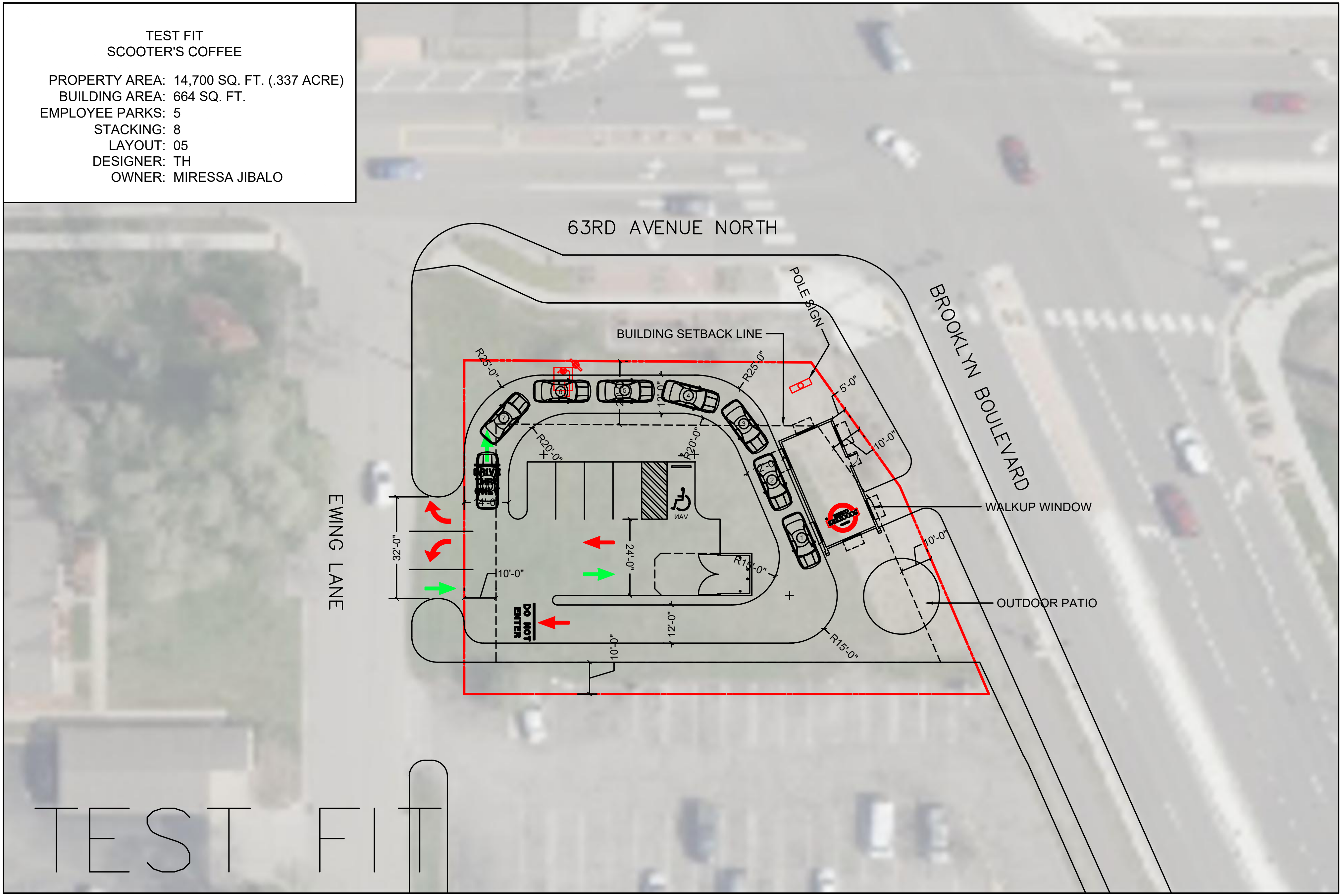
- Do you have any concerns regarding the concept layout that the Developer/Buyer should take into consideration?
- If the City is amendable to the concept and project, the City Attorney will draft a Purchase and Development Agreement to be brought forward at a later date.
  - Developer/Buyer would need to submit a Planning Commission application and receive City Council approval for proposed development in order to proceed to a closing.

EDA Requested Action

Motion to have the City Attorney prepare a Purchase and Development Agreement and schedule a public hearing regarding the sale of the Subject Property located at 6245 Brooklyn Boulevard.

TEST FIT
SCOOTER'S COFFEE

PROPERTY AREA:	14,700 SQ. FT. (.337 ACRE)
BUILDING AREA:	664 SQ. FT.
EMPLOYEE PARKS:	5
STACKING:	8
LAYOUT:	05
DESIGNER:	TH
OWNER:	MIRESSA JIBALO



SCOOTER'S COFFEE
11808 Miracle Hills Dr.
Omaha, NE 68154

EST. 1998 SCOOTER'S COFFEE

REVISION:
5

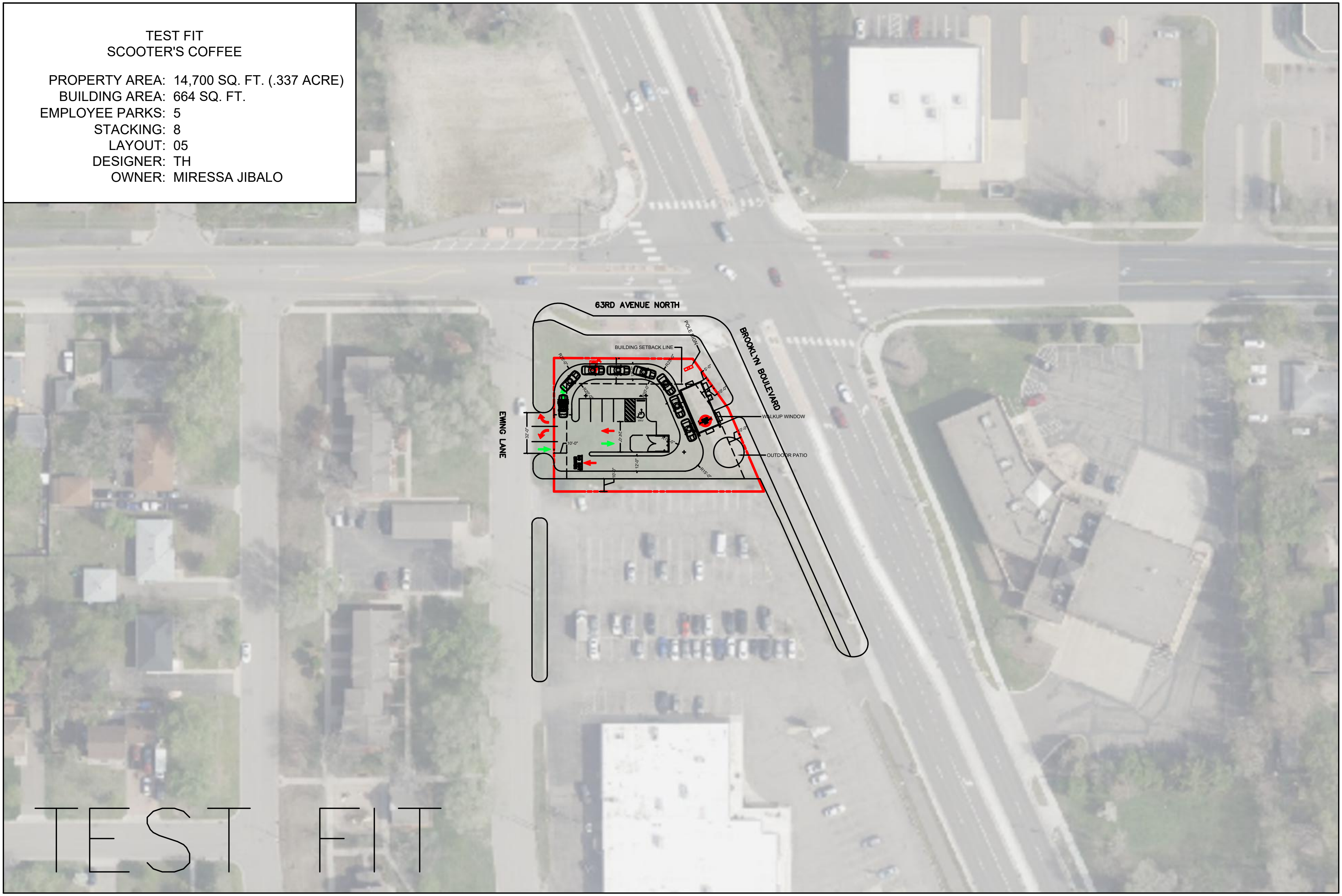
DATE:
4/2/2026

N
TRUE NORTH
SCALE: 1" = 40'

New Scooter's Location
6245 BROOKLYN BLVD
BROOKLYN CENTER, MN

TEST FIT
SCOOTER'S COFFEE

PROPERTY AREA: 14,700 SQ. FT. (.337 ACRE)
BUILDING AREA: 664 SQ. FT.
EMPLOYEE PARKS: 5
STACKING: 8
LAYOUT: 05
DESIGNER: TH
OWNER: MIRESSA JIBALO



SCOOTER'S COFFEE
11808 Miracle Hills Dr.
Omaha, NE 68154

REVISION:
5A

DATE:
4/2/2026

N
TRUE NORTH
SCALE: 1" = 100'

New Scooter's Location
6245 BROOKLYN BLVD
BROOKLYN CENTER, MN

Example Scooter’s Coffee Exteriors with Outdoor Patios and Walk-up Windows

402.614.1723

10500 Sapp Brothers Dr
Omaha, NE 68138

scooterscoffee.com

April 27, 2026

Introduction to the Brooklyn Center Economic Development Authority

Scooter's Coffee, in partnership with local franchisee Miressa Morka, is pleased to present an opportunity to develop a new drive-thru coffee concept on the City-owned parcel located at 6245 Brooklyn Boulevard. This proposed development represents an investment in a growing national brand combined with local ownership committed to serving and engaging the Brooklyn Center community.

Founded in 1998, Scooter's Coffee has grown into one of the nation's fastest-growing drive-thru coffee brands, known for its high-quality beverages, efficient service model, and welcoming neighborhood presence. The proposed Brooklyn Center location would feature a thoughtfully designed building that includes a drive-thru, outdoor patio seating, and a walk-up service window—creating multiple ways for customers to engage with the business while enhancing activity along Brooklyn Boulevard.

Miressa Morka, the proposed franchisee, is excited about the opportunity to invest in Brooklyn Center and establish a locally operated business that creates jobs, activates underutilized land, and provides a convenient amenity for residents, employees, and visitors. Miressa's vision aligns with Scooter's Coffee's commitment to community-focused development, strong operational standards, and long-term investment.

Included with this introduction package are a preliminary test-fit site plan for 6245 Brooklyn Boulevard, photographs of comparable Scooter's Coffee locations featuring outdoor patios and walk-up windows, and additional background information about the Scooter's Coffee brand. These materials are intended to illustrate how the proposed development would fit within the site and contribute positively to the surrounding area.

We respectfully request the Brooklyn Center Economic Development Authority's support to move forward with negotiating a purchase and development agreement for the property. We look forward to collaborating with the City to bring this high-quality, community-oriented project to Brooklyn Center.

Founded in 1998, Scooter's Coffee® is striving to become the #1 specialty coffee drive-thru nationwide with more than

900+ STORES in 32 STATES

AMAZING PEOPLE ♥ **AMAZING DRINKS** ♥ **AMAZINGLY FAST**

Fresh Brewed Rankings

- **Franchise 500**
  Franchise Times
- **Fast & Serious 2026**
  Franchise Times
- **America's Favorite Chains**
  Technomic

Our Signature Caramelicious®

FAN-FAVORITE FLAVORS

Our menu features specialty espresso and energy drinks like our signature Caramelicious®, Red Bull® Infusions, savory breakfast items, baked-from-scratch pastries, and much more. With non-dairy options, sugar-free flavors, and more, there's something for everyone at Scooter's Coffee.

SCOOT IN AND SCOOT OUT

Speed of service is a big part of who we are. Customers know they can quickly scoot in and scoot out with their favorites so they can have an amazing day.

LOCALLY OWNED AND OPERATED

Behind nearly every Scooter's Coffee drive-thru are local store owners and operators who live, work, and get involved in the community they serve.

From the smiles in each drive-thru to the Smiley sticker on each cup, each Scooter's Coffee barista, franchisee, and employee lives out our core values of **Integrity**, **Love**, **Humility**, and **Courage**.

SCOOT ON AROUND TO
SCOOTER'S COFFEE

SEE MORE

CONTACT US
COMMUNICATIONS@SCOOTERSCOFFEE.COM

EST. 1998
SCOOTER'S
COFFEE

REAL ESTATE
SITE CRITERIA
&
SITE SELECTION

SCOOTERSCOFFEE.COM

OUR STORY

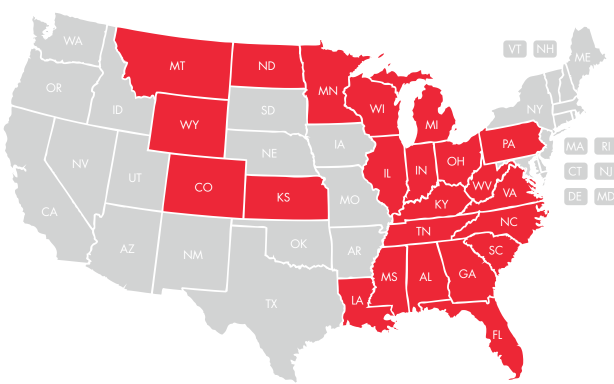
In 1998, Scooter's Coffee® was born. Co-founders Don and Linda Eckles began an amazing journey when they opened their first drive-thru coffeehouse in Bellevue, Nebraska. Their keys to success: find a great location and stay committed to high-quality drinks, speed of service, and a **BIG smile.**

Scooter's Coffee's success over many years of history is very simple: stay committed to the original business principles of a drive-thru kiosk model and company core values. The Scooter's Coffee Brand Promise, spoken of often to franchisees, customers and employees is: "Amazing People, Amazing Drinks...Amazingly Fast!®" It represents the company's business origins from 1998 and reflects a steady commitment to providing an amazing experience for our customers.

DON & LINDA ECKLES
1998

NATIONAL EXPANSION

Opened **900TH STORE** in **2026**



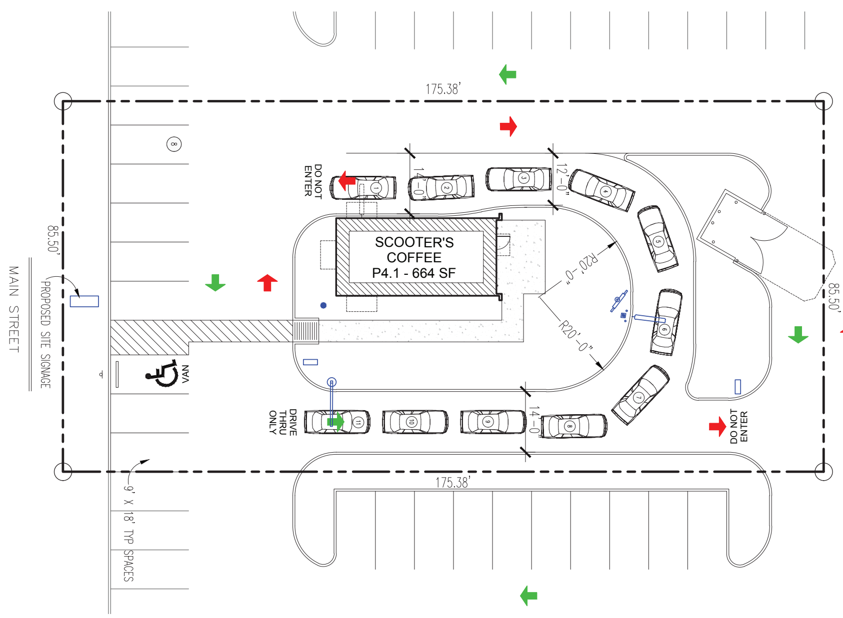
- Available Growth Markets
- Markets Unavailable

AWARDS

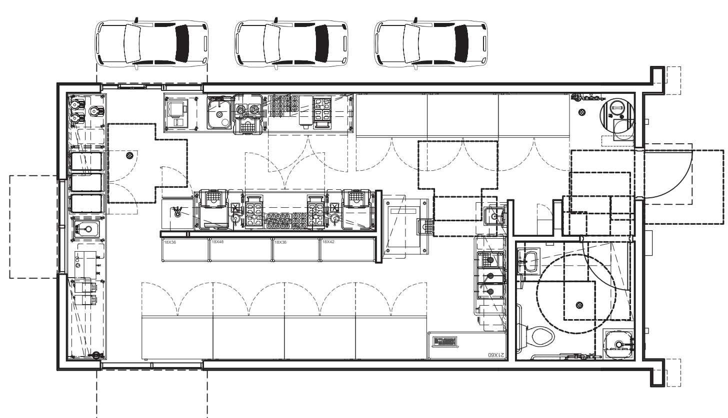
LOCATION CRITERIA

- Highest Vehicles Per Day in major metro areas
- Highest Vehicles Per Day in towns of less than 15,000 population
- Hard corner preferred
- Stop light preferred
- Popular morning commute routes
- Morning commute side of the street
- Minimum parcel size of 0.5 acres
- Great visibility
- Minimum of one access from all directions
- Speed limit 25–45 mph
- Plentiful signage opportunities
- Ground Lease or Sale

SITE PLAN

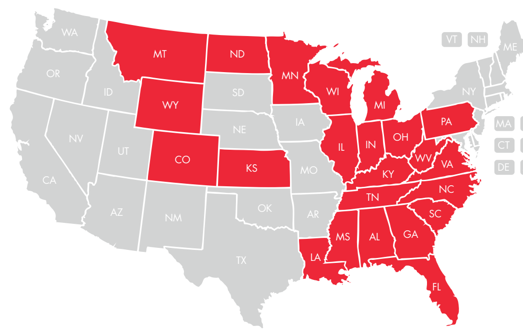


BUILDING:	664 sq ft
LOT SIZE:	1/2 acre
PARKING:	7 employee stalls (including 1 ADA)
WATER & SEWER:	Required
VOICE & DATA:	Required
GAS:	Not required
GREASE TRAP:	Per city codes
DRIVE-THRU LANE:	Min 10 car stack, more if required by code
SIGNAGE:	Maximum allowed by city/landlord
UTILITIES:	1" water, 4" sewer, 400A at 120/240v single phase electrical service



SCOOTER'S COFFEE ACROSS THE NATION

Scooter's Coffee® has been consistently establishing itself across the U.S. since it began franchising in 2001. Now with over 900 bustling stores, Scooter's Coffee seeks to expand even further with enthusiastic, business-minded franchisees in more than 30 states! Scooter's Coffee has options to match your business ownership goals. Whether you want to be a single location operator or own multiple units, we can give you the support you need.



Available Growth Markets

Markets Unavailable

Single-unit Agreement

Start with one location, like our founders Don and Linda Eckles! Many of our single unit owners have grown into multi-unit owners. Whatever your vision is for your company, we will help you realize it.

Multi-store Development Agreement

If you know you want to own more than one Scooter's Coffee location, a Multi-Store Development Agreement (MSDA) may be the best option to help you meet your goals. Of course you can always build upon the success of a single location by adding more units, but signing an MSDA offers additional benefits such as discounted license fees for subsequent stores, and exclusive rights to develop multiple stores within an established geographic area.*

** refer to the Exhibit C in the 2021 Scooter's Coffee Franchise Disclosure Document*

HEAR IT FROM OUR FRANCHISEES

Scooter's Coffee® is proud to provide a strong franchise network and is dedicated to promoting the success of its owners through countless methods and means.

"The Scooter's Coffee Corporate Support team cares deeply about our success in this business. They are constantly working to find ways to drive new customers to our stores while protecting the bottom line and profitability of our business."

Tracy Bouwens, Multi-Unit Owner
Nebraska, Kansas, & Missouri

"I would not have made this leap of faith without knowing that the company and the people I was going to be partnering with were trustworthy and supportive. Scooter's Coffee Corporate has been amazing at their training, support and time that they give you when we reach out to them."

Ali Dreher, Multi-Unit Owner
Sioux City, Iowa

BE AMAZING!

SCOOTER'S COFFEE
EST. 1998

OWNASCOOTERS.COM
877.494.7004

Commissioner Kris Lawrence-Anderson introduced the following resolution and moved its adoption:

EDA RESOLUTION NO. 2013-18

RESOLUTION AUTHORIZING THE ACQUISITION OF PROPERTY TO FACILITATE TRANSPORTATION IMPROVEMENTS AND REDEVELOPMENT OPPORTUNITIES WITHIN THE BROOKLYN BOULEVARD CORRIDOR (6245 BROOKLYN BOULEVARD)

WHEREAS, the Brooklyn Center Economic Development Authority, Minnesota, has hereto established Housing Development and Redevelopment Project No 1 and has established Tax Increment Financing District No. 3, and has adopted a Tax Increment Financing Plan which includes the following objectives:

- To enhance the tax base of the City,
- To provide maximum opportunity, consistent with the needs of the City for development by private enterprise,
- To better utilize vacant or underdeveloped land,
- To attract new businesses,
- To acquire blighted or deteriorated residential property for rehabilitation or clearance and redevelopment,
- To develop housing opportunities for market segments underserved by the City including housing for the disabled and elderly; and

WHEREAS, the property owner, Brooklyn Center Service, Inc. has retained the real estate services of CBRE to market the site; and

WHEREAS, the property owner. has offered to sell the subject property to the EDA for the amount of $280,000, the same amount he acquired the property for in 1993; and

WHEREAS, the EDA has determined that acquisition of the Subject Property on the terms and conditions set forth in the proposed purchase agreement is consistent with the goals and objectives of the Brooklyn Boulevard Streetscape Amenities Study, the City's Comprehensive Plans, the Tax Increment District No. 3 Finance Plan and is in the best interests of the City of Brooklyn Center and its citizens.

NOW, THEREFORE, BE IT RESOLVED by the Economic Development Authority in and for the City of Brooklyn Center, Minnesota, as follows:

1. The purchase agreement for the Subject Property is hereby approved.
2. The President and Executive Director of the EDA are authorized and directed to execute the purchase agreement, and the Executive Director is authorized and directed to take all such further steps as are necessary to effect the terms thereof.

EDA RESOLUTION NO. 2013-18

November 25, 2013
Date

Tim Willson
President

The motion for the adoption of the foregoing resolution was duly seconded by Commissioner Lin Myszkowski
and upon vote being taken thereon, the following voted in favor thereof:
Tim Willson, Carol Kleven, Kris Lawrence-Anderson, Lin Myszkowski, and Dan Ryan;
and the following voted against the same: none;
whereupon said resolution was declared duly passed and adopted.

Council Regular Meeting

DATE: 4/27/2026
TO: Economic Development Authority
FROM: Ian Alexander, Economic Development Manager
THROUGH: Jason Aarsvold, Ehlers
BY: Krystin Eldridge, Associate Planner
SUBJECT: Economic Development Update

Requested Council Action:
EDA Update

Background:
Upcoming Projects:
EDA staff has learned that the proposed market-rate development on the former Brown College Site (5951 Earle Brown Drive) will consist of two five- to six-story multi-family housing buildings (adjacent to the former Target building) and at least twenty modern townhomes.

Staff had discussions with a developer regarding the redevelopment of 6200 & 6300 Shingle Creek Parkway (the two larger towers built by Ryan Companies in the early 1980s). The developer is interested in converting these buildings to housing. Staff are awaiting formal application with documentation confirming that the developer has financing secured.

As previously discussed, staff continue to carefully vet developer requests to determine which developer(s) have the strongest capacity for these sites and will bring forward formal proposals as the process advances.

Business and Development Updates:
EDA staff met with Pastor Lewis of Resurrecting Faith World Ministries regarding their proposed 24-hour childcare and conference center, which was originally approved as a development within the Phase I Opportunity Site in 2022. The Texas-based owner of 6200 & 6300 Shingle Creek Parkway has expressed openness to offering land adjacent to Summit Drive to accommodate this development. Staff are scheduled to meet with the lead developer upon their return to the Twin Cities next week.

Tommy McNeal of the FLAME development is working to execute a development agreement for the EDA-owned 57th and Logan site and is currently coordinating with the City Attorney.

Staff have engaged with two district energy entities (Cordia and CenterPoint Energy) for opportunities to introduce geothermal projects to the City. City staff will update the EDA as we learn more.

Staff have engaged with Senior HealthPartners Real Estate staff regarding the possibility of developing a new consolidated health care, dental clinic, and urgent care facility within the Opportunity Site.

The Brooklyn Center Chamber of Commerce recently met with staff and new members to discuss plans for their first event this summer.

6660 Shingle Creek Parkway (Daadhii Honey Wine) — A certificate of occupancy was issued to Daadhii in March for a manufacturing space. Abbi Iticha is the founder and owner of Daadhii and relocated her headquarters from Northeast Minneapolis after she outgrew the space. Daadhii, also known as "Tej," is a traditional Ethiopian honey wine that is made by fermenting honey, water, and various herbs. For more information: https://www.daadhiimn.com/

6066 Shingle Creek Parkway (Favor Creation Bridal) — A certificate of occupancy was issued to Favor Creation Bridal in March 2026. Favor Creation is a multicultural bridal and event business providing evening planning, wedding rentals, decorations, and catering services and a retail space in Shingle Creek Center.

1600 67th Avenue North (Fit Butters) — A certificate of occupancy was issued to Fit Butters in March 2026. The City of Brooklyn Center held a grand opening celebration and ribbon cutting on April 6, which marked 6 years since the brand was founded. Fit Butters is a rapidly growing functional food brand founded by husband-and-wife duo Ryan and Danielle Bucki, and their 14,000-square foot facility marks a major milestone for the company, which relocated their headquarters, manufacturing, and production space out of Minneapolis. Their nut butters can be found in stores nationwide. For more information: https://fitbutters.com/

Recent Permits and Construction

6800 Brooklyn Boulevard (Brookdale Luther Honda) — Work is underway on an approximately 2,200-square foot addition to the Honda Dealership to accommodate six (6) additional service bays. The estimated valuation of work is $1 million.

5831 Brooklyn Boulevard (Brooklyn Blvd Dental Clinic) — A pre-construction meeting was recently held for the proposed 780-square foot expansion of the dental clinic and interior and exterior remodel work. Construction is anticipated to begin the 2nd week of May, with work scheduled to wrap up by the end of September (2026). The estimated valuation of work is $500,000.

5930 Earle Brown Drive (Hmong Shopping Center Inc.) — A building permit has been submitted for an interior renovation of the former K-Mart and Slumberland building. As currently proposed, the Dollar Tree would remain as a tenant, with a grocery store proposed in the adjacent space. The new owners communicated that this is a phased project, and the owner is still working through plans to renovate the remaining space available within the approximately 115,000-square foot building. Once the owner works through plans for reuse of the remaining building, they will need to coordinate with City staff to determine if Planning Commission application approvals will be required or not. The estimated valuation of work under this permit is approximately $4.2 million.

3900 Lakebreeze Avenue North (Caribou Coffee Headquarters) — A building permit has been submitted for an interior renovation. The estimated valuation of work is approximately $1.5 million.

Grants, Water & Funding Sources:
Economic Development staff continue working with funding partners on various grants to help pay for development costs within the Opportunity Site and for other development projects.

Budget Issues:

Inclusive Community Engagement:

Antiracist/Equity Policy Effect:

Strategic Priorities and Values:

ATTACHMENTS:
None