

Council Study Session
City Hall Council Chambers
October 9, 2023

AGENDA



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1. **City Council Discussion of Agenda Items and Questions - 6 p.m.**
 2. **Miscellaneous**
 3. **Discussion of Work Session Agenda Item as Time Permits**
 4. **Adjourn**

**CITY COUNCIL
MEETING**

City Hall Council Chambers
October 9, 2023

AGENDA



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

This is an opportunity for the public to address the City Council on items that are not on the agenda. It is limited to 15 minutes, it is not televised, and it may not be used to make personal attacks, air personality grievances, make political endorsements, or for political campaign purposes. Council Members will not enter into a dialogue with the presenter. Questions from the Council will be for clarification purposes only. It 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.

The first call will be for those that have notified the Clerk that they would like to speak during the open forum, and then ask if anyone connected to this meeting would like to speak. When called upon, please indicate your name and then proceed. Please be sure to state your name and address before speaking.

2. Invocation - Jerzak - 7 p.m.

3. Call to Order Regular Business Meeting

Attendees please turn off cell phones and pages during the meeting. A copy of the full meeting packet is available in the binder at the entrance to the Council Chambers.

4. Roll Call

5. Pledge of Allegiance

6. 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 meetings:*

- 8/19/23 Joint Work Session
- 9/18/23 Special Regular Session
- 9/25/23 Study Session
- 9/25/23 Regular Session

b. Approval of Licenses

- *Motion to approve the licenses as presented.*

c. Hennepin County Youth Violence Prevention Grant

- *Motion to approve a resolution authorizing the application and execution of the agreement with Hennepin County regarding the Hennepin County Gun Violence Prevention Grant.*

d. Resolution Approving Settlement Agreement for Brooklyn Boulevard Corridor

Project Phase 2 Improvements, Project No. 2021-05

- Motion to approve a resolution approving a settlement agreement for Brooklyn Boulevard Corridor Project Phase 2 Improvements, Project No. 2021-05.

- e. Resolution Authorizing the Application and Execution of Agreement to Develop Basketball Facilities Under the Provisions of the Hennepin Youth Activities Grants Program

- Motion to approve a resolution authorizing the application and execution of the agreement to develop basketball facilities under the provisions of the Hennepin Youth Activities Grants program.

- f. Resolution Approving Change Order No. 1, Accepting Work Performed and Authorizing Final Payment, Project No. 2021-18, Lift Station No. 8 Rehabilitation Project

- Motion to approve a resolution Approving Change Order No. 1 and Accepting Work Performed and Authorizing Final Payment, Improvement Project No. 2021-18, Lift Station 8 Rehabilitation Project.

7. Presentations/Proclamations/Recognitions/Donations

8. Public Hearings

- a. Ordinance Amendments to the Franchise Agreement with Xcel Energy

- Motion to approve the second reading of an ordinance implementing an electric franchise fee on Northern States Power Company, a Minnesota corporation, D/B/A Xcel Energy, its successors and assigns for providing electric service within the City of Brooklyn Center

- Motion to approve the second reading of an ordinance granting to Northern States Power Company, A Minnesota Corporation, D/B/A Xcel Energy, its successors and assigns, permission to construct, operate, repair and maintain in the City of Brooklyn Center, Minnesota, an electric distribution system and transmission lines, including necessary poles, lines, fixtures and appurtenances, for the furnishing of electric energy to the City, its inhabitants, and others, and to use the public grounds and public ways of the city for such purposes.

9. Planning Commission Items

10. Council Consideration Items

- a. 2024-2028 Strategic Plan and Priorities

- motion to approve the 2024-2028 Strategic Plan and Strategic Priorities

11. Council Report

12. Adjournment

Council Regular Meeting

DATE: 10/9/2023

TO: City Council

FROM: Dr. Reggie Edwards, City Manager

THROUGH: N/A

BY: Barb Suciu, Assistant City Manager/City Clerk

SUBJECT: Approval of Minutes

Requested Council Action:

- *Motion to approve the following meetings:*

- *8/19/23 Joint Work Session*
- *9/18/23 Special Regular Session*
- *9/25/23 Study Session*
- *9/25/23 Regular 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:

Inclusive Community Engagement:

Antiracist/Equity Policy Effect:

ATTACHMENTS:

Description	Upload Date	Type
8.19 Joint	10/3/2023	Backup Material
9.18 Special	10/3/2023	Backup Material
9.25 Study Session	10/2/2023	Backup Material
9.25 Regular Session	10/2/2023	Backup Material

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

JOINT WORK SESSION
AUGUST 19, 2023
COUNCIL COMMISSION ROOM

1. CALL TO ORDER

The Brooklyn Center City Council/Financial Commission Joint Work Session was called to order by Mayor Pro Tem Butler at 8:44 a.m.

2. ROLL CALL

Mayor Pro Tem Marquita Butler and Councilmembers Dan Jerzak and Kris Lawrence-Anderson were present. Councilmember Teneshia Kragness was present online.

Mayor April Graves was absent and excused.

Also present were Financial Commissioner Laurie Moore and Leonard Brown.

Also present were City Manager Reggie Edwards, Assistant City Manager/City Clerk Barb Suci, Director of Finance and Fiscal Services Angela Holm, Director of Community Development Jesse Anderson, Director of Public Works Elizabeth Heyman, Todd Berg, Fire Chief, and Kellace McDaniel, Police Chief.

Mayor Pro Tem Butler asked if the Councilmembers and Commissioners were open to public comment from guests. Councilmember Lawrence-Anderson stated the agenda was very full, and completing it in the allotted time would be difficult.

Councilmember Jerzak and Councilmember Kragness noted their agreement with Councilmember Lawrence Anderson.

3. 2024 GENERAL FUND DEPARTMENT BUDGET REQUEST

City Manager Reggie Edwards introduced the item and invited Director of Finance and Fiscal Services Angela Holm to continue the presentation.

Ms. Holm pointed out that next year's budget meetings would not be held on the weekends. She summarized the agenda for the meeting and explained the budget consists of non-negotiables, required items, and nice-to-have items.

4. FUTURE BUDGET DISCUSSION

8/19/23

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4a. COMMUNITY DEVELOPMENT

Director of Finance and Fiscal Services Angela Holm introduced the item and invited the Director of Community Development to continue the presentation. Mr. Anderson explained the mission of the Community Development Department is to preserve and enhance the quality of life for the residents and businesses of Brooklyn Center by guiding the development of the City with effective measures of planning, design review, construction plan approval, code compliance, housing, and business assistance.

Mr. Anderson noted the Administration Division provides friendly, quality, accurate, responsive, and timely customer service to permit and program applicants, residents, business owners, contractors, and internal customers. The Division administers housing assistance, rental licensing, mechanical licensing, sign hanger license, permit application, and the administrative penalty program.

Mr. Anderson stated the Business and Development Division supports a thriving local economy and resident economic stability by guiding the redevelopment activities of the City by ensuring the City's policies, programs, and regulatory framework forward the City's vision and goals while remaining responsive to market demand. The Division works with stakeholders to ensure compliance with the City's ordinances, policies, and Comprehensive Plan. The Division works with governmental and non-governmental organizations to provide various resources and services to businesses and residents in the community.

Mr. Anderson added the Building & Community Standards Division promotes the City's Strategic Priority of Safe, Secure, and Stable Community by ensuring clean, safe, and attractive neighborhoods where people want to live and do business. Exceptional customer service is provided for residential and commercial development and construction, property maintenance, housing, and community services. It is through the use of modern technology, professional staff, and collaboration with our customers that we efficiently and effectively serve the community.

Mr. Anderson showed the organizational chart for the Community Development Department. He pointed out the Deputy Director position is unfilled, and that position would be replaced by an Economic Development Authority (EDA) and Housing Manager for the 2024 budget. Otherwise, the staffing levels would remain the same. He showed a table of staffing levels for the Department, divided by the General Fund and the EDA budgets. In 2025, there is an anticipated need for an additional Code Enforcement and Housing Inspector due to local building development plans.

Mr. Anderson noted key initiatives focused on achieving strategic priorities/value propositions include targeted redevelopment, resident economic stability, an enhanced community image, and a safe, secure, and stable community. The desired outcome of the Opportunity Site redevelopment is an inviting, attractive, walkable, and vibrant development that provides for a mix of housing and commercial types that create a dense mixed-use downtown. The initiatives for 2024 include completing the Opportunity Site Master Plan, completing a housing policy plan to implement the housing goals within the Master Plan, continuing development within the Opportunity Site area, and advancing redevelopment opportunities within the Opportunity Site area.

Mr. Anderson explained that the desired outcome for the redevelopment of EDA-owned properties is to identify property to acquire and dispose of to facilitate development that forwards the City's strategic priorities. The initiatives for 2024 include identifying EDA-owned properties to position for resale strategically, marketing EDA-owned properties to attract development opportunity that forwards the City's strategic priorities, developing tools to reduce barriers for developers and investors to access EDA-owned property and repurpose it, and developing an RFP for scattered site EDA-owned parcels.

Commissioner Moore asked how many proposed residential lots are in the City. Mr. Anderson pointed out some are unusable, but there hasn't been an analysis recently to determine an exact number. Planners will begin to review parcels to determine if they are buildable.

Dr. Edwards suggested listeners write down any questions for staff to answer in the future.

Mr. Anderson stated job pathways and workforce development efforts aim to expand workforce development initiatives and improve pathways for residents between the high school, higher education, training, and employers and support the BrookLynk program by employing and mentoring interns and providing staff support to the Project Management Team.

Mayor Pro Tem Butler pointed out the City contributes additional funds to the efforts mentioned above and the allotted American Rescue Plan Act (ARPA) funds. She asked if Brooklyn Center contributes more money to the efforts because Brooklyn Park administers the program. Dr. Edwards stated Brooklyn Park pays more than Brooklyn Center.

Mr. Anderson stated the desired outcome of supporting small businesses and entrepreneurs is to foster entrepreneurship opportunities for residents and those who want to start or grow a business in Brooklyn Center, emphasizing underserved entrepreneurs. Each initiative towards this goal will contribute to the creation of a small business ecosystem that meets the needs of small and local businesses at multiple points in their lifecycle. To achieve this outcome, there are plans to invest in and create a business incubator as part of an initial development on the Opportunity Site to provide affordable commercial space for local businesses, invest in and create a business resource center to provide technical assistance and support to small businesses and entrepreneurs, explore the feasibility and appropriateness of creating additional affordable commercial space for local businesses as EDA-owned properties redevelop, and implement and expand offerings needed by local businesses and entrepreneurs by providing access to capital, access to technical assistance, and improved communication and City services.

Mr. Anderson noted that the desired outcome of supporting housing stability is to increase resident economic stability by creating and preserving accessible, affordable housing options. To achieve this outcome, staff will explore opportunities to promote homeownership for existing and future residents, with an emphasis on serving those with barriers to home ownership, explore a Naturally-Occurring Affordable Housing (NOAH) Preservation program, identify funding options for Housing Initiatives, and partner with outside agencies and nonprofits to increase housing stability through connecting residents to housing assistance programs and access to resources about tenant rights.

Mr. Anderson stated the desired outcome of Code Enforcement, Rental Licensing, and Building Inspections is to stabilize and improve residential neighborhoods and commercial properties. Staff plans to coordinate and inspect residential rental properties following city code; requirements, monitor, inspect, and register vacant properties; continue Code Enforcement activities with proactive inspections with the focus on resolving ongoing and repeat violations; provide focused code enforcement efforts to develop relationships with and hold accountable commercial property owners and managers for maintaining their properties following community standards, explore programs to incentivize businesses to invest in beautification strategies, review the Rental Licensing Program for improvements that will better serve the goals of the program and enhance tenant protections, and review and make amendments to Chapter 19 related to the City's nuisance and abatement regulations.

Dr. Edwards pointed out that the budget request format considers the City's desired outcomes and strategic priorities.

Mr. Anderson added another desired outcome is to ensure all buildings are designed, constructed, and maintained in a safe and sound condition. To achieve this outcome, staff will work with developers, architects, business owners, and property owners to ensure building plans indicate compliance with all residential and commercial construction codes and develop a system for delivering welcome and introductory information for newly remodeled or constructed businesses that can also be used for business retention strategies.

Mayor Pro Tem Butler asked if holding business owners accountable falls under code enforcement, rental licensing, and building inspections. Mr. Anderson stated the responsibility of holding business owners accountable is for code enforcement staff.

Mayor Pro Tem Butler asked if there is a reporting process for community members to report issues with local businesses. Mr. Anderson stated anyone can report code violations online. Also, the Economic Development Coordinator works to provide resources to business owners to fix any violations.

Commissioner Moore noted her concern about vacant properties and the upkeep of residential priorities in the City. She suggested the Council prioritize an attractive and well-maintained Brooklyn Center. It is not "safe and sound" if a neighboring home is poorly maintained and attracts vermin to the neighborhood. It is embarrassing.

Councilmember Jerzak asked if there is a designated inspector for commercial properties. There are several vacant commercial properties on top of planned new development. The community survey has shown a need for more staff within the Community Development Department. He noted his concern about rearranging the Deputy Director's role and responsibilities.

Mr. Anderson stated there is not a dedicated inspector for commercial properties. It would be a stretch for staff to accommodate commercial inspections with the current staffing level and a likely influx of commercial properties. He added a lot of the duties of the Deputy Director position would remain with the Community Development Director. The previous Director focused more on EDA, which would be shifted to the Economic Development and Housing Manager role.

Councilmember Jerzak pointed out that rebuilding the code took a lot of time, but a significant amount of money has been put into development efforts. He asked if the City will continue to need external services such as Ehlers to support its responsibilities.

Mr. Anderson explained Ehlers does a lot of tax increment financing (TIF) work that is funded directly through TIF. Ehler has also been used for EDA management in light of the previous Director's departure, which the EDA has funded. The goal is to taper their services as the new Manager role is filled.

Councilmember Jerzak asked if there is still a plan for remodeling the office area to accommodate additional staff. Mr. Anderson stated the new Manager would take over his old office. The IT Director is only in the office space temporarily. As for the remodel, it is part of the capital building maintenance plan that will prioritize future projects. There would be space issues in 2025 if another position were added.

Councilmember Lawrence-Anderson pointed out the 2023 budget included \$5,000 for professional services. However, the June year-to-date amount was over \$360,000. Ms. Holm stated that the \$360,000 comprises two miscoded invoices and is in ARPA funds. Staff will fix it for the future. Mr. Anderson showed a table with the summary budget reflecting the year-to-date spending.

Councilmember Lawrence-Anderson added she would like to do a deep dive into ARPA funds at some point.

Councilmember Jerzak stated he would like to discuss continuing programs that are ending, such as those related to workforce development. Dr. Edwards stated a presentation is planned for the Council. ARPA funds are intended to be a one-time use for programming. There is potential State funding to sustain the work.

Mr. Anderson added workforce development efforts can be budgeted for in 2025.

Councilmember Lawrence-Anderson noted she is always concerned about the sustainability and stability of the organization.

Councilmember Jerzak pointed out residents do not want an increase in taxes. The Community Development budget does not show an increase in services offered. Mr. Anderson stated the option was considered in forming the budget. There is an overall decrease in the proposed budget, primarily due to rearranging funding with the EDA. There is also a position open that will likely be filled with a less-experienced person, which is less expensive for the City.

Councilmember Lawrence-Anderson asked how the reduced budget impacts the future viability of the Deputy Director role. Mr. Anderson stated the position is still funded in the budget despite being unfilled.

Councilmember Lawrence-Anderson noted she dislikes putting all of their eggs in one basket. Dr. Edwards pointed out. Staff does take into consideration the succession of roles.

Councilmember Lawrence-Anderson stated it is vital to the budget to have a staff member who can build up development in the City and the necessary community relationships. Dr. Edwards agreed that this is important, and staff is working to build up those skills within current roles.

Councilmember Jerzak asked when the TIF and EDA budgets would be presented. Ms. Holm stated the EDA budget will be presented in the future as it is not under the General Fund. The same is true for TIF financials and other revenue.

Councilmember Jerzak asked what the plan was to handle the increase in commercial development. Mr. Anderson pointed out a drastic increase in commercial development would require temporary assistance in commercial inspections.

Mayor Pro Tem Butler asked what the process is for determining the use of unspent budget items, such as the role of the Deputy Director. Dr. Edwards stated the budget does anticipate some vacancy for the role. Any remaining funds are redistributed within the Department to cover funding holes or stabilize underperforming revenue funds.

Councilmember Lawrence-Anderson stated according to the Charter, any rearrangement of budgeted funds is under the purview of the Council. Dr. Edwards stated staff could not operate if that were the case, as operational changes are not presented to the Council. Councilmember Lawrence-Anderson asked for Dr. Edwards to review the Charter.

Councilmember Jerzak stated it was not the time to discuss the Charter. However, the Council needs to be informed of organizational changes. The current process is concerning.

Mr. Anderson concluded the budget is a work in progress, and staff looks forward to feedback from the Council and Commission.

Councilmember Jerzak asked if Mr. Anderson believes the staffing is adequate to ensure compliance throughout the City. Mr. Anderson stated the staffing issues will likely be resolved by filling the Manager position.

4b. PUBLIC WORKS

Director of Public Works Elizabeth Heyman continued the presentation. The mission of the Brooklyn Center Public Works Department is to responsibly provide for the maintenance and operations of City streets, parks, and municipal-owned buildings and grounds, as well as all aspects of water, sewer, and stormwater operations in a quality and cost-effective manner. The Public Works Department is comprised of six divisions.

Ms. Heyman showed the organizational chart for the Department. She then showed a table of full-time employees funded by the general levy. The staffing levels would remain the same from 2023 to 2024, with the full-time staff number at 34.

Mayor Pro Tem Butler asked if the lower-paid employees have been assessed to see if a raise is needed in line with inflation. Ms. Heyman stated the City has worked with the union.

Dr. Edwards added the Equity and Human Resources Department is also working to review the fairness of wages across the City.

Ms. Heyman explained the Administration/Engineering Division provides technical and management services for infrastructure improvements, administration of the state aid street system, traffic engineering, mapping, review of proposed developments and plats, preparation of special assessments rolls, and general office and fieldwork services such as surveying, inspection and providing public information.

Ms. Heyman stated the Street Maintenance and Traffic Control Division provides maintenance of streets, sidewalks, and trails. The activities include patching, seal coating, crack sealing, sweeping, minor sidewalk repair, streetscape maintenance, trail system maintenance and snow/ice control. The Division also provides maintenance, replacement, and inventory of signage and pavement markings and the operation and maintenance of traffic signals.

Ms. Heyman noted the Park Facilities Maintenance and Forestry Division provides maintenance and repair of playground equipment, park shelter buildings, picnic shelters, athletic fields, tennis courts, skating/hockey rinks, irrigation systems, bleachers/benches, restroom and dumpster enclosures, park turf maintenance, park landscape and flower maintenance, litter pick-up, collection of refuse, administers the Adopt-A-Park/Trail/Street program, manage gas and electric service to shelters and park lights, and manages rental/service charges for portable restroom facilities. As for the Forestry portion, staff provides maintenance and reforestation of trees in parks, boulevards, and other public lands. This fund provides for a Registered Tree Contractor Program, support of the City's Diseased Tree Program, and the services of a Certified Tree Inspector.

Ms. Heyman added the Government Buildings Division provides for the ongoing cleaning, maintenance, and repair of all Government Buildings, including city hall, community center, city garage, and fire station buildings and grounds. In addition, the staff provides some maintenance support for the police building, liquor stores, and Centerbrook Golf Course. These expenses are charged directly to their respective funds.

Ms. Heyman pointed out there has been an increase in material needs and costs. For example, winter is warmer and snowier, with more temperature variations. There is a need for more salt for snow events, so there is a request in the budget for an additional 200 tons of salt. She showed a chart with the increased need for salt and the price per ton over the recent years.

Ms. Heyman added there is also a need for critical replacements within the Central Garage for sustainable operations. The budget requests a three percent increase in the Central Garage funding.

Ms. Heyman stated the budget proposal includes new initiatives. The purpose of the \$130,500 proposal is to build out a City-wide beautification and litter prevention program. A City Community Engagement Specialist would build a network of volunteers to host and participate in clean-up events throughout the year. This staff member will also explore other programming,

educational tools, and marketing campaigns to aid in litter prevention. The role would also build out the City's Public Art program. As for a financial impact, the request is for a \$87,000 increase in general levy funds and a \$43,500 increase in Stormwater Utility funds. Ms. Heyman pointed out that the proposal is an alternative to creating a sanitary department, costing \$750,000.

Ms. Heyman added there is a proposal for seasonal worker talent attraction. The purpose of the \$70,077 proposal is to attract a larger pool of candidates to Public Works' seasonal worker program, so the Department can continue to deliver key spring and summer services such as litter clean up, garbage collection, mowing, pothole filling, and weed prevention at their usual frequencies.

Ms. Heyman explained that, like many other entities, both locally and nationally, Public Works has had difficulty finding people to fill seasonal positions. The Department typically hires 15-18 seasonal workers every spring; however, in early June of 2023, the Department had only hired 10 staff. This proposal increases the starting hourly wage for seasonal workers from \$16.97 to \$20.00 and increases each subsequent salary step by a similar amount. Regarding financial impact, there would be a \$28,585 increase in operating funds and a \$41,492 increase in Utility funds.

Ms. Heyman noted another operational innovation is considering the purchase of an asphalt recycler. This \$100,000 proposal aims to provide residents with more efficient street operations and maintenance while minimizing the City's exposure to rising asphalt costs. An asphalt recycler heats old chunks of pavement and recycles them into a product that can be used to fill potholes and do other street repairs.

Ms. Heyman explained that producing a portion of asphalt in-house would make Public Works more resilient in the face of climate change and allow staff to fill potholes earlier in the spring with a more durable product. Climate change has made Minnesota winters warmer and snowier, with more temperature variations. Increased temperature variation in the winter means more potholes in the spring, as pavement wears faster if it continually expands and contracts with shifting temperatures, and more potholes mean higher asphalt needs. An asphalt recycler would decrease the amount of asphalt the City would buy while minimizing exposure to rising asphalt costs. The cost of asphalt increased from \$75.00 per ton to \$91.50 per ton in one year.

Ms. Heyman pointed out an asphalt recycler would give Public Works access to a more durable pothole-filling product earlier in the spring season. Public Works must wait until the Saint Paul asphalt plant opens in the spring to buy 'hot mix' – a durable asphalt product used for pothole filling. Before the plant opens, Public Works only has access to 'cold mix,' an asphalt product that can pop out of a pothole hours after application if pressure is misapplied. Most cities in the region buy the hot mix from the Saint Paul plant. With the higher demand for asphalt due to temperature variations, accessing hot mix in the spring has taken longer. An asphalt recycler would allow Public Works to start filling potholes when the street ice clears.

Councilmember Jerzak asked if an asphalt recycler would have a return on investment and if other cities are using a similar implement. Also, he asked if the City has the staff and the expertise to run the equipment or even the space to store the machine.

Ms. Heyman stated there was a rough estimate of the investment return of the asphalt recycler where the City would break even in five to 12 years. It depends on the amount of potholes and other street maintenance efforts. Councilmember Jerzak pointed out that the change in technology and the life span of the equipment is an unknown variable.

Ms. Heyman added the machine would be innovative in Minnesota, but cities in Michigan have purchased the equipment. The machine can be operated in-house with existing staff.

Commissioner Brown asked about the type of minerals that would be used. Ms. Heyman stated it is just a piece of equipment and doesn't add anything to the streets beyond what it recycles.

Commissioner Brown asked what would happen to change the proposal from a nice-to-have to a need-to-have request. Ms. Heyman stated it is hard to determine the future price of asphalt due to high variability. However, there is a statewide need for more asphalt due to more and more potholes.

Councilmember Jerzak stated equipment has gotten much more significant over time. There needs to be consideration of long-term planning in terms of technological innovations and physical space for storage. He suggested working with Metro Transit to use some of their storage facility.

Ms. Heyman stated Metro Transit is unwilling to give up storage space, even temporarily. She previously recommended a capital planning study, and staff is developing the presentation. The Central Garage would be included in the assessment.

Councilmember Jerzak stated the Community Engagement Specialist is funded under the Office of Community Prevention, Health and Safety. Also, public art was funded in the previous year with a grant for a resident artist. Several coordinated efforts are already in place to promote beautification, and the programming would fit better in another Department.

Ms. Heyman noted her agreement. Beautification is a focus of the Public Works Department. Ideally, there would be a new Division for sanitation, which is impossible in the budget. Ultimately, Public Works wants to support the role, even though it might not be within the same Department. There is a need for collaboration across Departments to make individual programming more successful.

Commissioner Moore pointed out an Arts Commission in the City without any members. Also, several community organizations have adopted parks, and the Parks and Recreation Commission is also committed to beautification. Beautification does not need to be handled by Public Works.

Commissioner Moore stated the \$130,500 for the role is a lot of money. It is more than some Directors are paid. It would fit better in the Office of Community Prevention, Health and Safety. The community survey showed a preference for supporting public safety above all else.

Commissioner Moore added there are proposals for community engagement across several Departments. The Directors must collaborate for community engagement rather than the Public Works Department taking on litter.

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Councilmember Jerzak stated the Department has been struggling with graffiti. He suggested surveillance efforts to mediate the property destruction. Dr. Edwards stated that the staff has met regarding park safety and is developing a plan. The cameras would likely be included in the Public Safety Department budget.

Ms. Heyman added the cameras also require funding for monitoring and anticipated software costs over the long run.

Ms. Heyman stated the \$130,500 includes a full-time position with a \$60,000 salary and benefits. The proposal also includes funding for resources to do the work, such as a marketing campaign and clean-up materials. She agreed the initiative would be a joint proposal between Ms. Turk, Mr. Wiseman, and herself.

Councilmember Lawrence-Anderson asked for more information on the striping materials budget line and the need to paint the crosswalks twice a year. Ms. Heyman stated the City is responsible for maintaining crosswalks, even on County roads. Due to the high traffic on some roads, there is a need to increase the painting frequency.

Councilmember Lawrence-Anderson noted a previous mention of making the crosswalks more artistic. Dr. Edwards stated there was discussion about using curbs or public parks to promote beautification during strategic planning. However, it didn't specifically include crosswalks.

Councilmember Lawrence-Anderson suggested street sweeping after the helicopter leaves fall from the trees. Ms. Heyman stated the street sweeper is behind as it is. There would need to be additional funding to add another sweep. The street sweeper is sent out almost daily, and additional staff or machinery would be needed to increase services.

Commissioner Moore asked if the line item for minor equipment undersupplies referring to diverting \$15,000 is for Mr. Wiseman's proposed position. Ms. Heyman stated there are multiple shifts between the park's and facilities budgets to consider landscaping.

Commissioner Moore noted there is another moving of funds under repairs and maintenance. Ms. Heyman stated the funds were moved because the budgets were consolidated.

Commissioner Moore asked what the financial impact of the seasonal worker talent attraction proposal would be in 2025, such as benefits or cost of living increases. Ms. Heyman stated there aren't any benefits because it is a seasonal position or because the cost of living increases. There is a pay scale with seasonal steps for returning workers.

Commissioner Brown asked what initiatives are in place to address litter. Ms. Heyman stated there are several efforts in place to counteract litter. However, there isn't a position specifically focused on litter.

Mayor Pro Tem Butler asked if any playgrounds are slated for improvements in 2024. Ms. Heyman stated a few playgrounds still need upgrades, but the details are in the Capital Improvement Plan (CIP).

Mayor Pro Tem Butler noted she had a family member visit, and the visitor thought the Brooklyn Boulevard improvements were attractive. Businesses need to be held accountable to care for their properties. Ms. Heyman agreed that the staff wants to collaborate with local businesses to promote a more attractive community.

Mayor Pro Tem Butler called for a short break.

4c. FIRE DEPARTMENT & EMERGENCY PREPAREDNESS

City Manager Reggie Edwards introduced the item and invited Fire Chief Todd Berg to continue the staff presentation.

Chief Berg explained the mission of the Brooklyn Center Fire Department is to protect lives and property from the adverse effects of fire and other dangerous conditions, whether manmade or acts of nature. This will be accomplished through public education and a commitment to excellence in training and superior customer service. The vision is a Department that promotes an environment of tolerance and trust and is responsive to the community's needs and concerns, a Department dedicated to continuous improvement in every detail of the services we provide, and a Department recognized by the community and our peers as a model of excellence in providing fire protection, EMS and related services.

Chief Berg stated The Brooklyn Center Fire Department is a progressive, full-service, paid-on-call department that provides fire suppression, emergency medical response, public education programs, and inspections of buildings within the community. The Department has an authorized strength of 40 paid-on-call, though currently at 20, part-time firefighters who work out of two fire stations, and employ a full-time Fire Chief, who also serves as the Fire Marshal, and Emergency Management Coordinator, a full-time Deputy Fire Marshal, a full-time Fire Inspector/Public Education Specialist, a full-time Fire Inspector/Community Liaison Specialist, and an Administrative Coordinator.

Chief Berg noted the full-time Fire Inspector/Community Liaison Specialist is the newest position in the Department. He showed the organizational chart for the Fire Department and a chart showing staffing numbers. He pointed out that next year's budget discussions will include requesting a full-time overnight duty crew for two full-time positions.

Councilmember Lawrence-Anderson asked if the budget request is for 20 or 40 positions the Department is authorized for. The pay for firefighters is entirely too low. The seasonal workers are paid more than the firefighters.

Chief Berg explained that paid on-call firefighters have next to no experience. The Department pulls applications twice per year, and the recruits get paid to go to school that the Department pays for. There would be substantial financial implications if the wages were to be raised, as all

firefighters would need a raise. Some funding available to the Department may be utilized to reorganize the pay structure.

Chief Berg explained to achieve a safe, secure, stable community, the Department plans to provide a 24-hour duty crew in 2024 to ease the burden of callbacks for paid-on-call staff, continue to increase the safety of the community by offering Home Safety Surveys, Hands-Only CPR and installation of Smoke and Carbon Monoxide Detectors, visit all elementary schools during Fire Prevention Week and educate approximately 1200 school-aged children on fire safety, continue Fire and Fall safety for older adults, continue to engage with the community in various ways through positive interaction and education opportunities, inspect every building in the City at least once every three years, and recruit five or more additional paid-on-call firefighters. Referring to the proposed duty crew, there is a plan to apply for a grant to pay for additional salaries and new gear for up to three years.

Dr. Edwards pointed out that staff will present the potential funds for the Council. The funds are not part of the current budget request.

Chief Berg added to promote inclusive community engagement in Brooklyn Center, the Department plans to visit all elementary schools during Fire Prevention Week and educate approximately 1200 school-aged children on fire safety, continue Fire and Fall safety for older adults and continue to engage with the community in various ways through positive interaction and education opportunities. Overall, the Department will continue to operate with the City's values of Operational Excellence and Customer Intimacy while executing the priorities.

Chief Berg stated the budget highlights include implementing a 24-hour duty crew, celebrating the 75th anniversary of the Brooklyn Center Fire Department, and replacing gear and helmets for firefighters. He showed a table with a summary of the proposed expenses. There is a 12 percent increase overall, which would mean an increase of about \$300,000 to the budget.

Chief Berg noted the Fire Department is still collecting data and considering the impacts of COVID-19. An emergency preparedness plan reflection is underway, which is mandated every five years. Chief Berg pointed out there are some issues with staff overturn lately.

Mayor Pro Tem Butler asked if the change in weather has been discussed and considered by the Department. Chief Berg confirmed emergency management meetings with other Fire and Police Chiefs include discussion about the changes in weather and weather events. The discussions have impacted the City's hazardous mitigation plans.

Councilmember Jerzak asked why the Department hasn't brought a proposal to the Council regarding protecting the assets within the Fire Department. There needs to be a plan sooner rather than later regarding paid-on-all staff. Public safety is the primary concern shown by the community survey. Commissioner Moore noted she had a similar concern as Councilmember Jerzak.

Commissioner Moore asked if the Chief, in his role as Fire Marshal, has assessed the burned-up Target building to determine if it can be utilized or needs to be torn down. Chief Berg confirmed

the building had been toured multiple times. Staff is on the path to demolition, but there are some hoops to jump through. Ultimately, the project would primarily fall under Mr. Anderson's purview.

Chief Berg stated the guidance from current grant funding regards one-time purchases rather than ongoing costs. An essential item for the Department is fire training completed in EDA-owned properties. It is also difficult for the Department to keep up with affording innovative technology.

Councilmember Jerzak asked if Chief Berg believes the Department has the necessary resources to do its job. Chief Berg stated the hiring process takes longer than he would like. Thankfully, the paid-on-call firefighters are willing to do much for the Department.

Councilmember Lawrence-Anderson stated the firefighters may be burned out under the current structure. She suggested the Chief create a five-year plan to present to the Council regarding building resources and staff within the Department.

Dr. Edwards stated staff has been discussing ways to increase funding to the Department sustainably. The Department is not in an unhealthy place, but the additional five or more firefighters would help the Department be more stable and sustainable.

4d. POLICE DEPARTMENT

City Manager Reggie Edwards introduced the item and invited Police Chief Kellace McDaniel to continue the presentation.

Chief McDaniel explained the mission of the Police Department is to protect and serve in a manner that preserves the public trust. As a law enforcement and community stakeholder, the Department's vision is commitment to helping to provide an exceptionally safe and secure community for all residents, businesses, visitors, and those who work within the City of Brooklyn Center with great dignity and respect.

Chief McDaniel noted there are five divisions within the Police Department. The Administration Division provides the overall leadership and management oversight of the Department. It ensures that proper funds and resources are allocated as efficiently as possible to reduce crime and life-safety issues.

Chief McDaniel stated the Investigative Division handles approximately 1,000 felony-level cases that need an advanced level of police investigation beyond field-level information gathering. The work includes advanced-level evidence recovery and applying those results to aid in suspect identification, such as DNA and physical property evidence. It moves the investigation from probable cause to beyond a reasonable doubt. The Division directly partners with Hennepin County Attorney's Office, Hennepin County Child Protection Services, Hennepin County Adult Protection, and Corner House Child Advocacy and Interview Services.

Chief McDaniel stated the Patrol Division is the primary responder to 911 and emergency calls for service. Each year, the police department handles nearly 37,000 public safety incidents, about 100 calls in 24 hours. The Patrol Division has three part-time units that work together with the patrol

officers to ensure that the best quality of service is delivered for each call: Domestic Abuse Response Team (DART), the Emergency Operations Unit (EOU), and Hostage Negotiation Team (HNT).

Chief McDaniel pointed out the Community Services Division has seven primary approaches to building partnerships within the community and promoting a City-wide collaborative approach to eliminating crime. The approaches include the Crime Prevention Program, Multicultural Community Liaison and Joint Community Police Partnership (JCPP), Hennepin County Embedded Social Worker, Juvenile Unit, Commercial Area Street Crimes Unit, Police Cadet Program, and Crime Analysis.

Chief McDaniel added the Support Service Division prepares all police reports in a format that can be used for review and dissemination of crime information and reports accurate crime data to the state of Minnesota from the records that our agency generates. Each year, the Police Department processes nearly 5,000 detailed reports, and the Division fulfills all data requests made by the public, media, or other public safety partners.

Chief McDaniel showed the organizational chart for the Department. He noted he wants to update the chart to reflect all divisions. There are several unfilled positions. As of August 19, 2023, the Department has 37 active sworn officers and 34 total available sworn officers. Two officers are on medical leave, while one is in field training. The 34 available officers include the Chief of Police, three commanders, five sergeants, five detectives, and 20 patrol officers. In his year with the Department, he has sworn in 11 officers.

Chief McDaniel showed a table with the staffing levels. In 2023, the Department was authorized for 65.64 personnel. The 2023 proposal is for 68.54 personnel. The total authorized sworn staff is 48 without the grant-funded Auto Theft Officer. In 2022, three positions were frozen. In 2023, two positions were unfrozen. In 2024, the third position is proposed to be unfrozen. There is a hope to reallocate the positions of School Resource Officer, Auto Theft Officer, and Detective Trainee to Patrol. There is also a request to add two sworn officers and one civilian staff to help with evidence and property.

Councilmember Jerzak asked how the three new positions relate to the Labor Study. Chief McDaniel explained the proposal is only the first phase of implementing more recommendations from the Labor Study.

Councilmember Jerzak pointed out that the Labor Study showed the need for additional civilian staff. Chief McDaniel stated an evidence and property civilian role is open. There is an opportunity to cross-train.

Councilmember Jerzak asked if there is money in the budget to offer incentives for retention or lateral hires. Chief McDaniel pointed out that several officers are working overtime and going above and beyond for the Police Department. The Department has created a recruitment team which has generated several referrals. The lateral transfer requirements remain the same, and the Department has obtained a few lateral transfers.

Councilmember Jerzak asked for the Chief's thoughts on the alternative response program. Chief McDaniel stated for the alternative response team to work, there needs to be buy-in from both the community and law enforcement. The Department supports the alternative response option. In an ideal world, Chief McDaniel would oversee the program to ensure the most efficient communication between sworn officers and alternative responders.

Councilmember Lawrence-Anderson pointed out that \$324,500 was budgeted for overtime in 2023. The year-to-date number is just under \$300,000. There could be almost double spent on overtime than was budget. Chief McDaniel confirmed the Department is short-staffed, hence the proposal for more officers.

Councilmember Lawrence-Anderson asked what the Department needs to help them recruit personnel. For example, Brooklyn Center Community Service Officers make less than Brooklyn Park Community Service Officers, and Brooklyn Park offers benefits to Community Service Officers. Therefore, the Department loses staff to Brooklyn Park.

Chief McDaniel stated he would speak with the recruitment team regarding Community Service Officers. On the whole, Brooklyn Center offers similar pay and benefits as other Community Service Officer programs. Brooklyn Center continues to be an excellent place to work, which is an intangible benefit.

Dr. Edwards stated the City doesn't have the resources to match what Brooklyn Park offers. The staff has worked hard to promote retention and recruitment. Part of that effort shows up in the overtime pay offerings.

Councilmember Lawrence-Anderson noted it was unclear in the budget where incentives for officers would fall. Chief McDaniel stated more information on incentives is included in his presentation on Departmental highlights.

Councilmember Jerzak asked if the Department has the necessary resources to become fully staffed. There is a big difference between fully funded and fully staffed. There needs to be rewards for people who step up to fill open shifts. Chief McDaniel agreed he would like to be fully staffed and able to offer additional incentives to staff.

Mayor Pro Tem Butler requested that Chief McDaniel complete his presentation as they were already overtime.

Chief McDaniel explained the first goal for the Department in 2024 is to stabilize department staffing levels and address diversity and equity in hiring. The action steps are to continue to offer a lateral incentive but to include making it competitive with other agencies, continue to keep the job application city and Post Board sites open longer to attract suitable solid applicants, expedite the hiring process due to surrounding agencies competing with a faster process to attract applicants, go out to High Schools and Colleges to educate and attract individuals that still want a career in Law Enforcement, and establish a team that is dedicated to creating new ways for recruitment.

Chief McDaniel noted another goal is to increase staff training, especially in Crisis Intervention Training (CIT), an additional form of de-escalation. They plan to incorporate Diversity Training into the annual in-service curriculum, increase staff knowledge and training related to crisis intervention, educate the community with Public Service Announcements (PSAs) at community events and or speaking engagements, and ensure that staff is up-to-date on modern technology as there are frequent changes which would include, computers in squads, report writing, radio protocols, internal/external communication.

Chief McDaniel stated the next goal for 2024 is to increase neighborhood engagement. The Department plans to engage with local watch captains to address neighborhood issues and promote City resources, continue to host small neighborhood area meetings with the assistance of City funds, continue to partner with other departments to continue to come up with response plans in emergencies and to create a Community Engagement Team to help build a trusting relationship between the community and the Police Department.

Chief McDaniel added the last goal is to increase transparency in the Brooklyn Center Police Department. The Department plans to implement a department data dashboard on the City website, continue to reinstate and expand department social media accounts, and utilize other social media outlets to promptly address incidents to the public and City Council.

Chief McDaniel pointed out several budget highlights, such as new technology for investigations to stay up-to-date, camera trailers, additional policing equipment, drone technology, starting up a K-9 program, and increased police personnel and recruitment.

Chief McDaniel showed a slide with a summary of expenses for the proposed Police Department budget. The proposed budget increase is 9.36 percent, most dedicated to personnel.

Mayor Pro Tem Butler noted the City is authorized for 28 officers currently, but there is a request for additional personnel and another detective. There are currently 20 officer positions filled. The current ask would require 12 additional officers, but it seems unlikely to recruit and train 12 officers in one year. Therefore, it seems fiscally irresponsible. Nonetheless, she would like to add a detective to help with investigations.

Chief McDaniel stated the Department needs the three additional officers that are requested. Also, he is not asking to add all 12 officers simultaneously. There is a plan to add a few officers each year over the next couple of years, which is more feasible for the budget.

Councilmember Jerzak suggested putting mobile camera units in each sector. There could be an opportunity for mentorship by senior officers. Also, the one-time purchase of additional equipment will support law enforcement responsibilities without spending much money over time.

Chief McDaniel stated the neighborhood captains provide a lot of support throughout the sectors, but he agreed it would be ideal to have dedicated officers for each sector. He added that equipment, such as the camera trailers, significantly impacts the community at a relatively low cost. There is a request for two cameras, although the City would benefit from more.

Councilmember Kragness asked if there is a recommendation from Chief McDaniel regarding the grant for public safety dollars. Chief McDaniel stated some of it would be used to start up K-9, and most of it would be used to promote retention within the Police Department. Some of it would also go to upgrade the evidence room and support the camera trailers' cost.

Councilmember Lawrence-Anderson asked if cameras in the park would fall under the Parks and Recreation Department or a public safety entity. Chief McDaniel stated the City has a contract with a camera business. The cameras are placed strategically in cooperation with the Investigations Division. He agreed additional cameras would be beneficial for the City.

Commissioner Moore stated Crystal has had an excellent program for Community Service Officers, including benefits, and they are smaller than Brooklyn Center. Chief McDaniel agreed Crystal has a vital Community Service Officer (CSO) program, and he has met with their Police Chief regarding CSOs. Commissioner Moore explained her experience with serving on the Crystal City Council showed the importance of a strong CSO feeder program.

Commissioner Moore asked if there are currently 10 CSOs. Chief McDaniel stated the number is skewed because there are varying hours for CSOs and some are returning to school. Commissioner Moore added a significant increase in stray animals in the community. That is yet another reason to add more Community Service Officers.

Councilmember Jerzak said he didn't hear anything about the increase in LGA money. Dr. Edwards explained there is an increase in LGA, and half of that money will go into the general fund and half into the Capital Improvement Fund.

5. NEXT MEETING AUGUST 30, 2023 – 6 p.m.

Mayor Pro Tem Butler stated the next budget meeting is August 30, 2023.

6. ADJOURNMENT

Mayor Pro Tem Butler adjourned the meeting at 12:27 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

SPECIAL MEETING
SEPTEMBER 18, 2023
CITY HALL – COUNCIL CHAMBERS

1. CALL TO ORDER

The Brooklyn Center City Council met in a Special Meeting called to order by Mayor April Graves at 6:03 p.m.

2. ROLL CALL

Mayor April Graves and Councilmembers Marquita Butler (arrived at 6:35 p.m.), Kris Lawrence-Anderson, Dan Jerzak, and Teneshia Kragness. Also present were City Manager Reggie Edwards, Director of Fiscal & Support Services Angela Holm, and Assistant City Manager/City Clerk Barb Suci.

3. DISCUSSION OF PROPOSED 2024 BUDGET

City Manager Reggie Edwards introduced the item and explained the Council requested additional discussion on the proposed 2024 budget. The purpose of the previous meeting was to share a recommendation for a levy limit. The Council requested adjustments to the proposed levy limit, including a lower levy and a change in priorities, particularly with the Deputy City Manager role. The upcoming presentation on September 25, 2023, will reflect those requests.

Dr. Edwards noted Councilmember Kragness had previously asked about the implications of setting the levy without having all of the 2023 financials in place. He explained that Director of Fiscal & Support Services Angela Holm would provide more insight.

Director of Fiscal & Support Services Angela Holm stated staff received the first draft of the 2023 general fund financial statement. 2022 ended essentially flat. Both the revenue and expenses were less than anticipated. The target is that the fund balance percentage is around 50 to 52 percent compared to the general fund to ensure adequate cash flow. The actual percentage was closer to 47.5, deemed acceptable by the auditor. The higher numbers allow them to move excess from the fund balance to other items, such as capital. Staff recently provided additional information to the auditor that should provide more insight into the city.

Councilmember Lawrence-Anderson asked which areas the auditors are looking at with the additional information. Ms. Holm stated they requested more details on some grants.

Councilmember Lawrence-Anderson noted there was a significant loss in investment earnings. Ms. Holm stated the loss is a function of a Gatsby rule. The city has to restate its value each year in terms of market value. The value is lower overall because it is not sellable but is not an actual loss.

Councilmember Jerzak asked how the city ended up with a 47.5 percent rather than the 50 to 52 percent range. Ms. Holm stated the percentage is a mathematical function. Because the fund balance didn't increase while the 2023 budget did increase, it resulted in a lower percentage than what policy would dictate. The percentage essentially means how much of the city's budget could be covered if they received no more income. The expenditures outpaced the contributions to the reserve, and it is not uncommon in the time of substantial inflation.

Councilmember Kragness pointed out the previous auditor commended Brooklyn Center for meeting the 50 to 52 percent range during COVID-19. She asked how the percentage could decrease post-COVID-19. Ms. Holm stated the city had lower expenses and received some financial injections during that time frame.

Councilmember Kragness asked if there was a plan to increase the percentage. Ms. Holm stated the city would need to either increase revenues or decrease expenses to increase the percentage. Councilmember Kragness asked if the percentage would impact their rating. Ms. Holm stated that 50 to 52 percent policy is a very narrow range, and 47.5 percent is not a bad number. It shouldn't affect the rating, as 47.5 is in a range deemed acceptable by the Minnesota League of Cities and its auditors.

Councilmember Kragness asked what the acceptable range is for the percentage. Dr. Edwards stated the acceptable range is 35 to 50 percent, meaning the 47.5 percent is very strong. Brooklyn Center has a higher standard than the norm.

Councilmember Jerzak asked if the city can take steps in 2023 to rectify the percentage in the last few months. Ms. Holm stated it is more challenging due to the limited time frame. Based on some forecasts she put together, the city will end up contributing around \$643,000 from 2023, which would take some of the burden off of the fund balance. There are more calculations to be done considering the potential budget for 2024 to determine its impact on the percentage in question.

Councilmember Jerzak asked which Departments ended up spending less than anticipated. Most of the lower spending was from the Police Department, Fire Department, and Office of Prevention, Health, and Safety. However, she doesn't have a specific breakdown of the numbers. Staff can prepare that information for the Council.

Dr. Edwards noted the excess from the Police Department was likely due to unfilled positions.

Ms. Holm stated she did some math, and if the city contributed \$643,000, the percentage would increase to 49 percent.

Dr. Edwards noted Councilmember Lawrence-Anderson previously had some questions about increases within various Departments.

Ms. Holm stated the changes in the Parks and Recreation Department were due to realignment of positions. The increase in Building and Community Standards was related to a contract for an electrical inspector.

Ms. Holm explained the Professional Services under the Department of Equity and Human Resources was for consultants and transitioning to electronic records. It is anticipated that the Diversity, Equity, and Inclusion programming included in that line item would be brought in-house due to Director of Equity and Human Resources Jim Langemo's professional skills. In general, it saves the City money to contract out certain services that require skills not included in current staff and do not require a full-time role to be created.

Ms. Holm added the Assessment Department is the contract with Hennepin County.

Councilmember Marquita Butler arrived at 6:35 p.m.

Councilmember Lawrence Anderson asked about the Contractual Services under the Office of Prevention, Health, and Safety as it is a large line item. Ms. Holm stated that \$75,000 of the budget is for the prevention model with the County, and it is approximate at this time. The remaining \$100,000 is for Community Interveners.

Councilmember Jerzak asked about the General Operating Supplies line in the Parks and Recreation Department increase. Ms. Holm stated that increased programming and sports teams required increased funding and expense plans ahead to afford event supplies.

Councilmember Jerzak asked about the Contractual Services in the same Department. Ms. Holm stated she doesn't have details on the specific item. In previous years, several sports officials were cited as the reason for the contracts.

Councilmember Jerzak asked about the Central Supplies and Support. Ms. Holm stated it is a business unit that applies to expenses universal to all Departments, such as the City website. There is also a bit of a contingency for unexpected expenses.

Dr. Edwards added the funds are also related to lobbying or community surveys as it cuts across the city and is not Departmental.

Councilmember Jerzak asked what the Health and Social Environment refers to under the General Fund. Ms. Holm stated that 45218 is a business unit under Parks and Recreation. The General Operating Supplies runs programming for non-sport classes. Then, 6449 previously paid for entertainers and other events such as Juneteenth.

Dr. Edwards pointed out that Councilmember Jerzak previously asked about an increase related to General Government Buildings and Small Tools. Ms. Holm didn't see an increase from year to year. However, as buildings age, there is a need for new equipment and creative maintenance.

Dr. Edwards noted a transfer of \$2 million and where it came from. Ms. Holm stated the transfer is a standard practice in multi-fund entities. The transfer is for administrative services from the General Fund to various Departmental funds to account for administrative work. There are other methods to transfer the funds.

Councilmember Lawrence-Anderson stated the Council hadn't discussed enterprise funds and the potential for a second Liquor Store lately. Ms. Holm stated that the staff anticipates two Liquor Stores will be moving forward. Staff is currently negotiating with the landlord at the current location and intends to maintain two sites. Other enterprise and special revenue funds will be presented to the Council in October.

Councilmember Lawrence-Anderson asked what the approximate revenue from the liquor stores is. Ms. Holm stated she doesn't know the number off the top of her head. As a function of COVID-19 and civil unrest, revenue was lost. However, the operations appear to be back to pre-COVID-19 levels. Therefore, she doesn't anticipate a loss of revenue.

Councilmember Lawrence-Anderson asked what the year-to-date revenues are for the Heritage Center. Ms. Holm stated she doesn't know the number immediately, but it will be presented in October.

Councilmember Jerzak asked about the decreased funds allotted for Officer Prevention under the General Fund. Ms. Holm stated that \$550,000 was transferred to a special revenue fund because it referred to grant funding. Also, the Performance Analyst position was frozen in the 2024 budget initially budgeted for in 2023.

Councilmember Jerzak asked if the grants were from Pohlad and if they would be directly tied to expenses for The Daunte Wright and Kobe Dimock-Heisler Community Safety and Violence Prevention Act. Dr. Edwards confirmed the grants were sought to fund tasks called for within the Act.

Councilmember Jerzak stated the Council is reviewing the Act, but there are still expenditures allotted for programming that may be amended. Dr. Edwards stated the funds pertaining to the Act have been sitting. There is money set aside for programming that has not yet been implemented. The grant dollars will pertain to specific expenditures and only happen if the expenditures take place.

Mayor Graves asked about the Conferences and Schools line item under the Police Admin. Ms. Holm stated all expenses for education and schooling were aligned into one business unit. The administrative folks do all of the registration, so the funding was moved under one line.

Mayor Graves asked about Overtime for Full-Time Employees under Police Support Services. Ms. Holm stated individual salaries aren't calculated for by individual salaries. The number includes the unfilled positions and the need for overtime to be completed to make up for it.

Councilmember Jerzak asked for information about the General Fund regarding Community Development and Administration. He asked which position was decided upon to be filled. Also, the anticipated revenue for the Department decreased because of the Opportunity Site timing. They need to be fair across Departments and add positions.

Dr. Edwards stated the Department is looking to hire an Economic/Housing Manager and doesn't plan to replace Community Development Director Jesse Anderson's previous position. He will retain his previous responsibilities, and there will ultimately be a cost saving.

Dr. Edwards noted there was a previous question about Opportunity Site revenue. There will be some incoming funds from the Opportunity Site in 2024. Staff wants to bring forth a policy to determine how to handle the revenue. Mayor Graves requested the discussion take place before any revenue came in.

Dr. Edwards added he previously heard consensus from the Council regarding tweaking the vehicle replacement funds. A recommendation regarding the item will be presented to the Council at the next Council meeting. There is a hope to balance that change and the addition of a Deputy City Manager to the 2024 proposed budget.

Mayor Graves asked if the proposed 2024 budget reflects input from all Departments. Dr. Edwards stated the recommendations were based on constraints articulated by the Council, policy regarding a balanced budget, and priorities expressed by the Council, Finance Commission, and Departmental Directors. The first step was to maintain current service levels and go from there.

Councilmember Jerzak asked what it means to freeze the budget for the Performance Analyst position. Dr. Edwards stated that freezing means the position is unfunded for 2024, but they don't want to eliminate it for future years.

Councilmember Jerzak asked if the proposed budget includes a Resident Artist and a Beautification and Litter role. Dr. Edwards stated he anticipates those part-time roles will be frozen due to the increase in wages. Mayor Graves pointed out there could be grants obtained to support the roles.

Councilmember Jerzak asked if the public safety dollars are taken into consideration and if the percentages can be moved around to fund something else. Dr. Edwards stated the special revenues funds presentation will include information about the public safety dollars. He doesn't have the numbers currently available to reference. He did ask all Departments to review potential Departmental projects that could use public safety grant dollars. Still, staff has limited use of the funds for funding ongoing positions or programs.

Councilmember Lawrence-Anderson asked what the item Vacancy and Turnover Savings means. Ms. Holm stated it recognizes that not every position will be filled every day of the year, so the fund anticipates savings. It is a very conservative estimate.

Councilmember Butler stated at her full-time job, they can re-forecast the budget twice a year. She asked if that was something Brooklyn Center could do. Ms. Holm stated budget revisions are acceptable.

Dr. Edwards noted staff are expected to operate within the approved budget. The Directors are encouraged to use excess funds within the budget to complete minor modifications as needed.

Councilmember Jerzak suggested the Council consider the full-time duty crew and other open positions such as the Detective. It would require backfilling to complete those positions, and it would be helpful to benchmark those positions by funding them. It was a recommendation from the labor study. Mayor Graves agreed it doesn't make sense to fund more officer roles when there are already nine vacancies.

Councilmember Jerzak proposed the three additionally funded positions in the Police Department be a Detective, a Sergeant, and one Officer rather than three Officers. He asked for the opinion of the other Councilmembers.

Councilmember Lawrence-Anderson stated the labor study showed a clear need for a Detective and a Sergeant, so she would agree to fund those two positions.

Councilmember Butler stated she does not want to fund any more Officer roles. In her time on the Council, the Police Department has yet to be fully staffed for Officers. Also, the upcoming transitional period will be challenging for recruitment. She added she supports the Detective and the Sergeant role being funded.

Councilmember Kragness pointed out that crime is a primary issue in the city. To address that, she would support funding the roles of a Detective, a Sergeant, and one Officer rather than three Officers.

Mayor Graves noted if there is a goal of promoting within, and eleven positions don't seem to impact the goal compared to nine Officer positions. She asked if the Council wanted a higher levy to support the positions. As it stands, the staff is prepared to move things around to fund the Deputy City Manager. However, keeping the levy by adding a Detective and Sergeant is another big ask.

Councilmember Kragness stated it is time to see if the Detective and Sergeant roles could fit into the budget.

Dr. Edwards stated the budget made room for vehicle replacement, salt and sand increases, and the fire crew. The Council said they were willing to sacrifice some of the vehicle replacement funds to support a Deputy City Manager, and staff believes they can make it work under the 8.5 percent levy. However, adding three more positions would not keep the levy under that number.

Councilmember Butler stated it is illogical to add another Officer position if there are consistently open Officer positions, and there are currently nine openings. Recruiting officers in the climate is already hard, and the Police Department will be going through another transition.

Councilmember Jerzak stated funding the labor study suggestions and prioritizing the desire for improved public safety shown by the community survey shows that the Council is supportive and listening. It would attract more candidates for the new positions and the opening Chief role. He would support a levy increase for public safety. Also, some Departments need to give a little. For example, the Parks and Recreation Department has decreased programming, such as community interveners, but they don't know if that effort has been impactful.

Mayor Graves stated that everyone started with their 2023 Budget so she doesn't believe there were increases.

Councilmember Butler stated filling ten Officer roles in one year is unrealistic. There is historical data to support that. It shows support for the Police Department by funding positions that investigate crime and allow for current staff to take time off.

Councilmember Jerzak agreed there needs to be incentives for retention and recruitment, mainly because of the national shortage of law enforcement interest. He wants the Police Department to have the flexibility to provide more incentives, which could be done with the unfilled Officer roles.

Dr. Edwards pointed out the previous budget cycle included retention incentives such as bonuses, and the Police Department will continue that effort. He added the need for supporting the capacity of law enforcement, and burnout was evident in the labor study. Again, that effort is included in the proposed budget.

Mayor Graves stated that the Sergeant role makes the most sense. However, the Department wants to promote from within. Unfortunately, there are too many unfilled Officer roles for it to make sense to add new Officers, as it wouldn't speed up the process. It seems more fiscally responsible to prioritize retention and recruitment first.

Councilmember Lawrence-Anderson asked if there were increases to the Parks and Recreation Department besides the basic wage increases. Dr. Edwards confirmed no additions to the Department beyond the three percent wage increase.

Councilmember Lawrence-Anderson asked if the Director of Equity and Human Resources could provide a presentation comparing the wages offered at Brooklyn Center and other municipalities. Dr. Edwards stated staff has looked into that recently to increase market competitiveness. Brooklyn Center is outpaced by surrounding jurisdictions, and they would like to be in the top quartile of comparative cities. However, the budget can only handle minor increases that impact wages.

4. ADJOURNMENT

Councilmember Butler and Councilmember Jerzak seconded the adjournment of the Special Meeting at 7:53 p.m.

Motion passed unanimously.

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
SEPTEMBER 25, 2023
CITY HALL – COUNCIL CHAMBERS

CALL TO ORDER

The Brooklyn Center City Council met in a Study Session called to order by Mayor April Graves at 6:07 p.m.

ROLL CALL

Mayor April Graves and Councilmembers Marquita Butler, Dan Jerzak, and Teneshia Kragness. Councilmember Kris Lawrence-Anderson was absent and excused. Also present were City Manager Reggie Edwards, Assistant City Manager and Assistant City Manager/City Clerk Barb Suci, and City Attorney Jason Hill.

CITY COUNCIL DISCUSSION OF AGENDA ITEMS AND QUESTIONS

Councilmember Jerzak asked if the Council still wants to discuss the levy while Councilmember Lawrence-Anderson is absent. He requested another meeting for discussion.

Councilmember Butler stated she is not willing to set another extra meeting. Mayor Graves agreed she doesn't have the capacity to meet again.

Councilmember Kragness asked if Councilmember Lawrence-Anderson had any concerns that hadn't been addressed. Mayor Graves stated all of Councilmember Lawrence-Anderson's concerns were previously addressed.

Councilmember Jerzak pointed out that the planned presentation may be a new levy number, and all Councilmembers should be present for such an important decision. He stated he would have to vote against any levy increase regarding Councilmember Lawrence-Anderson's absence.

MISCELLANEOUS

Councilmember Jerzak asked if the August minutes were approved yet. Assistant City Manager and City Clerk Barb Suci stated that the staff is reviewing the August minutes before putting them back on the consent agenda.

Councilmember Jerzak asked if the City would comply with the required timeline for the audit.

City Manager Reggie Edwards stated that staff is communicating with the City Auditor and State Auditor, and all deadlines will be met.

DISCUSSION OF WORK SESSION AGENDA ITEMS AS TIME PERMITS

THC PRODUCTS IN CITY LIQUOR STORES

Dr. Edwards introduced the item and invited Liquor Store Operations Manager Tom Agnes to continue the staff presentation.

Mr. Agnes explained that Minnesota Statutes now permit the sale of certain hemp-derived cannabinoid products containing THC, CBD, or both. Establishments, including liquor stores that elect to sell these products, must register with the State before October 1, 2023.

Mr. Agnes pointed out sales are only permitted to individuals aged 21 or older. Brooklyn Center Municipal Liquor Stores already has a policy to card every patron. Another requirement is that edibles must be kept behind the counter, and the Municipal Liquor Stores already have other items only displayed behind the counter. THC drinks may be placed in the cooler.

Mr. Agnes noted that some municipal liquor stores throughout the State began selling the products in June 2023, which seems successful. Staff is requesting guidance regarding selling hemp-derived cannabinoid products in both locations. The products would be categorized as non-alcoholic. The tax rate includes State tax, local taxes, and an additional ten percent. The tax rate will end up being 18.5 percent starting October 1, 2023. Liquor will be taxed starting at 11.25 percent. Also, in Brooklyn Center Municipal Liquor Stores, the items would be handled as cash-only items until credit card companies catch up with policies.

Councilmember Butler asked if there were any safety concerns with carrying the items or operating with more cash. Mr. Agnes stated that the THC and other products would only have a five percent increase in sales.

Councilmember Jerzak asked if Mr. Agnes had been in conversation with law enforcement. Mr. Agnes confirmed he has spoken about the possibility with the Brooklyn Center Police Department.

Councilmember Jerzak asked when the sales would start. Mr. Agnes stated they would start sales on October 1, 2023. Councilmember Jerzak stated he was in support of the addition.

Councilmember Kragness asked if the cash flow was a concern. Mr. Agnes stated the five percent of sales does not significantly impact their cash amounts. They already handle cash with daily deposits picked up by armored cars, and the minor cash influx is unlikely to impact the safety of employees.

UPCOMING ITEMS

- Memorial Policy
- Special Assessment Policy/Franchise Fees (referred to Financial Commission)
- Beautification and Public Art Commission
- Liquor Store 2
- Organizational Chart-Budget work sessions
- New and Repeat Type IV Rental License Review (referred to Housing Commission)
- Food Truck Ordinance/License
- Emerald Ash Borer Policy Review (referred to Park & Rec Commission November)
- Opioid Settlement
- ARPA Funds
- Grants: Revenues & Expenses
- Purchasing Policy
- Interveners Impact
- Revisit Resolution 2021-73

ADJOURNMENT

Mayor Graves closed the Study Session at 6:22 p.m.

Motion passed unanimously.

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
SEPTEMBER 25, 2023
CITY HALL – COUNCIL CHAMBERS

1. INFORMAL OPEN FORUM WITH CITY COUNCIL

CALL TO ORDER INFORMAL OPEN FORUM

The Brooklyn Center City Council met in an Informal Open Forum called to order by Mayor April Graves at 6:45 p.m.

ROLL CALL

Mayor April Graves and Councilmembers Marquita Butler, Dan Jerzak, and Teneshia Kragness. Councilmember Kris Lawrence-Anderson was absent and excused. Also present were City Manager Reggie Edwards, Director of Fiscal and Support Services Angela Holm, Director of Community Prevention, Health and Safety LaToya Turk, Assistant City Manager/City Clerk Barb Suci, and City Attorney Jason Hill.

Mayor April Graves opened the meeting for the purpose of an Informal Open Forum.

Peg Carr stated that she understands the City can tag and fine people for tall grass and noxious weeds. The butterfly garden went in; it was solid burdock and every noxious weed you could imagine. She asked what responsibility the City has to the land it manages. The grounds are disappointing, and it is a culmination of multiple years of neglect. She stated she would like the City to invest in and respect the land. It will save Brooklyn Center money in the long run.

Nahid Kahn noted her support of the City's mission, vision, and values. However, the decorum of certain City representatives is a concern. They likely violate any employee handbook. She requested the Council review the employee handbook and add a code of conduct. Also, the requirements should be extended to Commissions, Task Forces, Committees, and the like. Performance measures and consistent standards must be determined and applied equally to all representatives of Brooklyn Center.

Allen Hancock explained he is a long-time resident of Brooklyn Center, living on a fixed income. Lower taxes may attract people to Brooklyn Center. However, improved public safety would also attract people to Brooklyn Center.

Brian Bosire stated the just cause ordinance supporting renters reflects the values of the Council. He thanked the Council for their consideration on the matter. The ordinance promotes housing stability. However, there is a lack of community education regarding the protections. As an

employee of ACER, he has been able to educate folks on the ordinance during door-knocking efforts. He stated he started a petition thanking the Council for the ordinance, which has several signatures. Surrounding communities are looking up to Brooklyn Center thanks to the ordinance and its impact.

Councilmember Jerzak moved and Councilmember Kragness seconded to close the Informal Open Forum at 7:04 p.m.

Motion passed unanimously.

2. INVOCATION

Councilmember Kragness read a poem about embracing oneself and being who you are.

3. CALL TO ORDER REGULAR BUSINESS MEETING

The Brooklyn Center City Council met in a Regular Session called to order by Mayor April Graves at 7:11 p.m.

4. ROLL CALL

Mayor April Graves and Councilmembers Marquita Butler, Dan Jerzak, and Teneshia Kragness. Councilmember Kris Lawrence-Anderson was absent and excused. Also present were City Manager Reggie Edwards, Director of Fiscal and Support Services Angela Holm, Director of Community Prevention, Health and Safety LaToya Turk, Assistant City Manager/City Clerk Barb Suciu, and City Attorney Jason Hill.

5. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

6. APPROVAL OF AGENDA AND CONSENT AGENDA

Councilmember Jerzak moved, and Councilmember Butler seconded to approve the Agenda and Consent Agenda; the following consent items were approved:

6a. APPROVAL OF MINUTES

1. September 11, 2023 – Study Session
2. September 11, 2023 – Regular Session
3. September 11, 2023 – Work Session

6b. LICENSES

MECHANICAL

Kramer Mechanical Plbg & Heating

7860 Fawn Lake Drive NE

Stacy 55079

RENTAL

INITIAL (TYPE IV – six-month license)

1821 Irving Lane

R Hailemariam & A Balcha

5309 Emerson Avenue N

BELLAGALA LLC

6925 Halifax Avenue N

EBENEZER AKINBAMIJO

INITIAL (TYPE II – two-year license)

2114 70th Avenue N

Dennis R Mejia/gloria Mejia

RENEWAL (TYPE IV – six-month license)

3601 47th Avenue N

8411 Balboa Llc

3100 Thurber Road

Tyler Henderson

5218 Paul Drive

Sj & Olas Properties Llc

5819 Knox Avenue N

G.b. Homes Llc

6018 Admiral Place

Lutheran Social Services

6800 Scott Avenue N

Golden Touch Holdings

7200 Lee Avenue N

LSF9 MASTER PARTICIPATION
TR

RENEWAL (TYPE III – one-year license)

3106 64th Avenue N

IH2 PROPERTY BORROWER LP

5330 Girard Avenue N

C Bright/Wagner Prop Rnt Llc

5937 York Avenue N

Key Lime Realty, LLC

RENEWAL (TYPE II – two-year license)

5803 Xerxes Avenue N

Brooklyn Center AH II LLLP

904 53rd Avenue N

Moshe Vorotinov

RENEWAL (TYPE I – three-year license)

501 Bellvue Lane

Zoe & Bret Hildreth

3213 Quarles Rd

Infinite Property Llc

3300 67th Avenue N	Sergey Kunin & Marina Kunin
5931 Zenith Avenue N	Ih3 Property Minnesota Lp
6319 Indiana Avenue N	Adegbola Fola Ogundipe
6430 Lee Avenue N	Infinite Property Llc

- 6c. RESOLUTION ACCEPTING WORK PERFORMED AND AUTHORIZING FINAL PAYMENT, IMPROVEMENT PROJECT NO. 2021-12, 2022 53RD AVENUE MILL AND OVERLAY PROJECT**
- 6d. RESOLUTION ACCEPTING DEASIBILITY REPORT AND CALLING FOR AN IMPROVEMENT PUBLIC HEARING FOR IMPROVEMENT PROJECT NO. 2024-01, ORCHARD LANE EAST IMPROVEMENTS**
- 6e. RESOLUTION AMENDING THE CITY OF BROOKLYN CENTER FEE SCHEDULE RELATING TO LICENSING OF THE SALE OF EDIBLE CANNABINOID PRODUCTS**

Motion passed unanimously.

Mayor Graves noted that there was a misunderstanding of her question regarding the interview process for a Police Chief in a recent set of minutes. The last interview process was highly involved, and she hopes to see that effort continue.

7. PRESENTATIONS/PROCLAMATIONS/RECOGNITIONS/DONATIONS

7a. COMMUNITY INTERVENOR UPDATE

City Manager Reggie Edwards introduced the item and invited the Director of Community Prevention, Health and Safety, LaToya Turk, to continue the staff presentation.

Ms. Turk thanked other staff for supporting the crime uptick response strategy. She explained violence is a public health crisis, according to the American Public Health Association. There are several harmful effects of violence. Recognizing violence as a public health crisis is founded on understanding violent behavior arising from the contextual environment.

Ms. Turk noted in April 2023, staff presented a crime reduction strategy report to the City Council. The crime reduction included immediate and long-term strategies. The top four violent crimes include homicide, assault, robbery, and sexual assault. Carjackings and shootings were also discussed as increasing crimes. The strategies to address the increase in crime included increasing the presence sharing information to increase the capacity to mitigate crime and to begin moving upstream.

Ms. Turk stated the approaches were broad. She showed a chart with a comprehensive approach to include prevention, intervention, response, and recovery. The Community Intervenor's toolkit includes de-escalation, trauma, Department of Justice training, Narcan administration, CPR, peer recovery, Stop the Bleed, conflict resolution, active listening skills, and ongoing training with Minneapolis and Hennepin County.

Ms. Turk pointed out that Intervenor's are used for prevention by being present at 16 identified hotspots, schools, and parks. Intervention is also done at those locations. She showed a heat map showing areas with high crime impact. Shared intelligence across partners and hot spot community education by intervenors determined measures of success. Reports are submitted daily regarding interactions in the community.

Ms. Turk explained the program uses a Community-Based Violence Intervention and Prevention Initiative Model (CVIPI). It focuses on trusted, credible messengers and practitioners to deliver key intervention elements. Representatives of the affected communities are seen as full partners who provide input and guidance on the interventions' approach.

Ms. Turk added that CVIPI focuses on those individuals at the highest risk of experiencing or perpetrating community violence in the near term. Data from multiple sources are vetted for racial, ethnic, economic, or other biases to inform the approach. The approach is evidence-informed, community-centered, equitable, inclusive, sustainable, and effective.

Ms. Turk stated that a Chicago program using public health methods to interrupt violence, reduce risk, and change neighborhood norms reduced shootings by up to 70 percent and retaliations by 100 percent. Brooklyn Center Staff meets regularly with employees from the Chicago program. Philadelphia, Los Angeles, and New York have had similar successes. Massachusetts has an initiative focusing on a street outreach model and has seen a 35 percent reduction in violence and a cost saving of seven dollars per dollar.

Councilmember Kragness asked if there are statistics that show a decrease in crime or if residents have reported feeling safer since the initiative began. She also asked what the intervenors wear. Ms. Turk stated the intervenors wear a blue shirt with "outreach" on the back. They have introduced themselves and begun to build relationships with community members and business owners within the hot spots. As for data, it takes about two months to turn around the statistics. She offered to work with law enforcement to gather specific data. Ms. Turk added schools have regularly requested the presence of intervenors, and community partners are familiar with intervenors.

Councilmember Kragness asked how many intervenors there are. Ms. Turk stated four groups are utilized based on their skills and capacity.

Councilmember Butler asked if intervenors were used to respond to the park incident. Ms. Turk stated the intervention began with notification from the intervenors.

Councilmember Jerzak asked if the intervenors are Brooklyn Center residents, what training they undergo, and who determines their schedules. Ms. Turk stated that law enforcement determines

deployment locations, and all interveners are contracted with the City. All interveners either live or work in Brooklyn Center.

Councilmember Jerzak asked if the interveners keep a log of their interactions. Ms. Turk stated daily logs are submitted to City Staff, and relevant Departments are notified based on the information.

Councilmember Jerzak asked what the proposed 2024 budget is for interveners. Ms. Turk stated she is working with the Department of Fiscal and Support Services to determine the budget.

Councilmember Jerzak asked why the interveners aren't centered within only one department and why some have positions while others don't, referring to the Parks and Recreation Department. Ms. Turk stated she can't speak to Parks and Recreation Department employment. They have employees who intervene within the parks specifically.

Councilmember Jerzak asked if there is a protocol to dispatch interveners to a critical incident and if the response time is appropriate for immediate intervention. Ms. Turk confirmed there is a process to request additional support for any community issues. The interveners are regularly in contact with themselves and law enforcement.

Councilmember Jerzak asked what is the most effective outcome that justifies the program's financial support. Ms. Turk stated it is a broad approach between Departments, so she could not make a singular statement about the benefits.

Councilmember Kragness asked if the training mentioned above is required for interveners. Ms. Turk stated all interveners have required training.

Mayor Graves pointed out that measuring events that haven't happened is complex. She requested data on the number of individuals the interveners were engaging with, what services were performed, and what community resources were recommended. Also, the Council would benefit from understanding response requirements such as teams of two. Lastly, she requested the team collect stories and quotes showing why the program is a good investment for the City.

Councilmember Butler asked how the hot spots were determined. Ms. Turk stated the Brooklyn Center Police Department created the heat map, and the areas show the highest crime rates.

Councilmember Butler asked who pays the bill when interveners respond to schools. Ms. Turk stated it is a shared expense between the City and the school.

8. PUBLIC HEARINGS

None.

9. PLANNING COMMISSION ITEMS

None.

10. COUNCIL CONSIDERATION ITEMS

10a. RESOLUTION APPROVING THE PRELIMINARY 2024 PROPERTY TAX LEVY AND PRELIMINARY BUDGET

Dr. Edwards introduced the item and summarized the budget thus far. On Monday, September 18, the Council discussed further budget at a Special Meeting. Based on feedback from the meeting, staff will present two options for the preliminary levy increase, one at 8.5 percent and one at 9.2 percent. The staff's recommendation is the 8.5 percent option.

Dr. Edwards summarized the 2024 budget environment. He noted the recent pandemic, the death of Duante Wright, and civil unrest along with the economic condition of the Country. The budget also considers budgetary outcomes, strategic priorities, and organizational stability.

Dr. Edwards stated the vision for Brooklyn Center is as a thriving, diverse community with a full range of housing, business, cultural, and recreational offerings while being a safe and inclusive place that people of all ages love to call home and visitors enjoy due its convenient location and commitment to health development.

Dr. Edwards added 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.

Dr. Edwards pointed out the 2024 budget strategies include balanced strategic direction and fiscal capacity, fulfillment of State Statutes, maintaining and sustaining current operations, Staff stability, public safety, and advancing strategic priorities and operational opportunities.

Dr. Edwards noted the priorities of the 2024 budget include a three percent Staff wage increase considering cost-of-living adjustments and market competitiveness, a 24-hour Duty Crew for the Fire Department, a Deputy City Manager, fleet maintenance replacement, and a Police Sergeant.

Dr. Edwards pointed out there are several proposed 2024 budget highlights. \$197,000 is allocated for two full-time firefighters for a 24-hour duty crew. Staff cost of living and market adjustment wage increases require \$1 million. The fleet vehicle replacements and Central Garage projects would cost \$219,000. Also, the necessary winter salt and sand increase is \$62,000. \$162,000 is allocated for a Deputy City Manager, and another \$162,000 is intended to fund a Police Sergeant.

Dr. Edwards stated there are a number of factors influencing the 2024 budget. There are lower revenue calculations with a decrease of \$1.2 million due to permit fees. There is a lower employee vacancy rate, which results in an excess of only \$200,000. Lastly, the lower lodging tax results in a loss of \$200,000. Overall, there is a lower fiscal capacity of the City.

Dr. Edwards noted there were some budgetary adjustments at the 8.5 percent levy. First, \$750,000 was for 2024 operational budget increases due to maintained 2023 expenditures and \$97,000 for a frozen Performance Analyst position. Approximately \$200,000 in funding will come from the State Public Safety Aid, and American Rescue Plan Act funding will be around \$225,000.

Dr. Edwards explained the second option is a 9.2 percent levy increase. It would include all of the budgetary items with the 8.5 levy increase. The levy increase would equal \$163,000 for a Police Detective position.

Director of Fiscal and Support Services Angela Holm explained that the City's current budget policies provide a basic framework and assist in the decision-making process. Policies include a balanced budget; current revenue should pay for current expenses, contingency of up to five percent of the budget, providing adequate funding for capital replacement & maintenance, the budget should describe goals, services, and programs, and a targeted unassigned General Fund balance of 50 to 52 percent of the following year's General Fund budget.

Ms. Holm noted there are also revenue policies that direct how the City maintains its ability to pay for its customers' services. The policies include maintaining a diversified and stable revenue system, annual revenue estimates completed through an objective conservative analytical process, user fees should be reviewed and revised on an annual basis, fees and user charges for Enterprise Funds should fully support total direct and indirect costs, and user fees for City services will generally be established at a level which will recover the total cost of providing the service.

Ms. Holm showed a graph of the median value of homes in the City over the years. The value has been steadily increasing since 2014. The median home value in 2024 is \$264,800, a slight increase from 2023's median home value of \$259,000. She also showed a list of median home values compared to other cities. Brooklyn Center has a lower median home value than Golden Valley, New Hope, Richfield, Crystal, and Robbinsdale. The median home values in nearby neighborhoods in Minneapolis are slightly lower than in Brooklyn Center.

Ms. Holm showed pie charts of tax capacity estimates comparing payable tax capacity in 2023 and 2024. Industrial has somewhat increased, allowing the residential tax capacity to decrease and carry less burden.

Ms. Holm pointed out that a one percent property tax levy increase or decrease is approximately \$225,000 in revenue. The total payable levy from 2023 was just under \$23 million. The estimated total levy for 2024 is \$24,732,206, which is an 8.5 percent increase. The numbers would be recalculated should the Council move forward with the 9.2 percent levy.

Ms. Holm also showed a pie chart for the annual cost of government in Brooklyn Center for the median home. For example, the Police Department costs the median household \$508.00, and the Fire Department costs \$115.

Ms. Holm then showed a slide with projected property tax impacts for 2024. With an 8.5 percent levy, the median single-family household would see an increase of \$87 in the City portion of taxes

for the year. Each percent of the levy would add or decrease \$12 for the average single-family household.

Mayor Graves asked how much would be left in ARPA and State Aid if all \$425,000 of the revenue funds were used. Ms. Holm stated there would be around \$1.2 million left in ARPA and \$1.8 million in State Aid.

Dr. Edwards noted that an October presentation will show project ideas from various Departments for using ARPA and State Aid funds. For example, some business development efforts will be presented.

Mayor Graves asked how the conservative estimate regarding revenue from permits was determined. Ms. Holm stated her conservative estimate was \$100,000 less than Dr. Edwards' estimate, but the estimate presented was Dr. Edwards' number. The estimates are based on historical data and input from Community Development Director Jesse Anderson.

Councilmember Kragness asked what the inflation cost for vehicle fleet replacement cost is for 2024. Ms. Holm stated the estimate is a four percent inflation over a number of years with consideration of previous inflation trimmings. The Central Garage fund will be discussed further during a revenue presentation.

Dr. Edwards added there wasn't enough room in the budget for the vehicle fleet replacement to be adjusted to allow for a Police Detective. As it stands, the proposed \$219,000 is already not robust enough to cover inflation.

Councilmember Kragness asked if the \$219,000 gets the City caught up to afford replacements should they be needed in 2024. Ms. Holm stated it is not enough to catch up, and she doesn't have the calculation for the exact number needed to catch up.

Mayor Graves asked when the City might get to a sustainable amount in the vehicle fleet replacement. Ms. Holm agreed the information is important for the Council to consider, but she doesn't have the calculation prepared.

Councilmember Jerzak stated he is disappointed that consensus was reached amongst the Council, yet it is not included in the budget. There was substantial growth from 2022 to 2023, but some areas could allow for essential savings. If positions aren't being filled, the City must determine if they are necessary.

Councilmember Jerzak noted the Council hasn't reviewed The Daunte Wright and Kobe Dimock-Heisler Community Safety and Violence Prevention Resolution, and some of the budget might be inappropriately biased toward that effort. Plus, the one-time money from grants isn't sustainable into 2025. The City has concentrated poverty to consider, and they need to do better with the budget.

Councilmember Jerzak pointed out public safety keeps showing up as the community's primary

concern. The budget needs to support public safety. Salt and sand are supportive of public safety. The City keeps increasing costs to residents, but the revenue isn't increasing.

Councilmember Jerzak noted he is uncomfortable making any decisions without Councilmember Lawrence-Anderson present, he is uncomfortable with the budget, and he is disappointed overall. Mayor Graves asked what budget cuts Councilmember Jerzak proposes. Councilmember Jerzak stated the consideration of applying public safety funds moving forward. The new Office of Community Prevention, Health and Safety needs to be evaluated, along with its growth and success.

Councilmember Jerzak added the Parks and Recreation Department could be trimmed. Every department needs to be re-evaluated equally. The \$400,000 line item for employees hasn't been explained and was cut by \$200,000 in the previous budget year. There isn't supportive development coming into the City to help offset costs.

Mayor Graves asked what Councilmember Jerzak wanted to see funded. Councilmember Jerzak stated he wanted the Deputy City Manager role funded, the 24-hour duty crew funded, and the Sergeant and the Detective roles to be funded. The City needs to follow up on previous projects, such as the greenhouse, to ensure funds are being utilized properly.

Mayor Graves noted her understanding of the Parks and Recreation Department budget was that there was no overall increase in the proposed budget. Each taxpayer would pay \$19 to the Office of Community Prevention, Health and Safety, \$508 to the Police Department, and \$115 to the Fire Department. Considering the tight budget, staff has done an excellent job squeezing in most of what the Council wanted.

Mayor Graves added she doesn't prefer using special revenue funds to fund other programming. Still, the staff was very conservative with that effort and will present more about revenue funds to the Council in October.

Mayor Graves pointed out the proposed 8.5 percent is a preliminary levy, and there could be a decrease down the line. She stated she is comfortable with the Staff recommendation.

Councilmember Butler agreed with Councilmember Jerzak's concerns about Councilmember Lawrence-Anderson's absence. However, the recent Special Meeting allowed the Council to ask additional questions and make recommendations to staff. She stated she is comfortable with the Staff recommendation.

Councilmember Kragness stated it was her understanding that the Council reached a consensus about funding the Police Detective at the Special Meeting. She stated it could be added with the 8.5 percent with some more shifting. She agreed she is comfortable with the Staff recommendation of 8.5 percent.

Councilmember Jerzak pointed out the Police Department is an all-day, everyday service, so it is not equitable to compare its cost of \$508 per taxpayer to the limited hours of service offered by

other Departments. The \$508 doesn't account for the large number of unfilled positions where the budgeted amounts were moved back to the General Fund.

Councilmember Jerzak stated the budget can be adjusted to add the Detective to the 8.5 percent levy. Due to the absence of Councilmember Lawrence-Anderson, he is not comfortable approving an 8.5 percent levy.

Mayor Graves stated all Departments return excess funds to the General Fund. She agreed she would like Councilmember Lawrence-Anderson to be present, but the Council already decided they can't squeeze in another meeting and stay within the required timeline.

Mayor Graves moved, and Councilmember Butler seconded to adopt the Resolution Approving a Preliminary Tax Capacity Levy for the General Fund and Debt Service Funds and a Market Value Tax Levy for the Housing and Redevelopment Authority for Property Taxes Payable in 2024, at 8.5 percent as recommended by staff.

Councilmember Jerzak voted against the same. Motion passed.

Mayor Graves moved, and Councilmember Butler seconded to adopt the Resolution Adopting a Preliminary Budget for the 2024 Fiscal Year.

Councilmember Jerzak voted against the same. Motion passed.

Mayor Graves asked who the liaison is for the Housing Commission. Assistant City Manager and City Clerk Barb Suci stated Councilmember Lawrence-Anderson is the Council Liaison to the Housing Commission.

11. COUNCIL REPORT

Councilmember Kragness reported on her attendance at the following and provided information on the following upcoming events:

- Attended the Farmer's Market

Mayor Graves reported on her attendance at the following and provided information on the following upcoming events:

- Noted candidates for the new CEO of the Northwest Tourism Board are being considered
- Attended the DEAR awards

12. ADJOURNMENT

Councilmember Jerzak moved and Councilmember Kragness seconded adjournment of the City Council meeting at 8:31 pm.

Motion passed unanimously.

Council Regular Meeting

DATE: 10/9/2023

TO: City Council

FROM: Dr. Reggie Edwards, City Manager

THROUGH: N/A

BY: Shannon Pettit, 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.

Liquor - Intoxicating

BB's Live Fire Grille (Restaurant Only)
2590 Freeway Blvd, 55430

Liquor - Sunday Sales

BB's Live Fire Grille (Restaurant Only)
2590 Freeway Blvd, 55430

Mechanical

Airgate Htg & Air Inc.
PO Box 1649, Maple Grove 55311
Residential Heating & AC
7454 Washington Ave S Minneapolis 55429
United Heating & A/C Inc.
PO Box 17, Hamel 55340

Budget Issues:

- None

Inclusive Community Engagement:

- None

Antiracist/Equity Policy Effect:

- None

Strategic Priorities and Values:

Safe, Secure, Stable Community, Operational Excellence

ATTACHMENTS:

Description	Upload Date	Type
Rental Criteria	6/20/2023	Backup Material
Rentals	10/4/2023	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 10.9.23

Location Address	License Subtype	Renewal/Initial	Owner	Property Code Violations	License Type	Police CFS*	Final License Type**	Previous License Type***	Consecutive Type IV's
6831 Dupont Ave N	Single	Initial	Schynae Manwa	21	Type IV	N/A	Type IV	N/A	0
1701 69th Ave N	Multiple Family 4 Bldgs 120 Units	Renewal	Earle Brown Farm Apartments	358 = 2.99 per unit	Type III	0	Type III	Type I	N/A
3401 47th Ave N	Multiple Family 2 Bldgs 22 Units	Renewal	BMW Holding LLC	88 = 4 per unit	Type IV	N/A	Type IV	Type IV	5
4200 Lakebreeze Ave N	Multiple Family 1 Bldg 4 Units	Renewal	T M Bertelson & M Bertelson Met Requirements	11 = 2.75 per unit	Type III	0	Type III	Type IV	N/A
5301 Russell Ave N	Multiple Family 2 Bldgs 36 Units	Renewal	Amaz Sommerset LLC Did not meet requirements	50 = 1.4 per unit	Type II	1 call 4/25/23 Robbery	Type IV	Type IV	4
4700 68th Ave N	Two Family	Renewal	Chufeng Xiong	0	Type I	0	Type I	Type I	N/A
5318 Queen Ave N	Two Family	Renewal	Marguerite R Herrmanntrust Met Requirements	0	Type I	0	Type I	Type III	N/A
507 69th Ave N	Single	Renewal	Outreach Six Acres, Inc. Met Requirements	0	Type I	0	Type I	Type III	N/A
1325 68th La N	Single	Renewal	Roth Wagner 2 Llc Did not meet requirements	5	Type II	0	Type III	Type III	N/A
1605 56th Ave N	Single	Renewal	Fyr Sfr Borrower Llc Did not meet requirements	12	Type IV	0	Type IV	Type IV	3
3007 Ohenry Rd	Single	Renewal	Ih3 Property Minnesota Lp	19	Type IV	0	Type IV	Type II	0
3207 67th Ave N	Single	Renewal	Elijah G Nyambane Did not meet requirements	9	Type III	0	Type IV	Type IV	2
4307 66th Ave N	Single	Renewal	Fyr Sfr Borrower Llc	11	Type IV	0	Type IV	Type II	0
4706 Wingard La	Single	Renewal	Mains'l Properties Llc	0	Type I	0	Type I	Type I	N/A
4718 Twin Lake Ave N	Single	Renewal	Richard & Elizabeth Becht	0	Type I	0	Type I	Type II	N/A
5012 65th Ave N	Single	Renewal	East and West LLC Met Requirements	3	Type II	0	Type II	Type III	N/A

5120 Drew Ave N	Single	Renewal	Excel Properties LLC	2	Type I	0	Type I	Type I	N/A
5350 Logan Ave N	Single	Renewal	Ccf3 LLC Met Requirements	6	Type III	0	Type III	Type IV	N/A
5636 Humboldt Ave N	Single	Renewal	Gao Qiang Liu	7	Type III	0	Type III	Type II	N/A
5700 Camden Ave N	Single	Renewal	Danmark Properties LLC Met Requirements	8	Type III	1 call 5/3/23 Disturbance	Type III	Type IV	N/A
5836 York Ave N	Single	Renewal	Courtney Thao Tran	1	Type I	0	Type I	Type I	N/A
5913 York Ave N	Single	Renewal	Jefferson J Dennis Did not meet requirements	3	Type II	0	Type III	Type III	N/A
5937 Abbott Ave N	Single	Renewal	Mark Crost	3	Type II	0	Type II	Type II	N/A
6012 York Ave N	Single	Renewal	MNHOMES2GO LLC Did not meet requirements	5	Type II	0	Type IV	Type IV	3
6106 Aldrich Ave N	Single	Renewal	Home Sfr Borrower LLC Met requirements	11	Type IV	0	Type IV	Type IV	5
6130 Scott Ave N	Single	Renewal	2017 1 lh Borrower L P Met requirements	3	Type II	0	Type II	Type IV	N/A
6231 Chowen Ave N	Single	Renewal	Cameron Hedlund Did not meet requirements	2	Type I	0	Type III	Type III	N/A
6307 Scott Ave N	Single	Renewal	Iasis Vii LLC	15	Type IV	0	Type IV	Type II	0
6324 Scott Ave N	Single	Renewal	Sayndee Sando Did not meet requirements	13	Type IV	0	Type IV	Type IV	3
6424 Fremont Ave N	Single	Renewal	Steven Yeboah/Lydia K Yeboah Met Requirements	9	Type III	0	Type III	Type III	N/A
6538 Ewing Ave N	Single	Renewal	TuUyen Tran	0	Type I	0	Type I	Type I	N/A
6706 Toledo Ave N	Single	Renewal	Stephen Burson Met Requirements	5	Type II	0	Type II	Type III	N/A
6800 Fremont Pl N	Single	Renewal	Sharon McGary Did not meet requirements	0	Type I	0	Type IV	Type IV	2
6807 Scott Ave N	Single	Renewal	Gao Qiang Liu Did not meet requirements	2	Type I	0	Type III	Type III	N/A
6900 Regent Ave N	Single	Renewal	Houa Her & Neng Thao	8	Type III	0	Type III	Type II	N/A

6936 Unity Ave N	Single	Renewal	Paul R Johnson	5	Type II	0	Type II	Type I	N/A
7018 Girard Ave N	Single	Renewal	Carmen Ganga Met Requirements	7	Type III	0	Type III	Type IV	N/A
7124 West River Rd	Single	Renewal	Segun Olatayo Met Requirements	3	Type II	0	Type II	Type III	N/A

*CFS = Calls for Service for renewal licenses only (Initial licenses are not applicable to calls for service, and will be listed as N/A)

**License type being issued

***Initial licenses will not show a Type I = 3 year, Type II = 2 year, Type III = 1 year, Type IV = 6 months

All properties are current on City utilities and property taxes

Council Regular Meeting

DATE: 10/9/2023

TO: City Council

FROM: Dr. Reggie Edwards, City Manager

THROUGH: N/A

BY: LaToya Turk, Office of Community Prevention, Health and Safety

SUBJECT: Hennepin County Youth Violence Prevention Grant

Requested Council Action:

- Motion to approve a resolution authorizing the application and execution of the agreement with Hennepin County regarding the Hennepin County Gun Violence Prevention Grant.

Background:

Hennepin County Human Services and Public Health has awarded the City of Brooklyn Center the Gun Violence Prevention grant that will support community led initiatives that provide a public health approach to youth violence prevention services for youth in the Brooklyn Center area that focus on holistic, culturally appropriate prevention, restorative, and violence interruption to youth gun violence.

Supported community programming will enhance and work collaboratively with the current comprehensive approach to youth gun violence prevention that has infrastructure in prevention, intervention, response, and recovery.

Programming will have strategic targets that include workforce/academic development, (employment exposure journeys, skill building, and employment preparation) self-awareness through representation and strength-based modeling), social and cultural relationship awareness and STEAM (educational discipline in the areas of science, technology, engineering, the arts, and mathematics) partnerships.

Budget Issues:

N/A

Inclusive Community Engagement:

Brooklyn Center will continue to partner and facilitate community capacity building initiatives to provide training and resources to community partners that focus on violence prevention, reduction, and mitigating youth gun violence as well as mental health and substance abuse use services and resources.

Antiracist/Equity Policy Effect:

Brooklyn Center has dense Asian (16.1%), Black /African (31.9%) and Hispanic (13.0) populations with 30% of the population under the age of 18, 12.2% percent of homes under the poverty level and 11.1% without medical insurance. The focus populations will be youth in areas of high crimes and poverty in the city as priority.

Strategic Priorities and Values:

Enhanced Community Image, Resident Economic Stability, Inclusive Community Engagement, Safe, Secure, Stable Community, Customer Intimacy

ATTACHMENTS:

Description	Upload Date	Type
Hennepin County Youth Prevention Grant Award Resolution	10/5/2023	Cover Memo

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. 2023-

RESOLUTION ACKNOWLEDGING AWARDED FUNDS FOR HENNEPIN COUNTY YOUTH VIOLENCE PREVENTION AUTHORIZING AND ACCEPTANCE OF GRANT FUNDS FOR YOUTH VIOLENCE PREVENTION

WHEREAS the City of Brooklyn Center, Minnesota was a recipient of the 2022 Hennepin County Gun Violence Prevention Grant as determined by Hennepin County and was therefore eligible to apply for Hennepin County Youth Violence Prevention 2023-2024 funds; and

WHEREAS the City has identified proposed projects within the City that meets Hennepin County Youth Gun Violence Prevention grant purposes and criteria and is consistent with and promotes the purposes of the Hennepin County Youth Gun Violence Prevention grant and the policies of the Hennepin County Youth Gun Violence Prevention grant; and

WHEREAS the City has supported grant applications, agreeing to act as legal sponsor for the project, recognized by resolution on October 9th, 2023; and,

WHEREAS the City certifies that it will comply with all applicable laws and regulations as stated in the grant agreement; and

WHEREAS the City acknowledges Hennepin County grants are intended to fund projects or project components that can serve as models, examples or prototypes for youth violence prevention, intervention, response and recovery projects elsewhere in the region, and therefore represents that the proposed project or key components of the proposed project can be replicated in other metropolitan-area communities; and

WHEREAS only a limited amount of grant funding is available through the Hennepin County Gun Violence Prevention Grant initiatives during each funding cycle and the Hennepin County Gun Violence Prevention Grant has determined it is appropriate to allocate those scarce grant funds only to eligible projects that would not occur without the availability of Hennepin County Gun Violence Prevention grant funding; and

WHEREAS the City's supported project of Youth Gun Violence Prevention as awarded \$175,000 in Hennepin County Gun Violence Prevention grant funds on September 1st, 2023; and

NOW THEREFORE BE IT RESOLVED that, after appropriate examination and due consideration, the governing body of the City: Finds that it is in the best interests of the City's goals and priorities for the projects to occur at this particular time:

1. Finds that the project components for which Hennepin County Gun Violence Prevention Grant funding was awarded:

- a. Will occur within the term of the grant award expiring December 31,2024.
2. Authorizes its City Manager to accept awarded funds on behalf of the City for the application for the Fall 2023 funding cycle for Hennepin County Gun Violence Prevention Grant and to execute such agreements as may be necessary to implement the project on behalf of the City.

October 9th, 2023

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: 10/9/2023

TO: City Council

FROM: Dr. Reggie Edwards, City Manager

THROUGH: Elizabeth Heyman, Director of Public Works

BY: Ahmed Omer, P.E., City Engineer

SUBJECT: Resolution Approving Settlement Agreement for Brooklyn Boulevard Corridor Project Phase 2 Improvements, Project No. 2021-05

Requested Council Action:

- Motion to approve a resolution approving a settlement agreement for Brooklyn Boulevard Corridor Project Phase 2 Improvements, Project No. 2021-05.

Background:

On March 25, 2019, the City Council directed staff to proceed with the preliminary design, environmental documentation, easement acquisition, and final design work for the Brooklyn Boulevard Corridor Project Phase 2 Improvements (Bass Lake Road to Interstate 94), Project No. 2021-05. In order to construct the improvements, permanent drainage, utility, sidewalk, and trail easements and/or temporary construction easements were required from 47 separate parcels adjacent to the corridor. Parcel numbers are identified on the right-of-way plan prepared for the project. Agreement for acquisition of easements was reached voluntarily with 33 affected property owners. In order to meet the anticipated development schedule condemnation was pursued on 14 parcels where no agreement could be met. The following parcels under condemnation have reached a settlement agreement.

Parcel No. 45; 6330 Brooklyn Boulevard: This parcel required both permanent easements and temporary construction easements with total compensation agreed upon in the amount of \$25,000.00.

Budget Issues:

The Brooklyn Boulevard Corridor Project Phase 2 Improvement (Bass Lake Road to Interstate 94) has a project cost estimated to be \$18,095,000. The total appraised value for all easements on the project are estimated to be approximately \$824,676. The total value of the permanent easements and temporary construction easements for Parcel 45 is \$25,000 which is being funded out of the Capital Projects Fund.

To date, including the above parcel, agreements have been met with 39 out of 47 parcel owners with the total value of the permanent easements and temporary construction easements for the project being \$671,920.32.

Inclusive Community Engagement:

Antiracist/Equity Policy Effect:

Strategic Priorities and Values:

Key Transportation Investments

ATTACHMENTS:

Description	Upload Date	Type
Resolution	10/2/2023	Resolution Letter
Settlement Agreement	10/2/2023	Backup Material

Member
moved its adoption:

introduced the following resolution and

RESOLUTION NO. _____

RESOLUTION APPROVING A SETTLEMENT AGREEMENT FOR
BROOKLYN BOULEVARD CORRIDOR PROJECT PHASE 2
IMPROVEMENTS, PROJECT NO. 2021-05

WHEREAS, the City of Brooklyn Center and Hennepin County have planned the improvement of Brooklyn Boulevard between Bass Lake Road (County Road 10) and Interstate 94 within the City of Brooklyn Center, Minnesota in 2021; and

WHEREAS, the City, in order to acquire title and meet its anticipated development schedule, commenced a condemnation action in Hennepin County District Court, Court File No. 27-CV-20-15230 pursuant to a Petition filed November 19, 2020, as amended on January 12, 2021 (the "Action"); and

WHEREAS, to facilitate the Project, the Action included acquiring certain real property interests 6330 Brooklyn Blvd and as defined as Parcel 45 within the Action (the "Property"); and

WHEREAS, subject to approval by the City Council, representatives of the parties have negotiated a Settlement Agreement, a copy of which is attached hereto as Exhibit A, which resolves all outstanding claims and issues between the parties related to the Property; and

WHEREAS, the City Council has fully considered the terms of the Settlement Agreement and has determined that it is in the best interests of the community to approve it as presented.

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

1. The Mayor and City Manager of the City are hereby authorized and directed to execute all appropriate documents and take all necessary actions to facilitate the settlement contemplated herein, with all such actions to be in accordance with the terms and conditions set forth in this Resolution and the incorporated Settlement Agreement.
2. The Mayor and City Manager of the City, staff and consultants are hereby authorized and directed to take any and all additional steps and actions necessary or convenient in order to accomplish the intent of this Resolution.

October 9, 2023

Date

Mayor

RESOLUTION NO. _____

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.

STATE OF MINNESOTA

IN DISTRICT COURT

COUNTY OF HENNEPIN

FOURTH JUDICIAL DISTRICT

Case Type: Condemnation

The City of Brooklyn Center, a municipal corporation
under Minnesota law,

Court File No. 27-CV-20-15230

Judge: Susan N. Burke

Petitioner,

vs.

**STIPULATION OF SETTLEMENT
AGREEMENT FOR PARCEL 45**

WSK Professional Bldg., L.L.C. et al.,

Respondents.

This stipulation of settlement (the “**Agreement**”) is entered into by and between Petitioner City of Brooklyn Center (“**City**” or “**Petitioner**”), and BCK Enterprises, LLC, a Minnesota limited liability company (“**Owner**”) (collectively, the “**Parties**”) on this ____ day of _____, 2023.

RECITALS

1. The City commenced a condemnation action in Hennepin County District Court, Court File No. 27-CV-20-15230 pursuant to a Petition filed November 19, 2020, as amended on January 12, 2021 (“**Condemnation Action**”).

2. On February 23, 2021, the District Court filed the Order Approving Petition and Transfer of Title and Possession (“**Order**”) that, among other things, transferred certain property interests on Parcel 45 for the City’s Brooklyn Boulevard Corridor Project Phase 2 Improvements (“**Project**”), including without limitation a permanent easement for drainage, utility, sidewalk, and trail purposes and a temporary construction easement as described in **Exhibit A** to the Order (“**Property Interests**”).

3. BCK Enterprises, LLC, a Minnesota limited liability company, is the fee owner of record of Parcel 45.

4. The following parties are identified in the Petition as having or potentially having an interest in Parcel 45 but are not parties to this stipulation (the “**Third Party Respondents**”):

- a. AutoZone Development Corporation, a Nevada corporation, an easement holder on Parcel 45;
- b. Sun Foods, Inc., d/b/a Sun Foods Supermarket, a Minnesota corporation; both a tenant and an easement holder on Parcel 45;
- c. Femon Travel & Tours LTD, a Minnesota corporation, both a tenant and an easement holder on Parcel 45;
- d. Dollar Tree Stores, Inc., a Virginia corporation, both a tenant and an easement holder on Parcel 45;
- e. Walgreen Co., an Illinois corporation, an easement holder on Parcel 45;
- f. EJA Trust – Brooklyn, LLC, Minnesota limited liability company, an easement holder on Parcel 45; and
- g. Frandsen Bank & Trust, a National Banking Corporation, a mortgagee on Parcel 45.
- h. All other parties unknown, together with unknown heirs or devisees and spouses, if any.

5. On or about February 25, 2021, in accordance with the terms of the Order, the City deposited with the Court the approved appraised value of the Property Interests of \$13,000.00 for Parcel 45 (the “**Quick-Take Payment**”), and title and possession to the Property Interests transferred to the City.

6. The Parties wish to conclude matters relating to just compensation damages due and owing to all parties interested in Parcel 45 because of the Condemnation Action. To this end, the Parties enter into this Stipulation.

TERMS OF THE AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **RECITALS.** The recitals set forth above are true and accurate and are each incorporated and are material terms of this Agreement.

2. **SETTLEMENT AMOUNT.** The Parties stipulate and agree to a full settlement and award of damages for and related to the taking of the Property Interests described as Parcel 45 and shown in **Exhibit A** to the Order in the amount of amount of \$25,000.00 ("**Settlement Amount**"), payable to the Owner as set forth in Paragraph 5 below.

3. **STIPULATION TO AWARD.** The Parties agree to the issuance by the court-appointed commissioners of a report of commissioners for the Property Interests equal to the Settlement Amount, payable entirely to the Owner, with zero dollars payable to all other respondents, in substantially the form attached as **Exhibit B** ("**Report of Commissioners**"). Once the Commissioners have signed the Report of Commissioners, the City shall file it with the District Court. Subject to the contingency in Paragraph 4 of this Agreement, the Parties agree not to appeal this Agreement, the Settlement Amount, or the award made in the Report of Commissioners.

4. **CONTINGENCY.** This Agreement is contingent on the filing of the Report of Commissioners awarding the Settlement Amount as specified in Paragraph 2 above, and on the expiration of the statutory appeal period without an appeal. All known respondents who may claim

an interest in the taking of the Property Interests will be given notice of the Commissioners' Hearing and of the filing of the Report of Commissioners. If any Third-Party Respondent objects to the entry of the Report of Commissioners, then this Stipulation shall terminate and Petitioner and Respondents each reserve their right to proceed with a contested Commissioners' Hearing on damages and to pursue appeals from the final award of Commissioners; PROVIDED that Owner may (at its option) (a) negotiate a resolution to any claim by a Third-Party Respondent ("**Third-Party Claim**") and secure a waiver or release reasonably satisfactory to the City of any Third-Party Claim ("**Third-Party Release**") or (b) bring any and all necessary motions to the Court seeking to secure an order from the Court disposing of or liquidating the claims of any other Third-Party Respondent ("**Third-Party Motion**"). The City agrees not to object to the Third-Party Motion. If Owner is successful in obtaining a Third-Party Release or in disposing of Third-Party Claims, then the City and Owner agree to be bound by this Agreement. If an appeal of the commissioners' award is filed within the statutory appeal period, this Agreement shall be null and void and both Parties agree to proceed to conduct a de novo jury trial before the Minnesota District Court.

5. **PAYMENT OF SETTLEMENT AMOUNT.** Within 15 business days after expiration of the 40-day appeal period following the filing of the Report of Commissioners without Third-Party Claims, or upon entry of a final judgment as provided in Paragraph 4 above (after the Owner obtains either a Third-Party Release or disposes of Third-Party Claims) the City shall pay the Settlement Amount by issuing a check payable to "BCK Enterprises, LLC" and delivering it to the Owner at the following address: BCK Enterprises, Attn: Greg Heck, 563 Phalen Blvd., St. Paul, MN 55130.

6. **QUICK TAKE DEPOSIT.** The Owner hereby assigns to the City all of its right, title and interest in the Quick-Take Deposit. The City may apply to the Court at any time after the

delivery of the Settlement Check, and resolution of any Third-Party Claims, for disbursement to the City of the Quick-Take Deposit, together with any interest that has accrued thereon, without further notice to the Respondents. The City and the Respondents hereby agree to the entry of a Court order directing disbursement to the City alone of the Quick-Take Deposit, together with any interest that has accrued thereon.

7. WAIVER OF HEARING RIGHTS. In consideration of this Agreement and settlement, the Parties agree to waive any rights they may have to a hearing before the Commissioners to determine just compensation and waive any rights to appeal an award of just compensation damages awarded consistent with a Commissioner's Report awarding the Settlement Amount, except as otherwise provided in Paragraph 4 of this Agreement.

8. ENTIRE AGREEMENT & WAIVER. Owner agrees that this Agreement, upon completion of conditions and satisfaction of contingencies, if any, fully and finally settles all claims that were made or could have been made in the Condemnation Action, including attorney's fees, interest, litigation expenses, appraisal fees, and other expert fees and related costs. Owner agrees that payment and acceptance of the Settlement Amount constitutes full accord and satisfaction for all claims for damages, past, present, and future, of any kind or nature, occasioned by the taking, that were made or could have been made in the Condemnation Action, including without limitation for construction interference damages, and all damages, if any, to the remaining lands owned by Owner, and are hereby intending to forever settle all claims that were made or could have been made in the Condemnation Action.

9. ADDITIONAL CITY OBLIGATIONS. After issuance of the Report of Commissioners and expiration of the statutory appeal period, the City will file a Final Certificate

in this action and record a discharge of notice of *Lis Pendens* with respect to the Property Interests in the Office of the Hennepin County Recorder or Registrar of Titles.

10. BINDING EFFECT AND CAPACITY TO SIGN. The persons signing this Agreement in their representative capacities represent and warrant by signing this Agreement that it is their intent to bind their respective principals to the terms and conditions set forth herein, that the persons signing in their representative capacity have been authorized to bind their respective principals to such terms, and that it is the respective principals' intent to be so bound.

11. CITY COUNCIL APPROVAL. This Agreement is contingent upon approval of the City Council of the City of Brooklyn Center.

12. VOLUNTARY EXECUTION. Owner has either consulted or had the opportunity to consult with an attorney prior to executing this Agreement. The undersigned state and represent that they have fully read this Agreement, and that each know and understand the consequences and legal effect thereof. This Agreement contains the entire agreement of the Parties with regard to the matters set forth herein.

13. ATTORNEY FEES. The parties shall be responsible for their own attorneys' fees associated with this matter.

14. MODIFICATIONS. This Agreement may only be amended in writing and signed by each party.

15. COUNTERPARTS. This Agreement may be executed in counterparts which, taken together, shall constitute one agreement.

IN WITNESS WHEREOF, the parties, intending to be legally bound, execute this Stipulation as of the corresponding date written below.

{Remainder of Page Intentionally Left Blank; Signature Pages to Follow}

{Petitioner's Signature Page to Stipulation of Settlement Agreement for Parcel 45}

Dated: _____, 2023

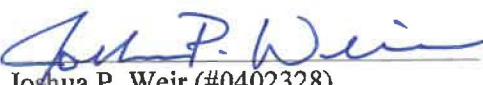
CITY OF BROOKLYN CENTER

By: _____,
_____, Mayor

ATTEST: _____
City Clerk

Dated: Sept. 26, 2023.

KENNEDY & GRAVEN, CHARTERED

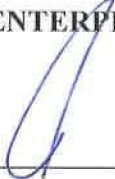
By: 
Joshua P. Weir (#0402328)
150 South Fifth Street, Suite 700
Minneapolis, MN 55402
(612) 337-9219
jweir@kennedy-graven.com

ATTORNEYS FOR PETITIONER

{ Owner's Signature Page to Stipulation of Settlement Agreement for Parcel 45 }

Dated: 09/23, 2023.

BCK ENTERPRISES, LLC

By:  _____

Its: Muney _____

EXHIBIT A

Parcel No. 45: Property I.D. 34-119-21-42-0032, Torrens Certificate No. 1356688

Property Address: 6330 Brooklyn Boulevard, Brooklyn Center, MN 55429

Description of Subject Property:

Lot 2, Block 1, Rainbows Garden City Second Addition, Hennepin County, Minnesota.

("Subject Property").

Description of Permanent Easement:

A perpetual easement for drainage, utility, sidewalk and trail purposes over, under, across and through part of the Subject Property.

Said perpetual easement being the West 55.00 feet of the most southerly 8.00 feet of said Lot 2.

Description of Temporary Construction Easement:

A temporary easement for construction purposes over, under, across and through part of the Subject Property.

Said temporary easement being the West 35.00 feet of the North 10.00 feet of the most southerly 18.00 feet of said Lot 2.

Together with a temporary easement for construction purposes over, under, across and through that part of the West 16.00 feet of said Lot 2 lying northerly of the northerly line of Lot 1, said Block 1 and lying southerly of the south line of Lot 1, Block 1, RAINBOWS GARDEN CITY ADDITION.

Together with a temporary easement for construction purposes over, under, across and through that part of said Lot 2 described as commencing at the northwest corner of said Lot 2; thence southeasterly along the west line of said Lot 2 a distance of 51.00 feet to the point of beginning of said temporary easement; thence northeasterly deflecting to the left 90 degrees 00 minutes 00 seconds a distance of 14.50 feet; thence southeasterly deflecting to the right 90 degrees 00 minutes 00 seconds a distance of 61.00 feet to the northerly line of said Lot 1, Block 1, RAINBOWS GARDEN CITY ADDITION; thence southwesterly along said northerly line a distance of 14.50 feet to the west line of said Lot 2; thence northerly along said west line a distance of 61.00 feet to the point of beginning.

Term of Temporary Easement: Said temporary easement set to expire November 30, 2022.

Subject to easements of record, except as taken herein.

Acquired or Encumbered Interests:

NAME	NATURE OF INTEREST
BCK Enterprises, LLC, a Minnesota limited liability company	Owner
AutoZone Development Corporation, a Nevada corporation	Parking and Driveway Easement
Sun Foods, Inc. d/b/a Sun Foods Supermarket, a Minnesota corporation	Tenant Parking and Driveway Easement
Femon Travel & Tours LTD, a Minnesota corporation	Tenant Parking and Driveway Easement
Dollar Tree Stores, Inc., a Virginia corporation	Tenant Parking and Driveway Easement
Walgreen Co., an Illinois corporation	Parking and Driveway Easement
EJA Trust – Brooklyn, LLC, a Minnesota limited liability company	Parking and Driveway Easement
Frandsen Bank & Trust	Mortgagee

Notwithstanding the foregoing attempt to identify all interests held by a party named herein, it is Petitioner's intention to acquire or encumber all interests owned or claimed by the named respondents in the Subject Property within the taking areas described above.

EXHIBIT B

Form of Report of Commissioners

[Attached]

STATE OF MINNESOTA
COUNTY OF HENNEPIN

IN DISTRICT COURT
FOURTH JUDICIAL DISTRICT
Case Type: Condemnation

The City of Brooklyn Center, a municipal corporation
under Minnesota law,

Court File No. 27-CV-20-15230
Judge: Susan N. Burke

Petitioner,

vs.

WSK Professional Bldg., L.L.C. et al.,

**REPORT OF COMMISSIONERS
PARCEL 45**

Respondents.

We, the undersigned Commissioners, appointed in this matter by Order of this
Court, do hereby report as follows:

I.

We met as directed by this Court and each took the oath prescribed by law.

II.

After notice, we viewed the property identified as Parcel 45 described on Exhibit A of the
Order Approving Petition and Transfer of Title and Possession ("Order") as to Parcel 45, filed on
February 23, 2021.

III.

After notice of meeting and an opportunity for possible claimants to be heard, we make the
below award for damages as to Parcel 45 arising from the Order. The award is based on the
commissioners viewing of said real estate and the Stipulation of Settlement for Parcel 45, attached
hereto as Exhibit A, which we received and accepted.

We heard no testimony relative to this taking nor reviewed any appraisal or other

evidence of fair market value or damages related to the taking, other than the Stipulation,

Exhibit A:

TO: BCK Enterprises, LLC	\$25,000.00
TO: AutoZone Development Corporation	0
TO: Sun Foods Inc., d/b/a Sun Foods Supermarket	0
TO: Femon Travel & Tours LTD	0
TO: Dollar Tree Stores, Inc.	0
TO: Walgreen Co.	0
TO: EJA Trust – Brooklyn, LLC	0
TO: Frandsen Bank & Trust	0
TO: All other parties unknown, together with unknown successors, assigns, heirs, devisees and spouses, if any	0

TOTAL DAMAGES TO ALL PARTIES: \$25,000.00

The foregoing award assumes that the above-referenced property is free of all pollutants, contaminants and hazardous wastes. We have not assessed any damages for the presence of pollutants, contaminants, and hazardous wastes on the subject property. This award is made with the express understanding that the Petitioner, the City of Brooklyn Center, has reserved all rights to recover damages, testing costs and cleanup-costs attributable to the existence of pollutants, contaminants or other hazardous wastes on the property from the Respondents in a separate legal action.

Dated: _____, 2023

Joel Seltz, Commissioner

Dated: _____, 2023

Richard Black, Commissioner

Dated: _____, 2023

Craig Harrington, Commissioner

Council Regular Meeting

DATE: 10/9/2023

TO: City Council

FROM: Dr. Reggie Edwards, City Manager

THROUGH: Elizabeth Heyman, Director of Public Works

BY: Kory Andersen, Public Works Planner

SUBJECT: Resolution Authorizing the Application and Execution of Agreement to Develop Basketball Facilities Under the Provisions of the Hennepin Youth Activities Grants Program

Requested Council Action:

- Motion to approve a resolution authorizing the application and execution of the agreement to develop basketball facilities under the provisions of the Hennepin Youth Activities Grants program.

Background:

Background:

City staff recommends applying for a grant to expand the 2024 capacity to repave and replace basketball courts. The attached resolution is required to apply for the Hennepin Youth Activities Grants program. The application is a collaborative effort between Public Works and Recreation staff.

As part of the City's adopted Capital Improvement Program (CIP), staff are recommending repaving and replacing the basketball courts and standards at:

- Bellvue Park
- Happy Hollow Park
- Orchard Lane Park

City staff identified these three courts as needing replacement and upgrade based on existing conditions and observed higher resident utilization.

The grant request for \$145,000, matched with \$36,392 Capital Project Funds from the adopted CIP, would allow the City to repave the three courts, paint the surfaces to extend the life of the new asphalt, paint new lines, and install new basketball standards. The total cost is \$181,392. While Happy Hollow and Orchard Lane's courts would be replaced at their existing footprint, Bellvue Park would be upgraded and built to a larger size to support full court games and increase recreation offerings. Bellvue was chosen for an upgrade due to the court's poor existing condition, high resident usage, and because the existing site has enough space to easily accommodate a larger court.

The table below shows the estimated project costs for each park.

<u>Park</u>	<u>Asphalt Removal and Install</u>	<u>Painted Surface and Lines</u>	<u>Standards and Install</u>	<u>Total</u>
Bellvue	\$82,000*	\$8,000	\$4,797	\$94,797

Happy Hollow	\$30,500	\$8,000	\$4,797	\$43,297
Orchard Lane	\$30,500	\$8,000	\$4,797	\$43,297
Total	\$143,000	\$24,000	\$14,391	\$181,391

** The additional cost for Bellvue is due to needing to remove dirt and sod around the existing footprint of the court and to add new base material.*

Hennepin County Youth Sports Program:

Hennepin Youth Sports Grants are an initiative of the Hennepin Youth Activities Grants program. These grants are awarded to local governments to improve youth access to sports and recreational activities. The equipment, facilities, and play spaces grants are administered by contract through the Minnesota Amateur Sports Commission, which evaluates the applications and provides recommendations to the Hennepin County Board of Commissioners.

Budget Issues:

Inclusive Community Engagement:

Antiracist/Equity Policy Effect:

Strategic Priorities and Values:

Enhanced Community Image

ATTACHMENTS:

Description	Upload Date	Type
Resolution	10/3/2023	Resolution Letter

Member _____ introduced the following resolution and move its adoption

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE APPLICATION AND EXECUTION OF AGREEMENT FOR
THE HENNEPIN YOUTH FACILITY AND PLAY SPACES GRANT

WHEREAS, the Hennepin County Board of Commissioners, via the Hennepin Youth Activities Grants, provides for capital funds to assist local government units of Hennepin County for the development of sports or recreational facilities, and;

WHEREAS, The City of Brooklyn Center desires to repave and install basketball hoops at Bellvue, Happy Hollow, and Orchard Lane Parks.

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

- i. The estimate of the total cost of repaving and installing basketball hoops at Bellvue, Happy Hollow, and Orchard Lane Parks shall be \$181,392. The City of Brooklyn Center is requesting \$145,000 from the Hennepin Youth Activities Grants Program and will assume responsibility for providing matching funds of \$36,392.
- ii. The City of Brooklyn Center is the owner of the property where the basketball courts are located. The City will own the property where the basketball courts are located for at least the functional life of the facility, which is estimated to be 20 years. The basketball courts at Bellvue, Happy Hollow, and Orchard Lane Parks may not be converted to a non-public or non-recreational use within this time period without the approval of Hennepin County.
- iii. The City of Brooklyn Center agrees to assume one hundred (100) percent of operational and maintenance costs for the basketball courts at Bellvue, Happy Hollow, and Orchard Lane Parks. The City of Brooklyn Center will operate the basketball courts for its intended purpose as stated in the application for the functional life of the facility.
- iv. The City of Brooklyn Center agrees to enter into necessary and required agreements with Hennepin County for the specific purpose of developing the basketball courts at Bellvue, Happy Hollow, and Orchard Lane Parks and managing the long-term operations.
- v. The Public Works Director is authorized and directed to execute the application for the Hennepin Youth Activities Grants Program.

Date

Mayor

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.

CERTIFICATION

I hereby certify that the foregoing resolution is a true and correct copy of the resolution presented to and adopted by the City of Brooklyn Center at a duly authorized meeting thereof held on the _____ day of _____, 2023, as shown by the minutes of said meeting in my possession.

Public Works Director

Council Regular Meeting

DATE: 10/9/2023

TO: City Council

FROM: Dr. Reggie Edwards, City Manager

THROUGH: Elizabeth Heyman, Director of Public Works

BY: Ahmed Omer, P.E., City Engineer

SUBJECT: Resolution Approving Change Order No. 1, Accepting Work Performed and Authorizing Final Payment, Project No. 2021-18, Lift Station No. 8 Rehabilitation Project

Requested Council Action:

- Motion to approve a resolution Approving Change Order No. 1 and Accepting Work Performed and Authorizing Final Payment, Improvement Project No. 2021-18, Lift Station 8 Rehabilitation Project.

Background:

On November 22, 2021, the City Council awarded Project No. 2021-18 to Pember Companies, Inc. for the rehabilitation of Lift Station 8. Pember Companies, Inc. has successfully completed the construction work and is requesting final payment for the project.

Budget Issues:

The original contract amount with Pember Companies, Inc. for the lift station rehabilitation was \$302,175.00. The total value of work certified for final payment including Change Order No. 1 is \$309,158.10. The total project cost including contingencies/administration/engineering/legal is \$342,871.31 and was completed 10 percent under budget in the amount of \$39,647.69. 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	10/3/2023	Resolution Letter

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. _____

RESOLUTION APPROVING CHANGE ORDER NO. 1, ACCEPTING WORK PERFORMED AND AUTHORIZING FINAL PAYMENT, IMPROVEMENT PROJECT NO. 2021-18, LIFT STATION 8 REHABILITATION PROJECT

WHEREAS, pursuant to a written contract signed with the City of Brooklyn Center, Minnesota, Pember Companies, Inc. of Menomonie, Wisconsin has completed Improvement Project No. 2021-18, Lift Station 8 Rehabilitation Project.

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. 2021-18, Lift Station 8 Rehabilitation, taking the contractor's receipt in full. The total amount to be paid for said improvements under said contract shall be \$309,158.10.
2. The estimated project costs and revenues are hereby amended as follows:

<u>COSTS</u>	<u>per Low Bid</u>	<u>As Final</u>
Construction Contract	\$ 302,175.00	\$ 302,175.00
Change Order No. 1	0.0	\$ 6,983.10
CenterPoint Energy	0.0	\$ 2,216.00
Engineering and Administrative	\$ 40,344.00	\$ 31,497.21
<u>Contingency</u>	<u>\$ 40,000.00</u>	<u>\$ 0.0</u>
TOTAL	\$ 382,519.00	\$ 342,871.31

<u>REVENUES</u>	<u>As Awarded</u>	<u>As Final</u>
Sewer Fund	\$ 382,519.00	\$ 342,871.31

October 9, 2023

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: 10/9/2023

TO: City Council

FROM: Dr. Reggie Edwards, City Manager

THROUGH: Elizabeth Heyman, Director of Public Works

BY: Lydia Ener, P.E., Principal Engineer

SUBJECT: Ordinance Amendments to the Franchise Agreement with Xcel Energy

Requested Council Action:

- *Motion to approve the second reading of an ordinance implementing an electric franchise fee on Northern States Power Company, a Minnesota corporation, D/B/A Xcel Energy, its successors and assigns for providing electric service within the City of Brooklyn Center*
- *Motion to approve the second reading of an ordinance granting to Northern States Power Company, A Minnesota Corporation, D/B/A Xcel Energy, its successors and assigns, permission to construct, operate, repair and maintain in the City of Brooklyn Center, Minnesota, an electric distribution system and transmission lines, including necessary poles, lines, fixtures and appurtenances, for the furnishing of electric energy to the City, its inhabitants, and others, and to use the public grounds and public ways of the city for such purposes.*

Background:

The recommended Council action looks to update Brooklyn Center's existing agreement with Xcel Energy, that is set to expire in December 8, 2023, and ensure that the City has flexibility to change franchise fee amounts as needed in the future.

The right of way along city streets and alleys is public property. To connect homes and properties to gas, electric, telephone and other services, companies must run distribution lines on the public right of way. Communities negotiate franchise agreements with utility companies to identify the conditions under which those companies are allowed to use public property to provide service to local residents and businesses. Also, utility companies pay a fee to cities — negotiated through a franchise agreement — in exchange for use of the public right of way. This agreement and ordinance pertain to how the City manages this relationship specifically with Xcel Energy.

The recommended amendments would modify two resolutions adopted by the City Council on December 8, 2003, and modify an ordinance amendment adopted on July 8, 2019. These 2003, 2016, and 2019 Council actions set the existing Franchise Agreement and franchise fee rates with Xcel Energy. The ordinance has been amended from the first reading of the ordinance to reflect the most current fees revised in 2019.

The recommended franchise ordinances continue to allow the City to revise franchise fees or pursue additional franchise fees in the future. In addition, the franchise agreement does not limit the City's ability to utilize franchise fees as a funding mechanism in the future as a replacement for the existing Special Assessment Policy. The franchise agreement was reviewed by the City Attorney to ensure the City retains

the flexibility to support a move away from special assessments if the City Council supported this change in policy in the future.

Proposed Franchise Fee Ordinance Revisions

The changes to the existing Xcel franchise ordinances include:

- Removal of the majority of the fee provisions from the franchise ordinance/agreement to the stand-alone fee ordinance. This will make it less cumbersome to change fees in the future as it would only require the amendment of the fee ordinance and not both ordinances.
- Addition of a continuation provision at Section 2.6 of the franchise ordinance. This allows for the short-term extension of the franchise at the end of the term in the event the parties need additional time to prepare the new franchise.
- Removal of the bond requirements in Section 3.4. This brings the ordinance in line with City Code and was a priority for Xcel Energy.
- Addition of mapping information in Section 3.8.
- Generally amended language to cite and coordinate with State administrative rules.
- In the indemnification provision in Section 6.1, tied a “hazardous” request from the City to industry standards as opposed to Xcel unilaterally making that determination.

Proposed Process and Next Steps

It is recommended that the City Council conduct the second reading of the ordinance and conduct a Public Hearing at the October 9, 2023 City Council Meeting.

Budget Issues:

There are no budget issues to consider.

Inclusive Community Engagement:

N/A

Antiracist/Equity Policy Effect:

N/A

Strategic Priorities and Values:

Safe, Secure, Stable Community

ATTACHMENTS:

Description	Upload Date	Type
DOCSOPEN-#896800-v1-Electric_Franchise_Ordinance publication	10/2/2023	Ordinance
DOCSOPEN-#896799-v1-Electric_Franchise_Fee_Ordinance publication	10/2/2023	Ordinance

CITY OF BROOKLYN CENTER

Notice is hereby given that a public hearing will be held on the 9th day of October, 2023, at 7:00 p.m. or as soon thereafter as the matter may be heard during the regular City Council meeting at City Hall, 6301 Shingle Creek Parkway to consider an ordinance granting Northern States Power Company a franchise to construct, operate, repair and maintain an electric distribution system and transmission lines in Brooklyn Center and to use public ways and grounds for such purposes.

Auxiliary aids for persons with disabilities are available upon request at least 96 hours in advance. Please notify the City Clerk at 763-569-3306 to make arrangements.

ORDINANCE NO. 2023-09

AN ORDINANCE GRANTING TO NORTHERN STATES POWER COMPANY, A MINNESOTA CORPORATION, D/B/A XCEL ENERGY, ITS SUCCESSORS AND ASSIGNS, PERMISSION TO CONSTRUCT, OPERATE, REPAIR AND MAINTAIN IN THE CITY OF BROOKLYN CENTER, MINNESOTA, AN ELECTRIC DISTRIBUTION SYSTEM AND TRANSMISSION LINES, INCLUDING NECESSARY POLES, LINES, FIXTURES AND APPURTENANCES, FOR THE FURNISHING OF ELECTRIC ENERGY TO THE CITY, ITS INHABITANTS, AND OTHERS, AND TO USE THE PUBLIC GROUNDS AND PUBLIC WAYS OF THE CITY FOR SUCH PURPOSES.

THE CITY COUNCIL OF THE CITY OF BROOKLYN CENTER DOES ORDAIN AS FOLLOWS:

SECTION 1. DEFINITIONS.

For purposes of this Ordinance, the following capitalized terms listed in alphabetical order shall have the following meanings:

- 1.1 **City.** The City of Brooklyn Center, County of Hennepin, State of Minnesota.
- 1.2 **City Utility System.** Facilities used for providing public utility service owned or operated by the City or agency thereof, including sewer, storm sewer and water service, but excluding facilities for providing heating, lighting or other forms of energy.
- 1.3 **Commission.** The Minnesota Public Utilities Commission, or any successor agency or agencies, including an agency of the federal government, which preempts all, or part of the authority to regulate electric retail rates now vested in the Minnesota Public Utilities Commission.
- 1.4 **Company.** Northern States Power Company, a Minnesota corporation, d/b/a Xcel Energy its successors and assigns, including all successors or assignees that own or operate any part or parts of the Electric Facilities subject to this Franchise.

1.5 **Electric Facilities.** Electric transmission and distribution towers, poles, lines, guys, anchors, conduits, fixtures, and necessary appurtenances owned or operated by Company for the purpose of providing electric energy for public use.

1.6 **Notice.** A written notice served by one party on the other party referencing one or more provisions of this Ordinance. Notice to Company shall be mailed to the General Counsel, 401 Nicollet Mall, 8th Floor, Minneapolis, MN 55401. Notice to the City shall be mailed to the City Clerk, 6301 Shingle Creek Parkway, Brooklyn Center, MN 55430. Either party may change its respective address for the purpose of this Ordinance by written notice to the other party.

1.7 **Ordinance.** This electric franchise ordinance, also referred to as the Franchise.

1.8 **Public Ground.** Land owned or otherwise controlled by the City for park, open space or similar purpose, which is held for use in common by the public.

1.9 **Public Way.** Any street, alley, walkway or other public right-of-way within the City.

SECTION 2. ADOPTION OF FRANCHISE.

2.1 **Grant of Franchise.** City hereby grants Company, for a period of twenty (20) years from the date this Ordinance is passed and approved by the City, the right to transmit and furnish electric energy for light, heat, power and other purposes for public and private use within and through the limits of the City as its boundaries now exist or as they may be extended in the future. For these purposes, Company may construct, operate, repair and maintain Electric Facilities in, on, over, under and across the Public Ways and, as may be provided by separate instrument, Public Grounds of City, subject to the provisions of this Ordinance. Company may do all reasonable things necessary or customary to accomplish these purposes, subject, however, to such reasonable regulations as may be imposed by the City pursuant to ordinance and to the further provisions of this Ordinance.

2.2 **Effective Date; Written Acceptance.** This Franchise shall be in force and effect from and after passage of this Ordinance and its publication as required by law. The City, by Council resolution, may revoke this Franchise if Company does not file a written acceptance with the City within 90 days after publication.

2.3 **Service and Rates.** The service to be provided and the rates to be charged by Company for electric service in City are subject to the jurisdiction of the Commission. The area within the City in which Company may provide electric service is the area approved by the Commission pursuant to the provisions of Minnesota Statutes, Section 216B.40.

2.4 **Publication Expense.** The expense of publication of this Ordinance will be paid by City and reimbursed to City by Company within thirty (30) days.

2.5 **Dispute Resolution.** If either party asserts that the other party is in default in the performance of any obligation hereunder, the complaining party shall notify the other party of the default and the desired remedy. The notification shall be written. Representatives of the parties must promptly meet and attempt in good faith to negotiate a resolution of the dispute. If the dispute is not resolved within thirty (30) days of the written notice, the parties may jointly select a mediator to

facilitate further discussion. The parties will equally share the fees and expenses of this mediator. If a mediator is not used, or if the parties are unable to resolve the dispute within thirty (30) days after first meeting with the selected mediator, either party may commence an action in District Court to interpret and enforce this Franchise or for such other relief as may be permitted by law or equity.

2.6 Continuation of Franchise. If the City and Company are unable to agree on the terms of a new franchise by the time this Franchise expires, this Franchise will remain in effect until a new franchise is agreed upon, or until 90 days after the City or Company serves written Notice to the other party of its intention to allow the Franchise to expire, but in no event shall this Franchise continue for more than one year after expiration of the 20-year term set forth in Section 2.1.

SECTION 3. LOCATION, OTHER REGULATIONS.

3.1 Location of Facilities. Electric Facilities shall be located, constructed and maintained so as not to interfere with the safety and convenience of ordinary travel along and over Public Ways and so as not to disrupt normal operation of any City Utility System previously installed therein. Electric Facilities may be located on Public Grounds as determined by the City. Company's construction, reconstruction, operation, repair, maintenance, location and relocation of Electric Facilities shall be subject to permits if required by separate ordinance and to other reasonable regulations of the City to the extent not inconsistent with the terms of this Franchise. Company may abandon underground Electric Facilities in place, provided at the City's request, Company at its own expense will remove abandoned Electric Facilities interfering with a City improvement project.

3.2 Field Locations. Company shall provide field locations for its underground Electric Facilities within City consistent with the requirements of Minnesota Statutes, Chapter 216D.

3.3 Street Openings. Company shall not open or disturb any Public Ground or Public Way for any purpose without first having obtained a permit from the City, if required by a separate ordinance, for which the City may impose a reasonable fee, subject to Section 9.1 of this Franchise. Permit conditions imposed on Company shall not be more burdensome than those imposed on other utilities for similar facilities or work. Company may, however, open and disturb any Public Ground or Public Way without permission from the City where an emergency exists requiring the immediate repair of Electric Facilities. In such event Company shall notify the City by telephone to the office designated by the City as soon as practicable. Not later than the second working day thereafter, Company shall obtain any required permits and pay any required fees.

3.4 Restoration. After undertaking any work requiring the opening of any Public Ground or Public Way, Company shall restore the same, including paving and its foundation, to as good a condition as formerly existed, and in accordance with Minnesota Rules, part 7819.1100, and shall maintain any paved surface in good condition for one (1) year thereafter. The work shall be completed as promptly as weather permits, and if Company shall not promptly perform and complete the work, remove all dirt, rubbish, equipment and material, and put the Public Ground or Public Way in the said condition, the City shall have, after demand to Company to cure and the passage of a reasonable period of time following the demand, but not to exceed five (5) days, the right to make the restoration at the expense of Company. Company shall pay to the City the cost of such work done for or performed by the City. This remedy shall be in addition to any other remedy available to the City for noncompliance with this Section 3.4, but the City hereby shall not require Company to post a

construction performance bond, certificate of insurance, letter of credit or other security in favor of the City as a condition of the City's permission to install, replace or maintain facilities in a Public Way or Public Ground.

3.5 Avoid Damage to Electric Facilities. Nothing in this Ordinance relieves any person, including Company, from liability arising out of the failure to exercise reasonable care to avoid damaging Electric Facilities while performing any activity.

3.6 Notice of Improvements. The City must give Company reasonable notice of plans for improvements to Public Grounds or Public Ways where the City has reason to believe that Electric Facilities may affect or be affected by the improvement. The notice must contain: (i) the nature and character of the improvements, (ii) the Public Grounds and Public Ways upon which the improvements are to be made, (iii) the extent of the improvements, (iv) the time when the City will start the work, and (v) if more than one Public Ground or Public Way is involved, the order in which the work is to proceed. The notice must be given to Company a sufficient length of time in advance of the actual commencement of the work to permit Company to make any necessary additions, alterations or repairs to its Electric Facilities.

3.7 Shared Use of Poles. Company shall make space available on its poles or towers for City fire, water utility, police or other City facilities upon terms and conditions acceptable to Company whenever such use will not interfere with the use of such poles or towers by Company, by another electric utility, by a telephone utility, or by any cable television company or other form of communication company. In addition, the City shall pay for any added cost incurred by Company because of such use by City.

3.8 Mapping Information. Company shall provide mapping information for any of its underground Electric Facilities in accordance with Minnesota Rules, parts 7819.4000 and 7819.4100.

SECTION 4. RELOCATIONS.

4.1 Relocation of Electric Facilities in Public Ways. In accordance with Minnesota Rules, part 7819.3100, Company shall relocate its Electric Facilities at its own expense, with due regard for seasonal working conditions, when it is necessary to prevent interference in connection with: (1) a public project involving Public Ways; (2) the public health or safety, or (3) the safety and convenience of travel over the Public Ways. The City shall give Company reasonable notice of plans to vacate for a City improvement project, or to grade, regrade, or change the line of any Public Way or to construct or reconstruct any City Utility System. If a relocation is ordered within five years of a prior relocation of the same Electric Facilities, which was made at Company expense, the City shall reimburse Company for non betterment costs on a time and material basis, provided that if a subsequent relocation is required because of the extension of a City Utility System to a previously unserved area, Company may be required to make the subsequent relocation at its expense. Nothing in this Ordinance requires Company to relocate, remove, replace or reconstruct at its own expense its Electric Facilities where such relocation, removal, replacement or reconstruction is solely for the convenience of the City and is not reasonably necessary for the construction or reconstruction of a Public Way or City Utility System or other City improvement.

4.2 Relocation of Electric Facilities in Public Ground. City may require Company, at Company's expense, to relocate or remove its Electric Facilities from Public Ground upon a finding by City that the Electric Facilities substantially impair the existing or proposed public use of the Public Ground. Such relocation shall comply with applicable City ordinances.

4.3 Projects with Federal Funding. City shall not order Company to remove or relocate its Electric Facilities when a Public Way is vacated, improved or realigned for a right-of-way project or any other project which is financially subsidized in whole or in part by the Federal Government or any agency thereof, unless the reasonable non-betterment costs of such relocation are first paid to Company. The City is obligated to pay Company only for those portions of its relocation costs for which City has received federal funding specifically allocated for relocation costs in the amount requested by the Company, which allocated funding the City shall specifically request. Relocation, removal or rearrangement of any Company Electric Facilities made necessary because of a federally-aided highway project shall be governed by the provisions of Minnesota Statutes, Section 161.46, as supplemented or amended.

4.4 No Waiver. The provisions of this Franchise shall not be construed to waive or modify any rights obtained by Company for installations within a Company easement or prescriptive right established before the applicable Public Ground or Public Way was established, or Company's rights under state or county permit.

SECTION 5. TREE TRIMMING.

Company may trim all trees and shrubs in the Public Grounds and Public Ways of City to the extent Company finds necessary to avoid interference with the proper construction, operation, repair and maintenance of any Electric Facilities installed hereunder, provided that Company shall save the City harmless from any liability arising therefrom, and subject to permit or other reasonable regulation by the City.

SECTION 6. INDEMNIFICATION.

6.1 Indemnity of City. Company shall indemnify, keep and hold the City free and harmless from any and all liability on account of injury to persons or damage to property occasioned by the construction, maintenance, repair, inspection, the issuance of permits, or the operation of the Electric Facilities located in the Public Grounds and Public Ways. The City shall not be indemnified for losses or claims occasioned through its own negligence except for losses or claims arising out of or alleging the City's negligence as to the issuance of permits for, or inspection of, Company's plans or work. Nothing herein shall be deemed to constitute a waiver by City of any defenses, immunities, or limitations on liability under Minnesota Statutes, Chapter 466. The City shall not be indemnified if the injury or damage results from the performance in a proper manner, or acts reasonably deemed hazardous according to industry standards, and such performance is nevertheless ordered or directed by City after notice of Company's determination.

6.2 Defense of City. In the event a suit is brought against the City under circumstances where this agreement to indemnify applies, Company at its sole cost and expense shall defend the City in such suit if written notice thereof is promptly given to Company within a period wherein Company is not prejudiced by lack of such notice. If Company is required to indemnify and defend,

it will thereafter have control of such litigation, but Company may not settle such litigation without the consent of the City, which consent shall not be unreasonably withheld. This section is not, as to third parties, a waiver of any defense or immunity otherwise available to the City and Company, in defending any action on behalf of the City, shall be entitled to assert in any action every defense or immunity that the City could assert in its own behalf.

SECTION 7. VACATION OF PUBLIC WAYS.

The City shall give Company at least two (2) weeks prior written notice of a proposed vacation of a Public Way. The City and Company shall comply with Minnesota Rules, part 7819.3200 and applicable ordinances consistent with law. Except where required for a City improvement project, the vacation of any Public Way, after the installation of Electric Facilities, shall not operate to deprive Company of its rights to operate and maintain such Electric Facilities. In no case, however, shall City be liable to Company for failure to specifically preserve a right-of-way under Minnesota Statutes, Section 160.29.

SECTION 8. CHANGE IN FORM OF GOVERNMENT.

Any change in the form of government of the City shall not affect the validity of this Ordinance. Any governmental unit succeeding the City shall, without the consent of Company, succeed to all of the rights and obligations of the City provided in this Ordinance.

SECTION 9. FRANCHISE FEE.

9.1 **Fee Schedule.** During the term of the Franchise hereby granted, and in lieu of any permit or other fees being imposed on Company, the City may impose on Company a franchise fee by collecting the amounts indicated in a Fee Schedule set forth in a separate ordinance from each customer in the designated Company Customer Class.

If the City elects to amend the existing franchise fee, it shall notify Company. The fee shall be set forth in a separate ordinance and not be adopted until at least 90 days after Notice enclosing such proposed ordinance has been served upon the Company by certified mail. If the City and Company are unable to agree on a franchise fee or on any terms related thereto, Section 2.5 shall constitute the sole process for solving such dispute regarding fee amount and associated amendment to the separate franchise fee ordinance. City and Company expressly reserve all rights concerning franchise fees and related issues and this paragraph is not intended, and shall not be construed, as a waiver of any such rights.

SECTION 10. PROVISIONS OF ORDINANCE.

10.1 **Severability.** Every section, provision, or part of this Ordinance is declared separate from every other section, provision, or part and if any section, provision, or part shall be held invalid, it shall not affect any other section, provision, or part. Where a provision of any other City ordinance conflicts with the provisions of this Ordinance, the provisions of this Ordinance shall prevail.

10.2 Limitation on Applicability. This Ordinance constitutes a franchise agreement between the City and Company as the only parties, and no provision of this franchise shall in any way inure to the benefit of any third person (including the public at large) as a third party beneficiary of the agreement or of any one or more of the terms hereof, or otherwise give rise to any cause of action in any person not a party hereto.

SECTION 11. AMENDMENT PROCEDURE.

Either party to this Franchise may at any time propose that the Ordinance be amended to address a subject of concern and the other party will consider whether it agrees that the amendment is mutually appropriate. If an amendment is agreed upon, this Ordinance may be amended at any time by the City passing a subsequent ordinance declaring the provisions of the amendment, which amendatory ordinance shall become effective upon the filing of Company's written consent thereto with the City Clerk within 90 days after the date of final passage by the City of the amendatory ordinance and its publication as required by law.

SECTION 12. PREVIOUS FRANCHISES SUPERSEDED.

This Franchise supersedes Ordinance No.'s 97-09 and 2003-24, the previous electric franchise and amendment granted to Company or its predecessor.

April Graves
Mayor

ATTEST: Barb Suci
City Clerk

Date of Publication: September 28, 2023

CITY OF BROOKLYN CENTER

Notice is hereby given that a public hearing will be held on the 9th day of October, 2023, at 7:00 p.m. or as soon thereafter as the matter may be heard during the regular City Council meeting at City Hall, 6301 Shingle Creek Parkway to consider an electric franchise fee ordinance.

Auxiliary aids for persons with disabilities are available upon request at least 96 hours in advance. Please notify the City Clerk at 763-569-3306 to make arrangements.

ORDINANCE NO. 2023-08

AN ORDINANCE IMPLEMENTING AN ELECTRIC FRANCHISE FEE ON NORTHERN STATES POWER COMPANY, A MINNESOTA CORPORATION, D/B/A XCEL ENERGY, ITS SUCCESSORS AND ASSIGNS FOR PROVIDING ELECTRIC SERVICE WITHIN THE CITY OF BROOKLYN CENTER

THE CITY COUNCIL OF THE CITY OF BROOKLYN CENTER DOES ORDAIN AS FOLLOWS:

SECTION 1. The City Code of the City of Brooklyn Center is hereby amended to include reference to the following Special Ordinance.

Subdivision 1. Purpose. The Brooklyn Center City Council has determined that it is in the best interest of the City to impose a franchise fee on those public utility companies that provide electric services within the City of Brooklyn Center.

- (a) Pursuant to City Ordinance _____, a Franchise Agreement (“Franchise”) between the City of Brooklyn Center (“City”) and Northern States Power Company, a Minnesota corporation, d/b/a Xcel Energy (“Company”), its successors and assigns, the City has the right to impose a franchise fee on the Company, its successors and assigns, in an amount and fee design as set forth in Section 9 of the Northern States Power Company Franchise and in Subdivision 9 of this Ordinance.

Subdivision 2. Franchise Fee Statement. A franchise fee is hereby imposed on the Company, its successors and assigns, under its electric franchise in accordance with the schedule attached here to and made a part of this Ordinance, commencing with the Xcel Energy’s _____, 20__ billing month.

This fee is an account-based fee on each premise and not a meter-based fee. In the event that an entity covered by this Ordinance has more than one meter at a single premise, but only one account, only one fee shall be assessed to that account. If a premise has two or more meters being billed at different rates, the Company may have an account for each rate classification, which will result in more than one franchise fee assessment for electric service to that premise. If the Company combines the rate classifications into a single account, the franchise fee assessed to the account will be the largest franchise fee applicable to a single rate classification for energy delivered to that premise. In the event any entities covered by this ordinance have more than one premise, each premise (address) shall be subject to the appropriate fee. In the event a question arises as to the proper fee amount for any premise, the Company’s manner of billing for energy used at all similar premises in the City will control.

Subdivision 3. Payment. The franchise fee shall be payable quarterly and shall be based on the amount collected by Company during complete billing months during the period for which payment is to be made by imposing a surcharge equal to the designated franchise fee for the applicable customer classification in all customer billings for electric service in each class. The payment shall be due the last business day of the month following the period for which the payment is made. The franchise fee may be changed by ordinance from time to time; however, each change shall meet the same notice requirements and not occur more often than annually and no change shall require a collection from any customer for electric service in excess of the amounts specifically permitted by this Ordinance. The time and manner of collecting the franchise fee is subject to the approval of the Commission. No franchise fee shall be payable by Company if Company is legally unable to first collect an amount equal to the franchise fee from its customers in each applicable class of customers by imposing a surcharge in Company's applicable rates for electric service. Company may pay the City the fee based upon the surcharge billed subject to subsequent reductions to account for uncollectibles, refunds and correction of erroneous billings. Company agrees to make its records available for inspection by the City at reasonable times provided that the City and its designated representative agree in writing not to disclose any information which would indicate the amount paid by any identifiable customer or customers or any other information regarding identified customers.

Subdivision 4. Surcharge. The City recognizes that the Minnesota Public Utilities Commission may allow Company to add a surcharge to customer rates of city residents to reimburse Company for the cost of the fee.

Subdivision 5. Equivalent Fee Requirement. The separate ordinance imposing the fee shall not be effective against Company unless it lawfully imposes and the City monthly or more often collects a fee or tax of the same or greater equivalent amount on the receipts from sales of energy within the City by any other energy supplier, provided that, as to such a supplier, the City has the authority to require a franchise fee or to impose a tax. The "same or greater equivalent amount" shall be measured, if practicable, by comparing amounts collected as a franchise fee from each similar customer, or by comparing, as to similar customers the percentage of the annual bill represented by the amount collected for franchise fee purposes. If the Company specifically consents in writing to a franchise or separate ordinance collecting or failing to collect a fee from another energy supplier in contravention of this Subdivision 5, the foregoing conditions will be waived to the extent of such written consent.

Subdivision 6. Enforcement. Any dispute, including enforcement of a default regarding this ordinance will be resolved in accordance with Section 2.5 of the Franchise Agreement.

Subdivision 7. Effective Date of Franchise Fee. The effective date of this Ordinance shall be after its publication and ninety (90) days after the sending of written notice enclosing a copy of this adopted Ordinance to the Company by certified mail. Collection of the fee shall commence as provided above. Upon the effective date of this Ordinance, Ordinance No.'s 2003-22 and 2016-09 shall be repealed and replaced by this Ordinance.

Subdivision 8. Fee Review. The City Council may review this Ordinance from time to time to determine whether to continue, terminate or modify the fee. If the Council deems it to be in the City's best interest to continue the fee in its current form, no Council action is necessary. If the Council deems it to be in the City's best interest to terminate or modify the fee, the Council shall give Company at least ninety (90) days written notice prior to the proposed change. Subject to the City's rights under Minnesota

law, the City shall obtain the consent of Company to any proposed increase in the fee but may unilaterally decrease or terminate the fee.

Subdivision 9. Fee Schedule. The franchise fee shall be in an amount determined by applying the following schedule per customer premise/per month based on service to retail customers within the City:

<u>Class</u>	<u>Amount per month per premises</u>
Residential	\$1.65 per month
Small C & I – Non-Demand	\$4.25 per month
Small C & I – Demand	\$22.75 per month
Large C & I	\$103.00 per month
Public Street Lighting	\$13.50 per month
Municipal Pumping – Non-Demand	\$13.50 per month
Municipal Pumping – Demand	\$13.50 per month

Franchise fees are submitted to the City on a quarterly basis as follows:

January – March collections due by April 30.
April – June collections due by July 31.
July – September collections due by October 31.
October – December collections due by January 31.

April Graves
Mayor

ATTEST: Barb Suci
City Clerk

Date of Publication: September 28, 2023

Council Regular Meeting

DATE: 10/9/2023

TO: City Council

FROM: Dr. Reggie Edwards, City Manager

THROUGH: N/A

BY: Barb Suciu, Assistant City Manager/City Clerk

SUBJECT: 2024-2028 Strategic Plan and Priorities

Requested Council Action:

- motion to approve the 2024-2028 Strategic Plan and Strategic Priorities

Background:

The City Council, Department Heads, and members of the community have been collaborating on the 2024 Strategic Plan and Strategic Priorities. The group has been meeting monthly since May with the last meeting in September.

Tonight's presentation will include the City's:

- Mission (*defines the organizations reason for existence and purpose*)
- Vision (*what the organization aspires to be*)
- Values (*a sense of purpose and meaning for the organization*)
- Strategic Priorities (*guides to achieve our goals*)

Next steps for the process will include

- a "Goal Setting" session between the City Council and Department Heads.
- Double Dozen team creating action steps to accomplish the Goals set forth by Council and Department Heads.

Budget Issues:

- None

Inclusive Community Engagement:

Community participation in the process.

Antiracist/Equity Policy Effect:

Strategic Priorities and Values:

Enhanced Community Image, Safe, Secure, Stable Community, Customer Intimacy , Operational Excellence

ATTACHMENTS:

Description	Upload Date	Type
PowerPoint	10/4/2023	Presentation
Handout	10/4/2023	Backup Material

STRATEGIC PLAN

2024-2028



City Council Meeting, October 9, 2023
Barb Suci, Assistant City Manager/City Clerk

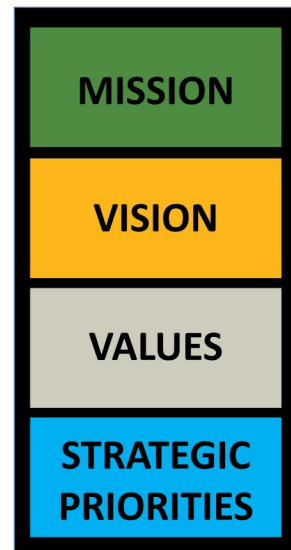
HISTORY

- The City completed a Strategic Planning process several times before with the last time being 2017.
- City Council and Department Heads.
- The current plan has six Strategic Priorities and two values.



What is a Strategic Plan?

- A strategic plan is a road map outlining an organization's long-term goals and strategies.
 - Help an organization clarify future direction
 - Establish priorities
 - Improve organizational performance



3

PROCESS

- In March 2023, the city launched a survey focused on the on our current Strategic Plan and Priorities. 643 individuals participated in the survey.
- In May, the City Council, Department Heads, and members of the community started on the journey of revising the Strategic Plan.
- The group met monthly May, June, July, August, and September to develop the new Vision, Mission, Values, and Strategic Priorities.



4

MISSION

Brooklyn Center actively provides a safe, welcoming and inclusive community.



5

VISION

In pursuit of our vision of one Brooklyn Center, the City will provide high-quality, equitable city services that demonstrate we are inclusive and welcoming. Through our actions, we will establish an engaged relationship with our community. This includes increasing the safety and well-being of our residents, City employees, businesses, and visitors while adding a wide range of economic development improvements. All this leads to a renewed sense of pride in the City and its physical condition and aesthetics.



6

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7

VALUES

SAFETY	COMMUNITY CENTERED	ACCOUNTABILITY	TRANSPARENCY	SUSTAINABILITY
We will commit resources to prevent and address the conditions leading to physical, psychological, or systemic harm for our community.	We are all members of our community. We value our diverse perspectives, voices, and strengths. We are innovative and collaborative in our approach to service and making informed decisions.	We will own and be responsible for our actions. We will be honest, ethical, and dependable.	Transparency leads to trust. We will be honest and open with our communication, business practices, and finances.	We are responsible to future generations and the world we leave them. We will be good stewards of resources and use them conservatively and wisely.



8

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9

STRATEGIC PRIORITIES							
Maintain a strong financial position	Maintain and enhance public places	Improve community and employee safety and prevention efforts	Provide quality services with fair and equitable treatment	Strengthen community and employee engagement in key decisions	Be an effective partner with other public entities	Strengthen and diversify business development and broad housing development	Strengthen employees experience



10

The plan to-date

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TRANSPARENCY

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SUSTAINABILITY

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STRATEGIC PRIORITIES

Maintain a strong financial position

Maintain and enhance public places

Improve community and employee safety and prevention efforts

Provide quality services with fair and equitable treatment

Strengthen community and employee engagement in key decisions

Be an effective partner with other public entities

Strengthen and diversify business development and broad housing development

Strengthen employees experience



11

Next Steps

- Develop Goals: (City Council and Department Heads)
- Develop Action Plans: (Double Dozen: Department Heads and Managers)
- Completion by January 1, 2024



12

QUESTIONS



13

MISSION

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Maintain and enhance public places

Improve community and employee safety and prevention efforts

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Strengthen community and employee engagement in key decisions

Be an effective partner with other public entities

Strengthen and diversify business development and broad housing development

Strengthen employees experience



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 be 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
- Motion to approve the September 25, 2023, minutes.

4. Commission Consideration Items

- a. Resolution Approving an Purchase Option Agreement with Resurrecting Faith World Ministries
- Motion to approve a resolution approving an Purchase Option Agreement with Resurrecting Faith World Ministries.

5. Adjournment

Economic Development Authority

DATE: 10/9/2023

TO: City Council

FROM: Dr. Reggie Edwards, City Manager

THROUGH: Reggie Edwards, Deputy City Manager

BY: Barb Suciu, City Clerk

SUBJECT: Approval of Minutes

Requested Council Action:

- Motion to approve the September 25, 2023, minutes.

Background:

Budget Issues:

N/A

Inclusive Community Engagement:

Antiracist/Equity Policy Effect:

Strategic Priorities and Values:

ATTACHMENTS:

Description	Upload Date	Type
9.25 Minutes	10/2/2023	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
SEPTEMBER 25, 2023
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 8:42 p.m.

2. ROLL CALL

President April Graves and Commissioners Marquita Butler, Dan Jerzak, and Teneshia Kragness. Commissioner Kris Lawrence-Anderson was absent and excused. Also present were City Manager Reggie Edwards, Community Development Director Jesse Anderson, Assistant City Manager/City Clerk Barb Suciu, and City Attorney Jason Hill.

3. APPROVAL OF AGENDA AND CONSENT AGENDA

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

3a. APPROVAL OF MINUTES

1. August 28, 2023 – Regular Session

3b. RESOLUTION APPROVING THE TERMINATION OF THE LEASE AGREEMENT AND RELOCATION ASSISTANCE AGREEMENT WITH OCEAN BUFFET AND ALATUS BROOKLYN CENTER

Motion passed unanimously.

4. COMMISSION CONSIDERATION ITEMS

4a. RESOLUTION APPROVING AN AGREEMENT BETWEEN METROPOLITAN COUNCIL AND THE ECONOMIC DEVELOPMENT AUTHORITY OF BROOKLYN CENTER FOR THE PARK AND RIDE LOT LOCATED AT THE INTERSECTION OF STATE TRUNK HIGHWAY 252 AND 66TH AVENUE NORTH

Executive Director Reggie Edwards introduced the item and invited Community Development Director Jesse Anderson to continue the Staff presentation.

Mr. Anderson explained that Hwy 252 and 66th Ave Park & Ride are currently served by express bus routes 766 and 768. Per the agreement, the Metropolitan Council may use up to 120 Parking Stalls of the 213 available at the site. Hours of use are Monday through Friday, during the hours of 5:00 a.m. and 7:00 p.m. The Metropolitan Council is responsible for snow removal and litter and garbage collection and disposal.

Mr. Anderson added the Metropolitan Council is also responsible for pothole and crack filling, seal coating, striping, and sweeping. The Metropolitan Council maintains the pedestrian connection between the Park and Ride location and the bus stop. The Metropolitan Council will annually pay the EDA \$3,500. The agreement is for five years; however, either party can cancel the agreement with 30 days' notice.

President Graves asked if the Metropolitan Council maintains the area well. Mr. Anderson confirmed the site is well-maintained. The only issue that arises is removing abandoned vehicles, which is rare.

President Graves pointed out the fee seems extremely cheap. She asked how the number was determined. Mr. Anderson stated the perk of the agreement doesn't lock the City down for an extended period, and the City doesn't have to maintain the site. The use has gone down quite a bit since COVID-19. However, he doesn't know the rates they pay elsewhere. Overall, it is an essential resource for public transit.

Commissioner Kragness asked if there had been an increase in the cost due to the inflation. Mr. Anderson stated the number has increased. In short, it is a low-risk agreement, and the relationship is important for the City to maintain. If the City were to request an increased cost, Mr. Anderson stated he is unsure if they would accept.

Commissioner Jerzak pointed out there are reductions in transportation costs, pollution, car traffic, and the like. While the fee is low, there are a number of benefits to consider. He agreed that positive components of the agreement don't lock the City down for an extended period, and the City doesn't have to maintain the site. Plus, there aren't likely to be any other parties interested in the site.

President Graves moved, and Commissioner Jerzak seconded to adopt the Resolution Approving an Agreement Between the Metropolitan Council and the Economic Development Authority of Brooklyn Center, Minnesota, for the Park and Ride Lot Located at the Intersection of State Trunk Highway 252 and 66th Ave N.

Motion passed unanimously.

**4b. RESOLUTION APPROVING PARTIAL WAIVER AND ESTOPPEL
CERTIFICATE REGARDING THE CONSTRUCTION, OPERATION, AND**

RECIPROCAL EASEMENT AGREEMENT FOR PROPERTY OWNED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF BROOKLYN CENTER

Executive Director Reggie Edwards introduced the item and invited Community Development Director Jesse Anderson to continue the Staff presentation.

Mr. Anderson explained in 1985, Ryan Construction Company of Minnesota, Inc. entered into an agreement with Dayton-Hudson Corporation regarding certain Construction, Operation, and Reciprocal Easement Agreement (COREA) relating to the construction and operation of a retail shopping complex on two adjacent tracts of land. City EDA now owns the Former Target site, and Brooklyn Village's LLC intends to purchase the two adjacent parcels.

Mr. Anderson stated Brooklyn Village had requested a waiver to parts of the previously established agreement to close on the property and secure financing for the project. Staff have reviewed the request for waiver of five items within the agreement. In the end, Staff does not find that any requests would adversely impact the site's future development.

Mr. Anderson pointed out three key points to address regarding the waiver. First, many of the provisions of the COREA are outdated and prepared, supposing the ongoing operation of a Target store on-site. This will allow the existing uses to continue and put the property to good use. Second, it's limited in time to the end of the term of the COREA. Third, this agreement can be renegotiated, terminated, or allowed to expire depending on the development of the City's plan for the site.

Mr. Anderson stated with regard to parking, this waives Section 3.2(E)(iv) and (v), which eliminates the requirement for additional parking spaces for restaurants (5 spaces for each 1000 square feet if less than 5,000 square feet and 10 spaces for every 1,000 square feet if, 5,000 or more square feet).

Mr. Anderson stated that this waives Section 5.2, which includes numerous lighting requirements, including full illumination from dusk to 30 minutes past closing, authority to request that lights stay on for extended periods with payment provisions, and authority for installation of additional lighting. The waiver requires code compliance, and based on your review, this will be sufficient for lighting in the area. The waiver of the lighting provisions is not particularly significant.

Mr. Anderson stated with regard to signs, this waives Section 5.3, which includes a number of signage requirements, including allowing only one freestanding sign within the shopping center area that will identify Target (obviously outdated) and the name of the shopping center, allowing "directional signs or informational signs such as "Handicapped Parking," the temporary display of leasing information and the temporary erection of one sign identifying each contractor working on a construction job," prohibiting more than one exterior identification sign for an occupant with less than 25,000 square feet, allowing more than one identification sign for occupants with more than 25,000 square feet, exterior sign regulations, prohibiting flashing, moving or audible signs, prohibiting signs employing exposed raceways, neon tubes, ballast boxes or transformers, and prohibiting paper or cardboard signs, temporary signs, stickers or decals, excluding hours and emergency telephone stickers. The occupants would still need to comply with City and other code

requirements regarding signage.

Mr. Anderson added the agreement allows existing uses to continue during the term of the COREA and waives the 20% office space limitation in Section 5.1(A).

Commissioner Jerzak asked why the City continues providing plowing and maintenance services. Mr. Anderson stated Staff could consider negotiating plowing and maintenance. The goal is to support an efficient closing on the site.

Commissioner Jerzak asked if the whole mall would be exempt from taxes because the purchaser is a nonprofit. Mr. Anderson stated his initial conversation with the assessors confirmed the site would still generate property taxes.

President Graves asked why the restrictions were conducive to development. Mr. Anderson stated the initial restrictions were required by Target when it was established. They were likely to ensure the parking lot was primarily for Target's use and that there wouldn't be certain competition in the area.

President Graves asked if the restrictions would stay with the site in perpetuity. Mr. Anderson stated the agreement was determined in 1985 by Target, and Brooklyn Center didn't have any input in that manner. Most of the restrictions will expire in 2025 due to the initial agreement's length. Large retailers tend to have more authority and control over their sites, but not all sites have similar provisions.

President Graves asked if the waiver eliminates the requirements or declares that the businesses won't be fined or punished for violating the requirements. Mr. Anderson stated it does both of those things.

President Graves asked if the Walmart site has a similar agreement. Mr. Anderson stated he hasn't seen any of the agreements Walmart has in place.

Commissioner Jerzak moved, and President Graves seconded, to approve the Resolution Approving Partial Waiver and an Estoppel Certificate Regarding the Construction, Operation, Reciprocal Easement Agreement for Property Owned by the Economic Development Authority of Brooklyn Center, Minnesota at 6100 Shingle Creek Parkway.

Motion passed unanimously.

5. ADJOURNMENT

Commissioner Jerzak moved and Commissioner Kragness seconded adjournment of the Economic Development Authority meeting at 9:01 p.m.

Motion passed unanimously.

Economic Development Authority

DATE: 10/9/2023

TO: City Council

FROM: Dr. Reggie Edwards, City Manager

THROUGH: Jesse Anderson, Community Development Director

BY: Jason Aarsvold, EDA Project Management - Ehlers

SUBJECT: Resolution Approving an Purchase Option Agreement with Resurrecting Faith World Ministries

Requested Council Action:

- Motion to approve a resolution approving an Purchase Option Agreement with Resurrecting Faith World Ministries.

Background:

As part of Phase One in the Opportunity Site, Resurrecting Faith World Ministries plans to construct a single-story 26,500 sq. ft. Conference Center with 24-hour childcare and wellness and barber suites. Resurrecting Faith is in the process of securing the necessary sources of funds to help complete the project. In addition to traditional borrowing, new market tax credits, and tax increment financing, grants for the project are also being sought.

Many grant funding agencies require the applicant to demonstrate site control of their development property to secure a grant award. For this reason, Resurrecting Faith is requesting an Option Agreement for the EDA-owned parcel where their project would be located, which is platted as Lot 1, Block 2 Opportunity Site Addition.

Approval of an Option Agreement does not constitute approval of the project. Resurrecting Faith would still be required to submit a full and complete land use application for formal review and approval by the City prior to being able to exercise the Option Agreement. The Option Agreement will, however, let Resurrecting Faith demonstrate site control and make them eligible for grant funding to help off-set the project's financial gap.

Option Agreement:

The Option Agreement provides Resurrecting Faith with exclusive rights and an option to purchase the property during the option period. The option period would go into effect at the signing of the agreement and remain in place until January 1, 2026.

The option agreement provides Resurrecting Faith with right of entry to the property and time to complete their due diligence, including obtaining land use approvals and rezoning of the property, as well as obtain financing and TIF. Resurrecting Faith project has previously been identified with a land write down on the purchase price to \$1, which will make the project financially feasible and allow it to be constructed within the Opportunity Site.

Other Opportunity site option Agreements:

The EDA has two other Option Agreements in place at this time for Lot 1, Block 4, Opportunity Site Addition and Lot 2, Block 4, Opportunity Site Addition. These agreement are with Project for Pride in Living (PPL) for two of its proposed affordable housing projects within the Opportunity Site. The terms and conditions of these agreement are similar to those included in the agreement for the Resurrecting Faith parcel. The agreements with PPL expire on January 1, 2026.

Budget Issues:

This item will have no immediate effect on the budget.

Inclusive Community Engagement:

The project is a component of Phase 1 of the Opportunity Site which represents four years of intensive and inclusive community-lead engagement that resulted in a community benefits plan drafted by a citizen advisory taskforce, informed by a community-driven engagement model.

Antiracist/Equity Policy Effect:

The community benefits plan is intended to promote investment in community without displacement.

Strategic Priorities and Values:

Targeted Redevelopment

ATTACHMENTS:

Description	Upload Date	Type
Resolution	10/3/2023	Resolution Letter
Option Agreement	10/3/2023	Backup Material
Phase 1 Plan	10/2/2023	Backup Material

Commissioner _____ introduced the following resolution and moved its adoption:

EDA RESOLUTION NO. 2023-_____

RESOLUTION APPROVING A PURCHASE OPTION AGREEMENT
WITH RESURRECTING FAITH WORLD MINISTRIES

WHEREAS, the Economic Development Authority of Brooklyn Center, Minnesota (the “EDA”) owns the parcel located in the City of Brooklyn Center (the “City”) currently identified as Parcel ID number 02-118-21-24-0019 a portion of which will be re-platted as Lot 1, Block 2 Opportunity Site Addition, subject to the final plat thereof (the “Option Property”); and

WHEREAS, Resurrecting Faith World Ministries, a Minnesota nonprofit corporation (or an entity to be formed thereby or affiliated therewith, the “Developer”), has proposed to develop the Option Property into a single-story 26,500 square foot conference center with wellness and barber suites and a 24-hour childcare center (the “Development”); and

WHEREAS, the EDA and the Developer propose to enter into an Option Agreement related to the Option Property (the “Option Agreement”), setting out the respective rights of the Developer to purchase the Option Property from the EDA, contingent among other things, on the Developer obtaining financing for the Development; and

WHEREAS, the City and the EDA have established Tax Increment Financing District No. 7 (Redevelopment District) which includes the Option Property (the “TIF District”) pursuant to Minnesota Statutes Sections 469.174 to 469.1794, as amended (the “TIF Act”); and

WHEREAS, the City or the EDA may incur certain costs related to the TIF District which may be financed on a temporary basis from available EDA funds; and

WHEREAS, under Section 469.178, subdivision 7 of the TIF Act, the City and the EDA are authorized to advance or loan money from any fund loan from which such advances may legally be made in order to finance expenditures that are eligible to be paid with tax increments under the TIF Act; 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. Subject to all of the contingencies set forth therein, including, without limitation, a public hearing on the sale of the Option Property to the Developer in accordance with the requirements of law, the EDA hereby approves the Option Agreement, in substantially the forms presented to the Board, together with any related documents necessary in connection therewith, including without limitation, documents or certifications referenced in or attached thereto (the “Development Documents”), and hereby authorizes the President and Executive Director to execute, on behalf of the EDA, the Development Documents to which the EDA is a party and to carry out, on

behalf of the EDA, the EDA's obligations thereunder when all conditions precedent thereto have been satisfied.

2. The approval hereby given to the 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 EDA 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 EDA. The execution of any instrument by the appropriate officers of the EDA herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. This Resolution shall not constitute an offer and the Development Documents shall not be effective until the date of execution thereof as provided herein. In the event of absence or disability of the authorized 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 legal counsel to the EDA, may act on their behalf.

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.

PURCHASE OPTION AGREEMENT

THIS PURCHASE OPTION AGREEMENT (this “**Agreement**”) is made and entered into as of this ____ day of _____, 2023 (the “**Effective Date**”), by and between the Economic Development Authority of Brooklyn Center, Minnesota, a public body corporate and politic under the laws of Minnesota (the “**Seller**”), and Resurrecting Faith World Ministries, a Minnesota nonprofit corporation (the “**Buyer**”) (together with the Seller and the Buyer referred to herein as the “**Parties**” or individually as a “**Party**”).

RECITALS

A. The Buyer intends to purchase the parcel legally described on Exhibit A attached hereto and hereby made a part hereof (the “**Option Property**”) from the Seller and to develop the Option Property into a single-story 26,500 square foot conference center with wellness and barber suites and a 24-hour childcare center (the “**Development**”); and

B. The Seller wishes to grant the Buyer an option to acquire the Option Property, under the terms and conditions hereunder; and

C. The Seller believes that the development of the Option Property is vital and is in the best interests of the Seller and City of Brooklyn Center, Minnesota (the “**City**”), will result in preservation and enhancement of their tax base, provide additional childcare options and service sector facilities in the City, and is in accordance with the public purpose and provisions of the applicable state and local laws and requirements under which the Development will be undertaken.

NOW, THEREFORE, in consideration of mutual covenants set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Seller and the Buyer agree as follows:

Terms of the Agreement

1. Recitals. The recitals as set forth above are hereby incorporated into this Agreement.

2. The Option. The Seller hereby grants to the Buyer the exclusive right and option to purchase the Option Property, during the Option Period defined below, subject to the conditions set forth below (the “**Option**”).

3. Option Payment. Within five business days after the date hereof, the Buyer shall pay and deliver to Commercial Partners Title, located at 200 S. Sixth Street, Suite 1300, Minneapolis, MN 55402 (the “**Title Company**”), the sum of _____, which shall constitute the option payment (the “**Option Payment**”) hereunder. The Option Payment shall be refundable if, at the end of the Option Period (as defined below), the contingencies set forth in either Section 13(c)(ii) or 13(c)(iii) are not satisfied. In the event that the Buyer purchases the Option Property pursuant to this Agreement, the Option Payment shall be credited against the Buyer’s closing costs as set forth in Section 17. In the event the Buyer does not exercise the Option or Closing (as defined below) does not occur for any reason whatsoever other than the Seller’s default hereunder or failure of the contingency set forth in Section 13(c)(ii) to be satisfied, the Option Payment shall be retained by the Seller as consideration for granting the Option.

4. Option Period.

- a. The period during which the Option may be exercised by the Buyer (the “**Option Period**”) shall commence upon the Effective Date of this Agreement and shall expire on January 1, 2026 (the “**Expiration Date**”). During the Option Period, the Seller agrees it will not advertise, list, negotiate for the sale of or sell the Option Property to a third party.
- b. If the Buyer does not timely exercise the Option, the Option shall lapse, and the Option Payment shall be applied as provided in Section 3 herein and the Buyer shall have no further rights with respect to the Option Property.

5. Exercise of Option. This Option shall be deemed exercised if, within the Option Period, the Buyer gives written notice to the Seller of the Buyer’s intent to exercise the Option and the Buyer will deposit with the Title Company for the benefit of the Seller the sum of _____, as earnest money (“**Earnest Money**”). The Earnest Money shall become nonrefundable at the end of the Due Diligence Period (defined below). In the event that the Buyer purchases the Option Property pursuant to this Agreement, the Earnest Money shall be credited against the Buyer’s closing costs as set forth in Section 17. In the event that Seller breaches the terms of this Agreement, the Seller shall refund the Earnest Money to the Buyer. Nothing in this Agreement shall entitle the Buyer to make any claim against the Seller or the City for any damages whatsoever and the Buyer’s remedies are strictly limited to the foregoing. Nothing in this Agreement shall be construed as a limitation of or waiver by the Seller of any immunities, defenses, or other limitations on liability to which the Seller is entitled by law.

6. Purchase Price. The total purchase price for the Option Property shall be \$1 (the “**Purchase Price**”). The Purchase Price shall be paid to the Seller from the Buyer on the Closing Date.

7. Closing. Subject to the terms of this Agreement, the closing of the purchase and sale of the Option Property contemplated by this Agreement (the “**Closing**”) shall occur at the office of the Title Company, or at another location mutually agreed upon by the Parties, on the date 30 days after the expiration of the Due Diligence Period or such other date as agreed to by the Parties in writing (the “**Closing Date**”).

8. Due Diligence Investigation. Commencing on the date that the Buyer exercises this Option, the Buyer, at its sole cost and expense, shall have a due diligence period of 180 days (“**Due Diligence Period**”) to make all such investigations as the Buyer, in its sole and absolute discretion, deems reasonable and necessary in determining the suitability of the Option Property for the Buyer’s needs including:

- a. To examine and inspect the Option Property, to review the Due Diligence Documents, to conduct feasibility studies with regard to the ownership and operation of the Option Property, including, but not limited to, environmental reviews, soil condition testing, surveying, engineering studies, appraisals and any other physical inspections of the Option Property as determined by the Buyer, and to investigate all physical aspects of the Option Property, and to review all other due diligence matters related to the Option Property. The Buyer may enter upon the Option Property to inspect the same, and may conduct tests and examinations with regard thereto, provided that the Buyer’s activities do not unreasonably interfere with the ongoing operation of the Option Property. The Buyer shall promptly restore the Option Property to substantially the same condition in which it existed immediately prior to any physical tests conducted by or on behalf of the Buyer.
- b. To investigate all zoning, code and governmental regulations or requirements in place at the Option Property, and to obtain all land use and rezoning approvals and permits determined necessary by the Buyer for the Buyer’s intended development and use of the Option Property, including but not limited to all Development Approvals defined herein.
- c. To secure funding for the purchase and development of the Option Property on terms acceptable to the Buyer, in the Buyer’s sole discretion. The Parties contemplate that such funding may include, without limitation, grants and commercial loans for the purchase and/or development of the Option Property.
- d. To obtain, at the Buyer’s sole cost, an appraisal of the Option Property that is satisfactory to the Buyer and all of the Buyer’s funding sources.
- e. The Buyer shall have until the last day of the Due Diligence Period to provide written notice to the Seller of the Buyer’s intention to terminate this Agreement for any reason. If the Buyer terminates this Agreement within the Due Diligence Period, the transactions contemplated herein shall be considered terminated and the Earnest Money will be returned immediately to the Buyer.

9. Right of Entry. During the Due Diligence Period, the Buyer shall have the right to enter upon the Option Property for the purpose of taking soil tests and borings, making surveys and maps, and performing investigative work, including environmental testing and assessment, as the Buyer may deem necessary; provided, however, the Buyer shall indemnify, defend, and hold the Seller harmless from any mechanics’ liens or claims arising out of such investigative work by

the Buyer. The Buyer may assign this right to its agents, employees, or contractors at its sole discretion. Nothing in this Agreement shall be deemed a waiver of defenses or limitations available to the Seller under Minnesota Statutes Chapter 466.

a. In consideration for such right of entry, the Buyer agrees to:

- i. Notify the Seller at least 48 hours in advance of the date and time that the Buyer, its agents, employees, or contractors, will enter the Option Property for the purpose for the entry, in order to permit the Seller to be present during the time any work is being done by the Buyer, its agents, employees, or contractors;
- ii. Provide to the Seller a copy of all test results and reports prepared by the Buyer or its consultants evaluating the conditions present on the Option Property, as soon as reasonably possible following final completion thereof;
- iii. Dispose of all solid waste generated during the course of the Buyer's sampling activities and other work on the Option Property in accordance with applicable federal, state and local laws, rules and regulations;
- iv. Coordinate activities with the Seller so as to avoid unnecessary disruption to or interference with the Seller's use of the Option Property;
- v. Do no unnecessary damage to the Option Property and restore the Option Property to substantially the same condition as the condition in which it was found by the Buyer at the time of entry by the Buyer, its agents, employees, or contractors; and
- vi. Hold the Seller harmless from and indemnify and defend the Seller from any and all claims, damages, judgments or obligations, including the cost of defense of suit, arising out of damage to the Option Property or arising out of injury to anyone incurred or alleged to have been incurred in connection with or as a result of any work done pursuant to this right of entry, or as a result of the intentional torts or negligence of the Buyer, its agents, employees, or contractors.

10. Title Review and Objections. Within 15 days after exercising the Option, the Seller shall obtain and provide a copy to the Buyer a commitment for an ALTA owner's title insurance policy which shall be periodically updated in accordance with the Development Documents as subsequently defined herein. Within 30 days after receipt of the title commitment, the Buyer shall notify the Seller in writing of any objections to title, or the objections shall be deemed waived. If any objections are so made, the Seller may be allowed until the Closing Date to cure such objections and make the title to the Option Property good and marketable of record in the Seller. Notwithstanding the foregoing, the Seller shall have no obligation to cure any title objections. If a timely objection has been made by the Buyer pursuant to this Section and title to the Option

Property remains unmarketable on the Closing Date, the Buyer, as its sole and exclusive remedy, may either: (A) terminate this Agreement by giving written notice to the Seller; or (B) elect to accept the title in its unmarketable condition and without reduction of the Purchase Price by giving written notice to the Seller.

11. Preliminary Plat & Final Plat. The Buyer, at the Buyer's expense, shall obtain within 60 days of exercising the Option, a preliminary plat of the Option Property prepared by a licensed land surveyor (the "**Preliminary Plat**"). The Buyer, at the Buyer's sole expense, shall comply with all subdivision processes as required by the City Code of the City in order to accomplish the platting of the Option Property.

12. Conveyance Subject to Right of Re-entry. The Seller's conveyance of the Option Property to the Buyer pursuant to this Agreement shall be made in the form of a quit claim deed (the "**Deed**"). The Deed shall include a right of re-entry for breach of a condition subsequent in favor of the Seller (the "**Right of Re-entry**"). The condition subsequent shall be determined by the Seller in accordance with Minnesota Statutes Section 469.105 and set forth in the Deed conveying the Option Property to the Buyer in the form attached to the Development Agreement (as defined below). If the Buyer breaches such condition subsequent, the Buyer shall re-convey the Option Property back to the Seller. If the Buyer fails to re-convey the Option Property to the Seller, the Seller may elect to exercise its right of reentry by commencing an action in Hennepin County District Court to establish the breach of the condition subsequent. If the Seller establishes a breach of the condition subsequent, title to and the right to possession of the Option Property and title to all improvements located thereon reverts to the Seller, and the Buyer is not entitled to any compensation from the Seller for the Option Property or the value of any improvements the Buyer has made to the Option Property. The Buyer must record any certificate of completion or certificate of release of the Right of Re-entry in the proper County land records at its expense.

13. Contingencies.

- a. Buyer's Contingencies. If the Buyer exercises the Option, the Buyer's obligation to purchase the Option Property shall be contingent on the following:
 - i. By the end of the Due Diligence Period, the Buyer shall have determined, in its sole and absolute discretion, that it is satisfied with the results and matters disclosed by the Buyer's investigation of the Option Property pursuant to Section 9 of this Agreement.
 - ii. By the Closing Date, the Buyer shall have obtained, or caused to be obtained, in a timely manner, all required permits, licenses and approvals, including without limitation zoning and land use approvals, final plat approval, and all other approvals which must be obtained for the Development.
 - iii. By the Closing Date, the Buyer shall have obtained all necessary financing for the Development.

- iv. By the Closing Date, the condition of title shall be satisfactory to the Buyer following the Buyer's examination of title as provided herein.
- b. The contingencies set forth above are for the benefit of the Buyer and may be waived by the Buyer in the Buyer's sole discretion. Notwithstanding any other provision in this Agreement, a waiver of a contingency must be in writing to be effective. At the end of the Due Diligence Period, the Buyer will give written notice to the Seller of the contingencies that have been waived, satisfied, or neither waived nor satisfied.
- c. Seller's Contingencies. If the Buyer exercises the Option, the Seller's obligation to convey the Option Property shall be contingent on the following:
 - i. By the Closing Date, the Buyer shall have obtained, or cause to be obtained, in a timely manner and at its sole and absolute expense, all required permits, licenses and approvals, and shall have met, in a timely manner, all requirements of all applicable local, state, and federal laws and regulations which must be obtained or met for the Development including without limitation a building permit, any needed variances, final plat or subdivision approval, and zoning and land use approvals;
 - ii. The Buyer shall have obtained approval from the Seller of the sale of the Option Property pursuant to this Agreement following a duly noticed public hearing and the satisfaction of all other conditions required by Minnesota law;
 - iii. The Buyer and the Seller shall have negotiated and mutually agreed to, the Board of Commissioners of the EDA shall have approved following the satisfaction of all conditions required by Minnesota law, and the Seller and the Buyer shall have executed, effective not later than the Closing Date, a Development Agreement (the "**Development Agreement**"), providing, among other things, for (i) the platting of the Option Property including, but not limited to, the preliminary plat, final plat, and site plan; (ii) the construction of the Development by the Buyer in accordance with plans, specifications and a timeline approved by the Seller; and (iii) the terms and conditions of the Right of Re-entry in accordance with Section 12 and the form of the Deed to be executed and delivered by the Seller at closing and containing the terms of the Right of Re-entry; and any documents ancillary thereto (collectively, the "**Development Documents**");
 - iv. The Buyer shall have performed all of the obligations required to be performed by the Buyer under this Agreement or the Development Documents as of the Closing Date and any further contingencies to Closing set forth in such Development Documents shall have been satisfied as provided therein;

- v. The Buyer shall have delivered to the Seller all of the Buyer's Documents described in Section 19;
 - vi. The Buyer shall have submitted the construction plans for the Development to the Seller and the City, and the Seller and the City shall have approved the construction plans pursuant to the Development Documents;
 - vii. By the Closing Date, the Buyer shall have obtained and provided to the Seller evidence of all necessary financing for the Development; and
 - viii. The Seller shall have determined that the Development to be undertaken by the Buyer on the Option Property is in conformance with this Agreement and the development objectives set forth in resolutions of the City and the Development Documents.
- d. The contingencies set forth in Section 13(c) are for the benefit of the Seller and may be waived only by the Seller in its sole and absolute discretion. Notwithstanding any other provision in this Agreement, a waiver of a contingency must be in writing to be effective. At the end of the Due Diligence Period, the Seller will give written notice to the Buyer of the contingencies that have been waived, satisfied, or neither waived nor satisfied.
- e. Seller's and Buyer's Options. In the event that any of the foregoing contingencies fail to be satisfied on or before the Closing Date:
- i. the applicable party may terminate this Agreement, and the Buyer and the Seller shall execute and deliver to each other documentation effecting the termination of this Agreement and the Seller shall return the Earnest Money to the Buyer; or
 - ii. the applicable party may waive such failure and proceed to Closing; provided that the contingencies in Section 13(a) are solely for the benefit of the Buyer and may be waived only by the Buyer as provided in Section 13 (b) and the contingencies in Section 13(c) are solely for the benefit of the Seller and may be waived only by the Seller as provided in Section 13(d); or
 - iii. The Buyer and the Seller may mutually agree to extend the Closing Date.
- f. If Closing does not occur due to the failure of any of the above contingencies which is not waived by the applicable party, the Seller shall be entitled to retain the Option Payment, except as otherwise provided in Section 3 of this Agreement.

- g. If the above contingencies are satisfied at the end of the Due Diligence Period or the applicable party elects to waive any unsatisfied contingencies and proceed to Closing, then the Earnest Money shall become non-refundable to the Buyer except in the event of the Seller's default.

14. Real Estate Taxes and Special Assessments. The Seller shall not be responsible for the payment of any real estate taxes due or special assessments due with respect to the Option Property. The Buyer shall be responsible for all real estate taxes special assessments due with respect to the Option Property which have not been paid prior to Closing.

15. Representations and Warranties of the Seller. The Option Property is sold AS-IS. Except as provided herein, the Seller makes no representations or warranties regarding the condition of the Option Property, its use, or the marketability of its title. The Buyer shall be satisfied solely on the basis of its own investigation. Notwithstanding the foregoing, the Seller represents and warrants to the Buyer:

- a. Unrecorded Agreements. To the Seller's knowledge, there are no unrecorded agreements, undertakings or restrictions which affect the Option Property.
- b. Leases. There are no leases or possessory rights of others regarding the Option Property.
- c. No Default Notice. The Seller has not received notice of a default or breach of any agreement related to the Option Property and is not aware of any facts that would result in the Seller being in default or breach of any such agreement.
- d. Due Diligence Documents. The Due Diligence Documents delivered or to be delivered to the Buyer hereunder are to the Seller's actual knowledge correct and complete and, to the Seller's actual knowledge, do not contain any false information.
- e. Operations. The Seller has not received any notice of any violation of any laws, ordinances, or regulations relating to the Option Property.
- f. Condition. To Seller's actual knowledge, the Option Property complies with all applicable laws, ordinances, regulations, permits, and any applicable restrictive covenants.
- g. FIRPTA. The Seller is not a "foreign person," "foreign partnership," "foreign trust," or "foreign estate," as those terms are defined in Internal Revenue Code Section 1445 and the regulations promulgated thereunder.
- h. No Proceedings. No legal or administrative proceeding is pending or, to the Seller's actual knowledge, threatened (i) which would adversely affect the Seller's right to convey the Option Property to the Buyer as contemplated in

this Agreement, or (ii) affecting the Option Property. There are no condemnation or eminent domain proceedings pending or, to the Seller's knowledge, threatened with respect to the Option Property.

- i. Private Sewage Systems; Wells. There are no private sewage systems or wells of any kind located on the Option Property. Sewage generated at the Option Property goes to a facility permitted by the Minnesota Pollution Control Agency.
- j. Use of Property. To the Seller's actual knowledge, no methamphetamine production has occurred on the Option Property.
- k. Unpaid Labor and Materials. The Seller is not indebted for labor or material that might give rise to the filing of notice of mechanic's lien against any portion of the Option Property.
- l. The obligations of the Buyer under this Agreement are contingent upon the representations and warranties of the Seller contained in this Agreement being true as of the Effective Date and on the Closing Date as if made on the Closing Date. Each of the foregoing representations and warranties shall be deemed remade as of the Closing Date and, as so remade, shall survive the Closing.

16. Due Diligence Documents. Within 10 days after the Effective Date, the Seller shall deliver to the Buyer copies of the documents set forth on **Exhibit B** attached hereto and incorporated herein (the "**Due Diligence Documents**").

17. Closing Costs.

- a. The Buyer shall pay all costs of the preparation of a title commitment, including the abstracting fees, if required by the title company and all recording fees and charges related to the filing of any instrument required to make title marketable. The Buyer shall also pay the cost of obtaining any title evidence desired by Buyer, including a title commitment, the fees for standard searches with respect to the Seller and the Property, all premiums required for issuance of a title insurance policy any survey costs and all Closing fees charged by the title company and any escrow fees charged by any escrow agent engaged by the parties in connection with this Agreement.
- b. Buyer shall also pay the following costs: (1) all costs for obtaining government approvals that may be required in order to close on the Property or as required for the Buyer's intended use of the Property; (2) the cost of preparation of any necessary platting or other subdivision documents, (3) the filing fee to record the deed, (4) the premium for any owner's or lender's title insurance policies obtained by or for the benefit of Buyer, (5) Mortgage Registration Tax, (6) any state deed tax, conservation fee or other federal, state or local documentary or revenue stamps or transfer tax with respect to the Deed to be delivered by the

Sellers; recording fees and charges related to the filing of the Deed; (7) Buyer's attorney's fees; (8) the Seller's legal, accounting fees and other out of pocket costs incurred in connection with this Agreement and the Development Documents as further provided in Section 25 hereof and in the Development Documents; and (9) all other costs as outlined in the Development Documents entered into between the Parties.

18. Seller's Closing Documents. At Closing, the Seller shall execute and deliver to the Buyer the following documents (collectively, the "**Seller's Closing Documents**"):

- a. A Quit Claim Deed conveying the Option Property to the Buyer.
- b. A closing statement prepared by the Title Company to be executed by the Seller, Buyer, and the Title Company at the Closing that accurately describes the economic terms of the transaction described in this Agreement.
- c. An Assignment of any Due Diligence Documents that are consented to and approved by the Buyer, and miscellaneous documents conveying the Seller's interest to the Buyer together with the consent of all parties having a right to consent to such assignment.
- d. A non-foreign affidavit, properly executed, containing such information as is required by Code Section 1445(b)(2) and the regulations promulgated thereunder.

19. Documents to be Delivered by the Buyer. The Buyer agrees to deliver to the Seller the following documents (the "**Buyer's Documents**"), duly executed as appropriate, at Closing:

- a. The Purchase Price.
- b. Such affidavits of Buyer, Certificates of Value or other documents as may be reasonably required in order to complete the transaction contemplated by this Agreement.
- c. The final plat of the Option Property as approved by the Seller and the City, to be recorded contemporaneously with Closing contemplated herein.
- d. Any documentary evidence required to satisfy the contingencies set forth herein.
- e. The Development Agreement and any documents required pursuant to the terms of the Development Documents.
- f. A minimum assessment agreement pursuant to which the Option Property and the minimum improvements as defined by the Development Agreement will be assessed based on a minimum market value of \$9,000,000 as of January 2, 2025.

g. Such other documents as shall be required to carry out the intent of this Agreement.

20. Casualty or Condemnation. If before the recording of the Deed any substantial part of the Option Property is taken by condemnation (including a deed given in lieu thereof), the Buyer shall have the option of (i) enforcing this Agreement (and in such event the insurance proceeds or condemnation award shall belong to the Buyer) or (ii) canceling the Agreement by written notice given within 30 days after the Buyer receives notice of such casualty or condemnation from the Seller. If this Agreement is canceled under this Section, the Earnest Money shall be returned to the Buyer, this Agreement shall be null and void, and the Parties' obligations hereunder shall be of no further force and effect.

21. Remedies. If either Party defaults under this Agreement, the non-defaulting party shall have the right to terminate this Agreement by giving written notice to the defaulting party. If the defaulting party fails to cure such default within 14 days of the date of such written notice, this Agreement will terminate. The termination of this Agreement shall be the sole and absolute remedy available to the non-defaulting Party for such default.

22. Commissions. Each party represents that it has not engaged any broker in connection with the transactions contemplated by this Agreement and agrees to indemnify and hold the other harmless from anyone claiming a commission/fee through them.

23. Notices. Any notices required herein shall be deemed given when sent in the U.S. Mail, either registered or certified, return receipt requested, or by Federal Express or other overnight delivery service requiring a signature upon receipt, to the parties at the following addresses:

SELLER: Economic Development Authority of Brooklyn Center, Minnesota
6301 Shingle Creek Parkway
Brooklyn Center, MN 55430
Attn: Executive Director

With a copy to: Jenny Boulton
Kennedy and Graven, Chartered
Fifth Street Towers
150 South Fifth Street, Suite 700
Minneapolis, MN 55402

BUYER Resurrecting Faith World Ministries
8525 Edinbrook Crossing N., Suite 12
Brooklyn Park, Minnesota 55443
Attn: _____

With a copy to: _____

24. Reimbursement of Costs. Upon execution of this Agreement by both parties, the Buyer shall deposit with the Seller the sum of Ten Thousand Dollars (\$10,000.00) to pay for the Seller's reasonable out-of-pocket legal, financial consultant, and administrative fees associated with this transaction. Unexpended funds will be returned by the Seller to the Buyer and if, additional funds are needed by the Seller to pay such expenses, the Buyer will deposit such additional funds upon request by the Seller.

25. Survival. All representations, warranties, and indemnities set forth herein shall survive the Closing, except as otherwise provided herein.

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

27. Assignment. The Buyer shall have the right to assign its interest to this Agreement to an entity in which the Buyer has an ownership interest, is a member or is otherwise affiliated with. The consent of the Seller shall be required if the Buyer assigns this Agreement to any third party with which the Buyer has no connection.

28. Binding Effect. This Agreement is binding upon the Parties and their respective permitted successors and assigns.

29. Construction. This Agreement shall not be construed more strictly against one Party than the other, merely by virtue of the fact that it may have been prepared primarily by counsel for one of the Parties, it being recognized that both the Buyer and the Seller have contributed substantially and materially to the preparation of this Agreement.

30. Headings. The headings preceding the text of the sections and subsections hereof are inserted solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction, or effect.

31. Severability. The invalidity or unenforceability of any term or terms of this Agreement shall not invalidate, make unenforceable or otherwise affect any other term of this Agreement, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted, and in such event, the remaining terms of this Agreement shall remain in full force and effect.

32. Computation of Time. In computing any period of time pursuant to this Agreement, the day of the act or event from which the designated period of time begins to run will not be included. The last day of the period so computed will be included, unless it is a Saturday, Sunday, or federal holiday, in which event the period runs until the end of the next day which is not a Saturday, Sunday, or federal holiday.

33. Time of the Essence. All times, wherever specified herein for the performance by

the Seller or the Buyer of their respective obligations hereunder, are of the essence of this Agreement.

34. Complete Agreement. This instrument and any exhibits, schedules or addendums attached hereto contain the entire Agreement of the Parties regarding the subject matter hereof, and supersedes all prior negotiations, agreements, or understandings, whether oral or in writing. This Agreement may not be changed orally but only by an Agreement in writing signed by the Parties.

35. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute an original but all of which, taken together, shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the undersigned have signed this Purchase Option Agreement as of the day and year first written above.

SELLER:

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

By: _____
Its: President

By: _____
Its: Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledgment before me this ____ day of _____, 2023, by _____ and _____, the President and Executive Director, respectively of the Economic Development Authority of Brooklyn Center, Minnesota, a public body corporate and politic in the State of Minnesota on behalf of the Authority.

Notary Public

BUYER:

**RESURRECTING
MINISTRIES**

FAITH

WORLD

By: _____

Its: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledgment before me this ____ day of _____, 2023, by _____, the _____ of Resurrecting Faith World Ministries, a Minnesota nonprofit corporation on behalf of the company.

Notary Public

This document was drafted by:

Kennedy & Graven, Chartered (JSB)
150 South 5th Street, Suite 700
Minneapolis, MN 55402
(612) 337-9300

EXHIBIT A

LEGAL DESCRIPTIONS OF THE OPTION PROPERTY

The Option Property consists of a portion of a parcel of land at the northeast intersection of County Road 10 and Shingle Creek Parkway in Brooklyn Center, Minnesota currently identified as Parcel ID number 02-118-21-24-0019 to be re-platted as:

Lot 1, Block 2 Opportunity Site Addition

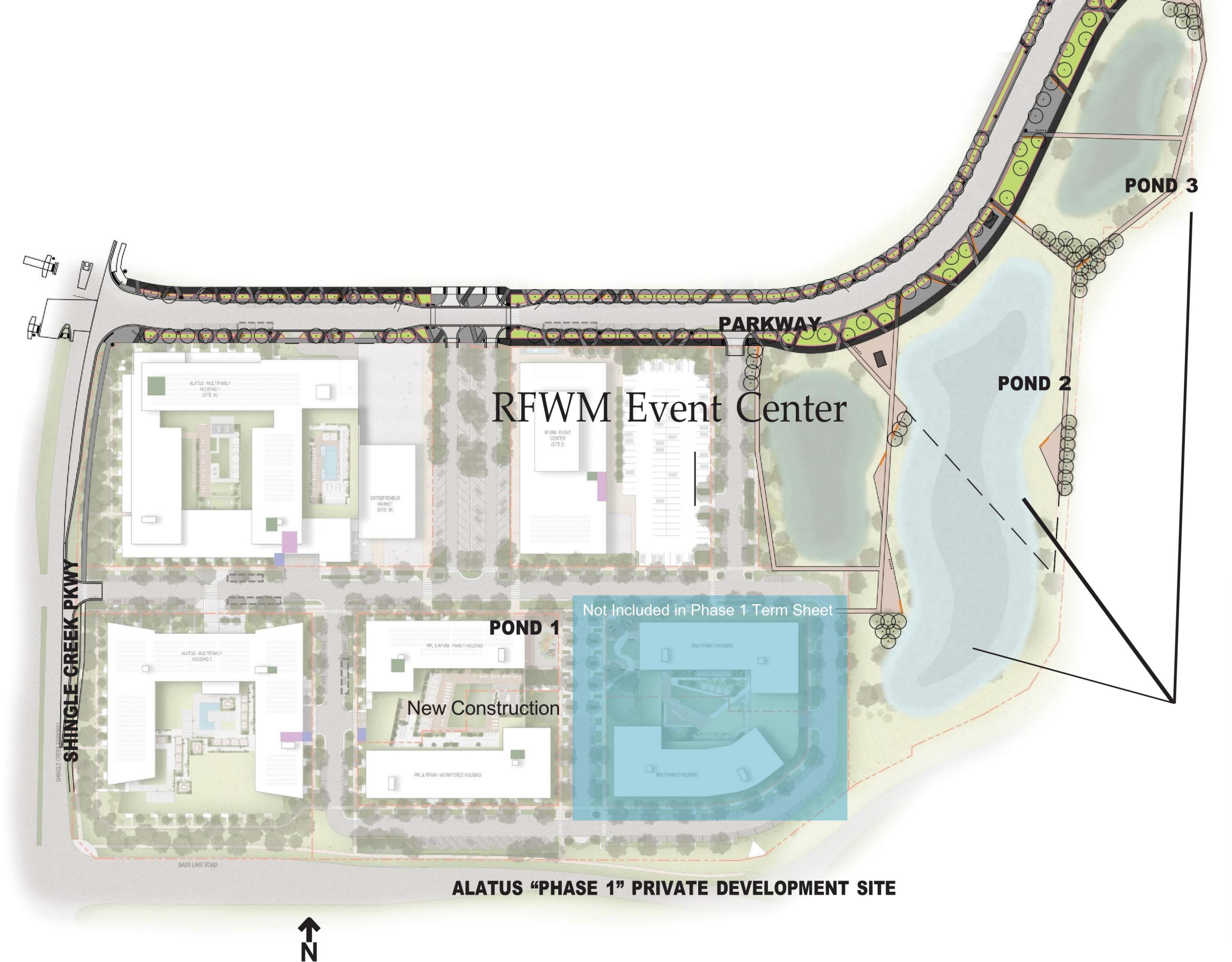
but subject to the final plat thereof.

EXHIBIT B

Due Diligence Documents

Copies of the following in the Seller's possession and related to the Option Property:

1. Copies of real estate tax bills and special assessments (if any), and payment status for the preceding three full calendar years;
2. Statements of any and all expenses related to the Option Property for the preceding three full calendar years;
3. Copies of all agreements affecting the Option Property;
4. All studies and reports in the possession of the Seller relating to environmental status, soil tests, and any other information regarding the environmental and soil conditions;
5. Copies of any written citations from any governmental entities pertaining to the Option Property including those pertaining to any uncured violations of any applicable laws and codes or compliance with the same;
6. All site plans, construction documents, engineer reports, and property assessments performed to date for the Option Property;
7. Any existing surveys of the Option Property; and
8. All certificates of insurance relating to the Option Property and claims made in the last three years.



Revised 4/25/2023

**Council/EDA Work
Session**

City Hall Council Chambers
October 9, 2023

AGENDA



ACTIVE DISCUSSION ITEMS

1. Former Target Site Update and Discussion
Provide direction to city staff regarding the next steps for the former target building.

PENDING LIST FOR FUTURE WORK SESSIONS

1. Upcoming Items
 - Memorial Policy
 - Special Assessment Policy/Franchise Fees (*referred to Financial Commission*)
 - Beautification and Public Art Commission
 - Liquor Store 2
 - Organizational Chart-Budget work sessions
 - New and Repeat Type IV Rental License Review (*referred to Housing Commission*)
 - Food Truck Ordinance/License
 - Emerald Ash Borer Policy Review (*referred to Park & Rec Commission November*)
 - Opioid Settlement
 - ARPA Funds
 - Grants: Revenues & Expenses
 - Purchasing Policy
 - Interveners Impact
 - Revisit Resolution 2021-73

Council/EDA Work Session

DATE: 10/9/2023

TO: City Council

FROM: Dr. Reggie Edwards, City Manager

THROUGH: N/A

BY: Jesse Anderson, Community Development Director

SUBJECT: Former Target Site Update and Discussion

Requested Council Action:

Provide direction to city staff regarding the next steps for the former target building.

Background:

The EDA Purchased the former target site in November of 2019 for \$3,600,000. The property has had temporary uses at the property including the North Memorial Testing Center and Free Bike 4 kids.

The EDA did enter into a pre-development agreement with Global Equity Holdings, Inc in April of 2022. The pre-development agreement has expired on April 25, 2023. The developer has generally not found the site to be financially feasible. The developer has turned there focus on the former slumberland/kmart site.

On July 10, 2023 there was a fire at the Former Target Building. Since the fire, temporary repairs have been made to the roof and the wet carpet and drywall was removed to prevent further damage.

The property is insured at \$646,000.

Staff estimates the following cost for Demolition and site restoration.

Building Demolition and Party Wall Rep

- Gross building demolition (120,000 sq. ft.) x \$5/ sf = \$600,000 All building features to be demolished and materials removed from site. ? Removals include building floor slab, footings, and foundations.
- Party wall repair (allowance) = \$100,000
- Contingency (15%) = \$100,000

Demolition Total Estimated Construction Cost = \$700,000 - \$800,000

Complete Building Demolition, Site Remediation

- Complete removals, including building utility services (water, sewer, drainage systems)
- Disconnection of utilities
- Other site features will be protected such as the parking lots and drive isles.
- Site restoration will include:
 - Following complete building removal, backfill footing and other excavations with granular fill to within 6" of grade.

- Provide uniform 6" topsoil over all disturbed areas within the building limits. Shape and grade topsoil finish grade to drain.
- Coordinate fill with 2024 Street project to save costs.
- Seed and establish turf grass over all non-paved areas.

Site Remediation Total Estimated Cost = \$200,000 - \$300,000

Total Demolition and Remediation Estimate: \$900,000 - \$1,100,000.

***The Estimated cost of to repair the fire damage within the building is approximately \$2,000,000.
The total estimated cost for Code Deficiencies is \$3,530,200 according to the Blight Assessment.***

TIF Summary

In order for the Target property to qualify as a redevelopment TIF district, two basic conditions must be met:

(1) Parcels consisting of 70% of the area of the district must be occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures; and

(2) More than 50 percent of the buildings, not including outbuildings, must be structurally substandard to a degree requiring substantial renovation or clearance.

For condition (1) above, a parcel is not considered occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures unless 15 percent of the area of the parcel contains buildings, streets, utilities, paved or gravel parking lots, or other similar structures.

For condition (2) above, structurally substandard means the buildings contain defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance. The cost to remedy these conditions must exceed 15 percent of the cost of constructing a new structure of the same square footage and type on the site.

To confirm conditions one and two above exist, Brooklyn Center hired LHB to conduct an independent analysis and prepare a report to document the findings. **LHB's initial analysis determined the site would qualify as a redevelopment TIF district. See full report attached for a breakdown of the estimated value and code deficiencies.**

If the building is removed in advance of a potential project, the City can document the findings in the LHB report by resolution and declare that the property is intended to be included within a future TIF district. This resolution must be adopted prior to demolition. This resolution should also establish an inter-fund loan for project costs. The inter-fund loan would preserve the City's ability to use TIF to repay itself for any costs incurred.

Once demolished, the City would have up to three years from the date of demolition to create a redevelopment TIF district. If the City does not create a redevelopment TIF district within three years of demolishing the building, then the opportunity to use redevelopment TIF as a tool for any project will have passed. At that point, the City's ability to use TIF on this site would be limited to:

Special legislation to create a redevelopment TIF district, which is something that can be pursued in the 2024 legislative session for the entire Opportunity Site.

- Creation of an economic development TIF district, provided 85% of the buildings and facilities (determined on the basis of square footage) are be used for:

- the manufacturing or production of tangible personal property, including processing resulting in the change in condition of the property;
 - warehousing, storage, and distribution of tangible personal property, excluding retail sales;
 - research and development related to the activities listed in clause (1) or (2);
 - telemarketing if that activity is the exclusive use of the property;
 - tourism facilities;
 - space necessary for and related to the activities listed in clauses (1) to (5); or
 - a workforce housing project
- Creation of a housing TIF district, only if the district includes:
 - A rental housing project in which at least 20% of the units are affordable to those at 50% of area median income (AMI), or 40% of the units are affordable to those at 60% of AMI; or
 - An owner-occupied residential project in which at least 95% of the housing units are initially purchased and occupied by families with incomes at or below 100% AMI for a family of 2 or fewer, or 115% of AMI for a family of 3 or more.

The city can, however, go ahead and create a redevelopment TIF district before the end of the three-year period even if there is no eminent project. The City can delay receipt of first increment in that district for up to 4 years, which can preserve more time to get a project started and still benefit from the full 26 years of tax increment collections. The City would have up to five years from the date of certification of the district to enter into an agreement with a private party and provide pay-as-you-go tax increment payments that could then extend over the life the district.

Staff Recommendation:

City staff's recommendation is that we move forward the demolition of the property. After the demolition of the property, staff may work with the Brooklyn Village on possible temporary uses of the space in an effort to keep the property active. Then begin discussions with developers regarding potential redevelopment of the site.

Budget Issues:

The cost of the project would be paid for using the insurance money and funds from TIF 3. The EDA could reimburse TIF 3 for the cost of the demolition with future TIF on the site.

Antiracist/Equity Policy Effect:

Strategic Priorities and Values:

Targeted Redevelopment

ATTACHMENTS:

Description	Upload Date	Type
Blight Assessment	10/2/2023	Backup Material



September 8, 2023

Jesse Anderson
Community Development Director
City of Brooklyn Center
6301 Shingle Creek Parkway
Brooklyn Center, MN 55430

TIF ANALYSIS FINDINGS FOR 6100 SHINGLE CREEK PARKWAY

LHB was hired to inspect a former Target store on one parcel in Brooklyn Park, Minnesota, to determine if it meets the definition of "Substandard" as defined by *Minnesota Statutes, Section 469.174, subdivision 10*. The building parcel may potentially be part of a future Redevelopment TIF District, so will need to be compliant with all the statutes pertaining to a Redevelopment District.

The building is located at 6100 Shingle Creek Parkway (Parcel A in Diagram 1).



Diagram 1

CONCLUSION

After evaluating the condition of the building on August 2, 2023 and applying current statutory criteria for a Redevelopment District under *Minnesota Statutes, Section 469.174, Subdivision 10*, it is our professional opinion that the building qualifies as substandard.

The remainder of this letter and attachments describe our process and findings in detail.

MINNESOTA STATUTE 469.174, SUBDIVISION 10 REQUIREMENTS

The properties were inspected in accordance with the following requirements under *Minnesota Statutes, Section 469.174, Subdivision 10(c)*, which states:

INTERIOR INSPECTION

"The municipality may not make such determination [that the building is structurally substandard] without an interior inspection of the property..."

EXTERIOR INSPECTION AND OTHER MEANS

"An interior inspection of the property is not required, if the municipality finds that

(1) the municipality or authority is unable to gain access to the property after using its best efforts to obtain permission from the party that owns or controls the property; and

(2) the evidence otherwise supports a reasonable conclusion that the building is structurally substandard."

DOCUMENTATION

"Written documentation of the findings and reasons why an interior inspection was not conducted must be made and retained under section 469.175, subdivision 3, clause (1)."

QUALIFICATION REQUIREMENTS

Minnesota Statutes, Section 469.174, Subdivision 10 (a) (1) requires two tests for occupied parcels:

1. Coverage Test

"...parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, or paved or gravel parking lots..."

The coverage required by the parcel to be considered occupied is defined under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which states:

"For purposes of this subdivision, a parcel is not occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures unless 15 percent of the area of the parcel contains buildings, streets, utilities, paved or gravel parking lots, or other similar structures."

The LHB team reviewed the following parcels:

Parcel A ID Number 35-119-21-43-0009

- The parcel is approximately 87,458 sf and is 95 percent covered by buildings, parking lots or other improvements.

Findings

The parcel is covered by buildings, parking lots or other improvements, exceeding the 15 percent parcel requirement.

2. Condition of Buildings Test

Minnesota Statutes, Section 469.174, Subdivision 10(a) states:

“...and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;”

Structurally substandard is defined under Minnesota Statutes, Section 469.174, Subdivision 10(b), which states:

“For purposes of this subdivision, ‘structurally substandard’ shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance.”

We do not count energy code deficiencies toward the thresholds required by *Minnesota Statutes, Section 469.174, Subdivision 10(b)* defined as “structurally substandard”, due to concerns expressed by the State of Minnesota Court of Appeals in the *Walser Auto Sales, Inc. vs. City of Richfield* case filed November 13, 2001.

Findings

The building exceeds the criteria required to be determined a substandard building (see the attached Building Code, Condition Deficiency and Context Analysis Reports).

Buildings are not eligible to be considered structurally substandard unless they meet certain additional criteria, as set forth in *Subdivision 10(c)* which states:

“A building is not structurally substandard if it follows the building code applicable to new buildings or could be modified to satisfy the building code at a cost of less than 15 percent of the cost of constructing a new structure of the same square footage and type on the site. The municipality may find that a building is not disqualified as structurally substandard under the preceding sentence based on reasonably available evidence, such as the size, type, and age of the building, the average cost of plumbing, electrical, or structural repairs, or other similar reliable evidence.”

“Items of evidence that support such a conclusion [that the building is not disqualified] include recent fire or police inspections, on-site property tax appraisals or housing inspections, exterior evidence of deterioration, or other similar reliable evidence.”

LHB counts energy code deficiencies toward the 15 percent code threshold required by *Minnesota Statutes, Section 469.174, Subdivision 10(c)* for the following reasons:

- The Minnesota energy code is one of ten building code areas highlighted by the Minnesota Department of Labor and Industry website where minimum construction standards are required by law.
- Chapter 13 of the *2015 Minnesota Building Code* states, “Buildings shall be designed and constructed in accordance with the International Energy Conservation Code.” Furthermore, *Minnesota Rules, Chapter 1305.0021 Subpart 9* states, “References to the International Energy Conservation Code in this code mean the Minnesota Energy Code...”
- Chapter 11 of the *2015 Minnesota Residential Code* incorporates *Minnesota Rules, Chapters, 1322 and 1323 Minnesota Energy Code*.

- The Senior Building Code Representative for the Construction Codes and Licensing Division of the Minnesota Department of Labor and Industry confirmed that the Minnesota Energy Code is being enforced throughout the State of Minnesota.
- In a January 2002 report to the Minnesota Legislature, the Management Analysis Division of the Minnesota Department of Administration confirmed that the construction cost of new buildings complying with the Minnesota Energy Code is higher than buildings built prior to the enactment of the code.

Proper TIF analysis requires a comparison between the replacement value of a new building built under current code standards with the repairs that would be necessary to bring the existing building up to current code standards. For an equal comparison to be made, all applicable code chapters should be applied to both scenarios. Since current construction estimating software automatically applies the construction cost of complying with the Minnesota Energy Code, energy code deficiencies should also be identified in the existing structures.

Findings

The building has code deficiencies exceeding the 15 percent building code deficiency criteria required to be determined substandard (see the attached Building Code, Condition Deficiency and Context Analysis Reports).

TEAM CREDENTIALS

MICHAEL A. FISCHER, AIA, LEED AP - PROJECT PRINCIPAL/TIF ANALYST

Michael has 34 years of experience as project principal, project manager, project designer and project architect on planning, urban design, educational, commercial, and governmental projects. He has become an expert on Tax Increment Finance District analysis assisting over 100 cities with strategic planning for TIF Districts. He is an Architectural Principal at LHB and currently leads the Minneapolis office.

Michael completed a two-year Bush Fellowship, studying at MIT and Harvard in 1999, earning master's degrees in City Planning and Real Estate Development from MIT. He has served on more than 50 committees, boards, and community task forces, including City Council President in Superior, Wisconsin, Chair of the Duluth/Superior Metropolitan Planning Organization, and Chair of the Edina, Minnesota Planning Commission. Most recently, he served as a member of the Edina city council and Secretary of the Edina HRA. Michael has also managed and designed several award-winning architectural projects and was one of four architects in the Country to receive the AIA Young Architects Citation in 1997.

PHIL FISHER – INSPECTOR

For 35 years, Phil Fisher worked in the field of Building Operations in Minnesota including White Bear Lake Area Schools. At the University of Minnesota, he earned his Bachelor of Science in Industrial Technology. He is a Certified Playground Safety Inspector, Certified Plant Engineer, and is trained in Minnesota Enterprise Real Properties (MERP) Facility Condition Assessment (FCA). His FCA training was recently applied to the Minnesota Department of Natural Resources Facilities Condition Assessment project involving over 2,000 buildings.

ATTACHMENTS

We have attached a Building Code, Condition Deficiency and Context Analysis Report, Replacement Cost Report, Code Deficiency Report, and thumbnail photo sheets of the building.

Please contact me at (612) 752-6920 if you have any questions.

LHB, INC.

A handwritten signature in blue ink, appearing to read "MA Fischer", followed by a horizontal line.

MICHAEL A. FISCHER, AIA, LEED AP

c: LHB Project No.230593

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APPENDIX A

Building Code, Condition Deficiency and Context Analysis Report

Replacement Cost Report

Code Deficiency Report

Photographs

Target Building Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

Parcel A

Brooklyn Center Target Building

Address: 6100 Shingle Creek Boulevard, Brooklyn Center, 55430
Parcel ID: 35-119-21-43-0009
Inspection Date(s) & Time(s): August 2, 2023, 1:00 PM
Inspection Type: Interior and Exterior
Summary of Deficiencies: It is our professional opinion that this building is Substandard because:

- Substantial renovation is required to correct Conditions found.
- Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.

Estimated Replacement Cost:	\$13,731,613
Estimated Cost to Correct Building Code Deficiencies:	\$3,530,200
Percentage of Replacement Cost for Building Code Deficiencies:	25.7%

DEFECTS IN STRUCTURAL ELEMENTS

1. The metal roof decking is damaged allowing for water intrusion which is contrary to code.

COMBINATION OF DEFICIENCIES

1. Essential Utilities and Facilities
 - a. There is no code required accessible route to all levels of the building.
2. Light and Ventilation
 - a. The HVAC system does not comply with code.
3. Fire Protection/Adequate Egress
 - a. Exterior sidewalks are damaged creating an impediment for emergency egress which is contrary to code.
 - b. The exterior concrete stairs are damaged creating an impediment for emergency egress which is contrary to code.
 - c. Interior flooring is damaged creating an impediment for emergency egress which is contrary to code.
 - d. Thresholds do not comply with code for maximum height.
4. Layout and Condition of Interior Partitions/Materials
 - a. The interior is fire damaged and should be cleaned, repaired, and repainted.
 - b. Mold is present in many areas of the building.
 - c. Ceiling tiles are damaged or missing and should be replaced.

5. Exterior Construction
 - a. Roofing material is damaged allowing for water intrusion which is contrary to code.
 - b. Exterior brick is water stained.
 - c. Exterior joint caulking is failing, allowing for water intrusion which is contrary to code.
 - d. Seedlings have germinated on the roof and are growing.
 - e. Exterior brick had graffiti covered over with a contrasting color and the entire wall should be repainted to match.
 - f. The exterior concrete wall curb is damaged and should be repaired.

DESCRIPTION OF CODE DEFICIENCIES

1. Metal decking that was fire damaged should be replaced to prevent water intrusion per code.
2. A code required accessible route to all levels should be created.
3. A code-compliant HVAC system should be installed.
4. Damaged exterior sidewalks should be repaired to create a code required unimpeded means for emergency egress.
5. Damaged exterior stairs should be repaired to create a code required unimpeded means for emergency egress.
6. Damaged interior flooring should be replaced to create a code required unimpeded means for emergency egress.
7. Thresholds should be modified to comply with code.
8. Failed roofing material should be replaced to prevent water intrusion per code.
9. Failed control joint caulking should be replaced to prevent water intrusion per code.

OVERVIEW OF DEFICIENCIES

This building is currently vacant and has sustained localized fire damages to an interior wall and roof. There is smoke damage throughout the building. The metal roof decking is damaged, allowing for water intrusion which is contrary to code. The roofing material is damaged, allowing for water intrusion which is contrary to code. Exterior concrete sidewalks and stairs are damaged, creating an impediment for emergency egress which is contrary to code. The flooring is damaged creating an impediment for emergency egress which is contrary to code. There is no code required accessible route to all levels in the building. Thresholds do not comply with code for maximum height. Exterior control joint caulking has failed allowing for water intrusion which is contrary to code. Exterior walls should be repainted. Interior walls and ceilings should be repaired and or replaced. Mold is present throughout the building.

ENERGY CODE DEFICIENCIES

In addition to the building code deficiencies listed above, the existing building does not comply with the current energy code. These deficiencies are not included in the estimated costs to correct code deficiencies and are not considered in determining whether the building is substandard.

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Target Building Redevelopment TIF District

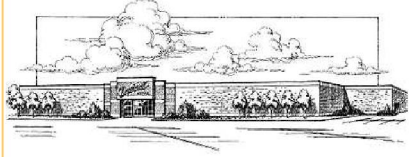
Replacement Cost Report

RSMeans data
for BORDIAN

Square Foot Cost Estimate Report

Date:

8/15/2023

Estimate Name:	Brooklyn Center Target	
Building Type:	Store, Department, 1 Story with Face Brick & Concrete Block / Rigid Steel	
Location:	BROOKLYN CENTER, MN	 Costs are derived from a building model with basic components. Scope differences and market conditions can cause costs to vary significantly.
Story Count:	1	
Story Height (L.F.):	21	
Floor Area (S.F.):	120000	
Labor Type:	OPN	
Basement Included:	No	
Data Release:	Year 2023 Quarter 3	
Cost Per Square Foot:	\$114.43	
Building Cost:	\$13,731,613.47	

		Quantity	% of Total	Cost Per S.F.	Cost
A	Substructure		10.02%	\$9.97	\$1,195,858.45
A1010	Standard Foundations			\$2.47	\$296,057.65
A10101051560	Foundation wall, CIP, 4' wall height, direct chute, .148 CY/LF, 7.2 PLF, 12" thick	1418		\$1.19	\$143,142.14
A10101102500	Strip footing, concrete, reinforced, load 5.1 KLF, soil bearing capacity 3 KSF, 12" deep x 24" wide	1418		\$0.66	\$79,123.69
A10102107250	Spread footings, 3000 PSI concrete, load 75K, soil bearing capacity 3 KSF, 5' - 6" square x 13" deep	109.09		\$0.61	\$73,791.82
A1030	Slab on Grade			\$7.13	\$855,904.80
A10301202240	Slab on grade, 4" thick, non industrial, reinforced	120000		\$7.13	\$855,904.80
A2010	Basement Excavation			\$0.37	\$43,896.00
A20101106911	Excavate and fill, 100,000 SF, 4' deep, sand, gravel, or common earth, on site storage	120000		\$0.37	\$43,896.00
B	Shell		34.33%	\$34.16	\$4,099,705.61
B1010	Floor Construction			\$0.58	\$69,546.69
B10107203550	Fireproofing, gypsum board, fire rated, 1 layer, 1/2" thick, 14" steel column, 2 hour rating, 18 PLF	1893.82		\$0.58	\$69,546.69
B1020	Roof Construction			\$14.37	\$1,724,068.80
B10201124500	Roof, steel joists, beams, 1.5" 22 ga metal deck, on columns, 30'x30' bay, 28" deep, 40 PSF superimposed load, 62 PSF total load	120000		\$12.61	\$1,513,382.40
B10201124600	Roof, steel joists, beams, 1.5" 22 ga metal deck, on columns, 30'x30' bay, 28" deep, 40 PSF superimposed load, 62 PSF total load, add for column	120000		\$1.76	\$210,686.40
B2010	Exterior Walls			\$9.08	\$1,089,605.01
B20101321240	Brick wall, composite double wythe, standard face/CMU back-up, 8" thick, styrofoam core fill	26800.2		\$9.08	\$1,089,605.01
B2020	Exterior Windows			\$2.09	\$251,331.38
B20202101450	Aluminum flush tube frame, for 1/4" glass, 1-3/4" x 4-1/2", 5'x6' opening, 1 intermediate horizontal	2977.8		\$1.06	\$127,450.14
B20202202300	Glazing panel, plate glass, 3/8" thick, tinted	2977.8		\$1.03	\$123,881.24
B2030	Exterior Doors			\$0.55	\$65,870.57
B20301105850	Doors, stainless steel & glass, balanced, standard, premium, 3'-0" x 7'-0" opening	2.18		\$0.42	\$50,660.18
B20302203450	Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" x 7'-0" opening	4.36		\$0.13	\$15,210.39
B3010	Roof Coverings			\$7.37	\$884,420.62
B30101051400	Roofing, asphalt flood coat, gravel, base sheet, 3 plies 15# asphalt felt, mopped	120000		\$4.04	\$484,807.20
B30103203090	Insulation, rigid, roof deck, composite with 2" EPS, 1" perlite	120000		\$2.72	\$326,485.20
B30104201400	Roof edges, aluminum, duranodic, .050" thick, 6" face	1418		\$0.47	\$56,668.03
B30106305100	Gravel stop, aluminum, extruded, 4", mill finish, .050" thick	1418		\$0.14	\$16,460.19
B3020	Roof Openings			\$0.12	\$14,862.54

B30202100300	Roof hatch, with curb, 1" fiberglass insulation, 2'-6" x 3'-0", galvanized steel, 165 lbs	2		\$0.04	\$4,343.08
B30202102100	Smoke hatch, unlabeled, galvanized, 2'-6" x 3', not incl hand winch operator	4		\$0.09	\$10,519.46
C	Interiors		21.93%	\$21.82	\$2,617,966.50
C1010	Partitions			\$2.65	\$318,012.90
C10101265800	Metal partition, 5/8" fire rated gypsum board face, 1/4" sound deadening gypsum board, 2-1/2" @ 24", same opposite face, no insulation	20000		\$1.30	\$156,334.80
C10107101001	1/2" fire rated gypsum board, taped & finished, painted on metal furring	26800.2		\$1.35	\$161,678.10
C1020	Interior Doors			\$1.85	\$221,663.40
C10201022600	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'-0" x 7'-0" x 1-3/8"	200		\$1.85	\$221,663.40
C3010	Wall Finishes			\$0.32	\$38,646.00
C30102300140	Painting, interior on plaster and drywall, walls & ceilings, roller work, primer & 2 coats	40000		\$0.32	\$38,646.00
C3020	Floor Finishes			\$9.62	\$1,154,367.00
C30204100080	Carpet tile, nylon, fusion bonded, 18" x 18" or 24" x 24", 35 oz	60000		\$2.66	\$319,622.40
C30204101740	Tile, porcelain type, minimum	60000		\$6.96	\$834,744.60
C3030	Ceiling Finishes			\$7.38	\$885,277.20
C30302107200	Acoustic ceilings, 5/8" plastic coated mineral fiber, 12" x 12" tile, 25 ga channel grid, adhesive back support	120000		\$7.38	\$885,277.20
D	Services		33.73%	\$33.56	\$4,027,002.89
D1010	Elevators and Lifts			\$0.71	\$85,088.40
D10101102200	Hydraulic, passenger elevator, 3000 lb, 2 floors, 100 FPM	1		\$0.71	\$85,088.40
D2010	Plumbing Fixtures			\$2.52	\$302,431.93
D20101102080	Water closet, vitreous china, bowl only with flush valve, wall hung	42.65		\$1.44	\$173,230.77
D20102102000	Urinal, vitreous china, wall hung	5.56		\$0.08	\$9,560.25
D20103101560	Lavatory w/trim, vanity top, PE on CI, 20" x 18"	16.69		\$0.28	\$34,093.69
D20104404340	Service sink w/trim, PE on CI, wall hung w/rim guard, 24" x 20"	7.42		\$0.44	\$53,060.59
D20108201880	Water cooler, electric, wall hung, dual height, 14.3 GPH	7.42		\$0.27	\$32,486.63
D2020	Domestic Water Distribution			\$0.35	\$42,004.90
D20202502220	Gas fired water heater, commercial, 100< F rise, 500 MBH input, 480 GPH	1.85		\$0.35	\$42,004.90
D2040	Rain Water Drainage			\$0.90	\$107,736.49
D20402104360	Roof drain, CI, soil, single hub, 6" diam, 10' high	20.4		\$0.59	\$70,389.69
D20402104400	Roof drain, CI, soil, single hub, 6" diam, for each additional foot add	711.27		\$0.31	\$37,346.80
D3050	Terminal & Package Units			\$9.73	\$1,167,504.00
D30501502560	Rooftop, single zone, air conditioner, department stores, 10,000 SF, 29.17 ton	120000		\$9.73	\$1,167,504.00
D4010	Sprinklers			\$4.17	\$500,546.40
D40104100640	Wet pipe sprinkler systems, steel, light hazard, 1 floor, 50,000 SF	120000		\$4.17	\$500,546.40
D4020	Standpipes			\$0.44	\$52,216.53
D40203101580	Wet standpipe risers, class III, steel, black, sch 40, 6" diam pipe, 1 floor	1.09		\$0.21	\$25,096.31
D40203101600	Wet standpipe risers, class III, steel, black, sch 40, 6" diam pipe, additional floors	4.36		\$0.23	\$27,120.22
D5010	Electrical Service/Distribution			\$0.94	\$113,137.45
D50101200480	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 1200 A	1.25		\$0.32	\$38,116.75
D50102300480	Feeder installation 600 V, including RGS conduit and XHHW wire, 1200 A	100		\$0.39	\$46,405.50
D50102400320	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 1200 A	1.2		\$0.24	\$28,615.20
D5020	Lighting and Branch Wiring			\$12.38	\$1,485,293.77
D50201100240	Receptacles incl plate, box, conduit, wire, 2.5 per 1000 SF, .3 W per SF, with transformer	80400		\$1.69	\$202,791.31
D50201350200	Miscellaneous power, to .5 watts	120000		\$0.18	\$22,020.00
D50201400240	Central air conditioning power, 3 watts	144000		\$0.93	\$111,936.96
D50202100520	Fluorescent fixtures recess mounted in ceiling, 1.6 watt per SF, 40 FC, 10 fixtures @ 32 watt per 1000 SF	150000		\$9.57	\$1,148,545.50

D5030	Communications and Security			\$1.43	\$171,043.02
D50309100456	Communication and alarm systems, fire detection, addressable, 100 detectors, includes outlets, boxes, conduit and wire	1.09		\$0.79	\$94,839.06
D50309100462	Fire alarm command center, addressable with voice, excl. wire & conduit	1.09		\$0.12	\$14,734.36
D50309200102	Internet wiring, 2 data/voice outlets per 1000 S.F.	84		\$0.51	\$61,469.60
E	Equipment & Furnishings		0.00%	\$0.00	\$0.00
E1090	Other Equipment			\$0.00	\$0.00
F	Special Construction		0.00%	\$0.00	\$0.00
G	Building Sitework		0.00%	\$0.00	\$0.00
SubTotal			100%	\$99.50	\$11,940,533.45
Contractor Fees (General Conditions,Overhead,Profit)			15.0%	\$14.93	\$1,791,080.02
Architectural Fees			0.0%	\$0.00	\$0.00
User Fees			0.0%	\$0.00	\$0.00
Total Building Cost				\$114.43	\$13,731,613.47

Target Building Redevelopment TIF District

Code Deficiency Cost Report

Parcel A - 6100 Shingle Creek Boulevard, Brooklyn Park, Minnesota 55430

Parcel ID 35-119-21-43-0009

Building Name or Type

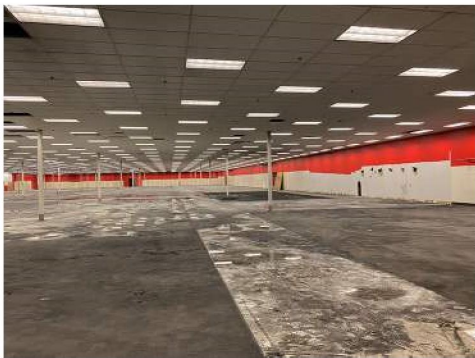
Brooklyn Center Target Building

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Accessibility Items					
	Accessible Route				
	Create an accessible route to all levels of the building	\$ 0.71	SF	120,000	\$ 85,200.00
Structural Elements					
	Roof Decking				
	Repair damaged roof decking to prevent water intrusion per code	\$ 1.76	SF	120,000	\$ 211,200.00
Exiting					
	Thresholds				
	Modify thresholds to comply with code for maximum height	\$1,000.00	Lump	1	\$ 1,000.00
	Sidewalks				
	Repair damaged sidewalks to create a code required unimpeded means for emergency egress	\$5,000.00	Lump	1	\$ 5,000.00
	Repair damaged concrete stairs to create a code required unimpeded means for emergency egress	\$1,000.00	Lump	1	\$ 1,000.00
	Interior Flooring				
	Replace damaged interior flooring to create a code required unimpeded means for emergency egress	\$ 9.62	SF	120,000	\$ 1,154,400.00
Fire Protection					
	No Deficiencies Observed				\$ -
Exterior Construction					
	Caulking				
	Replace failed caulking to prevent water intrusion per code	\$ 0.05	SF	120,000	\$ 6,000.00
Roof Construction					
	Roofing Material				
	Replace failed roofing material to prevent water intrusion per code	\$ 7.49	SF	120,000	\$ 898,800.00
Mechanical - Electrical					
	Mechanical				
	Install a code compliant HVAC system	\$ 9.73		120,000	\$ 1,167,600.00
Total Code Improvements					\$ 3,530,200

Target Building Redevelopment TIF District | Parcel A: 35-119-21-43-0009



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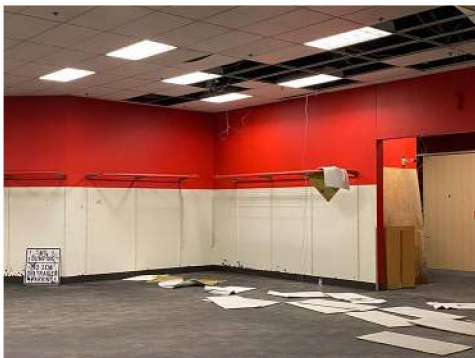
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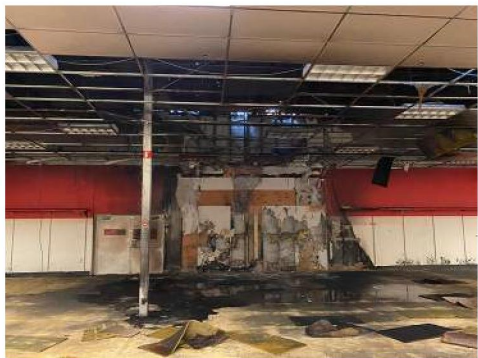
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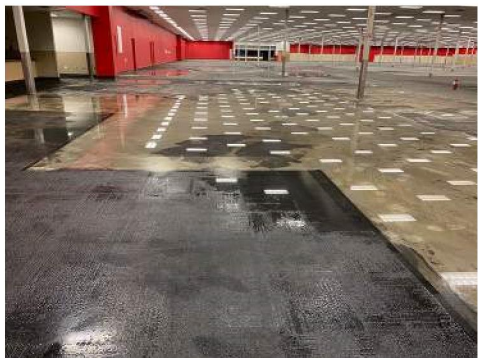
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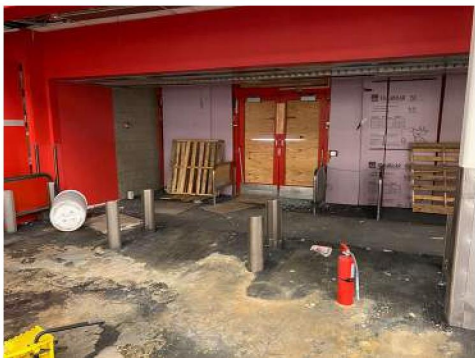
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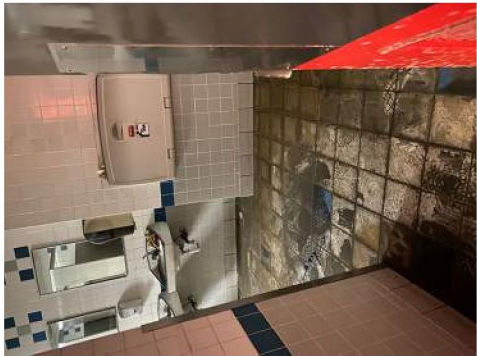
Target Building Redevelopment TIF District | Parcel A: 35-119-21-43-0009



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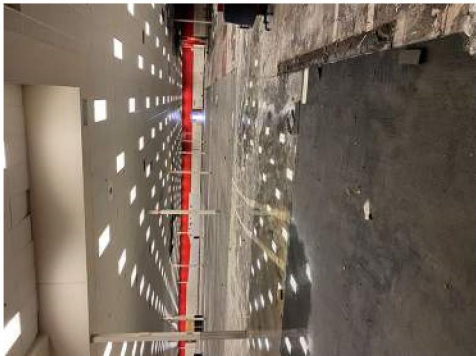
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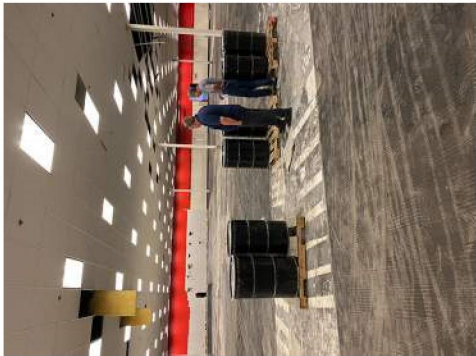


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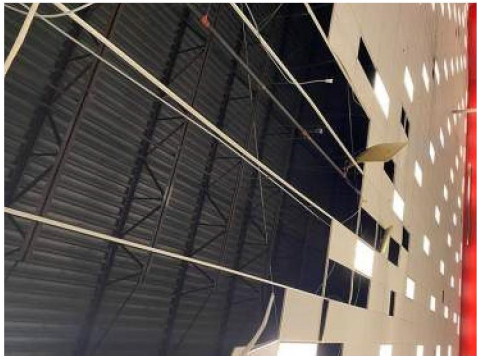
Target Building Redevelopment TIF District | Parcel A: 35-119-21-43-0009



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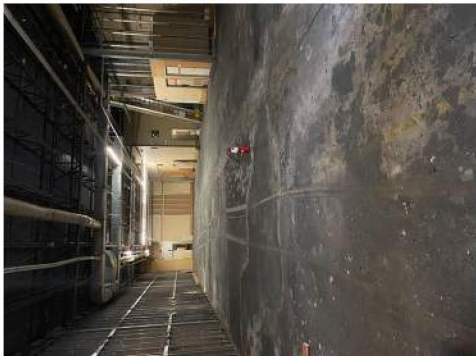
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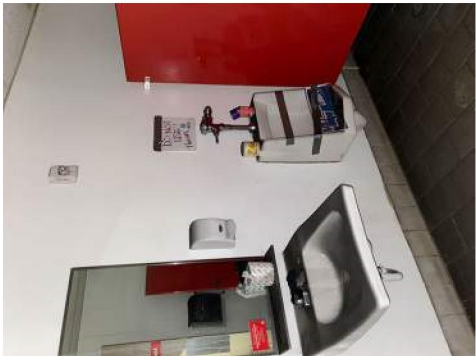
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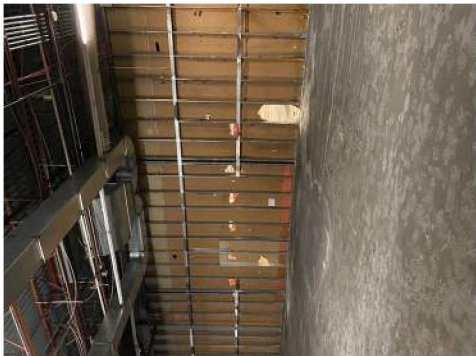
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Target Building Redevelopment TIF District | Parcel A: 35-119-21-43-0009



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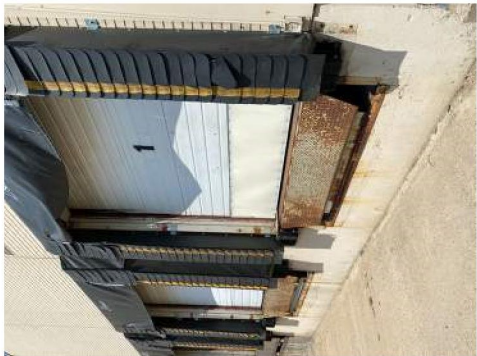
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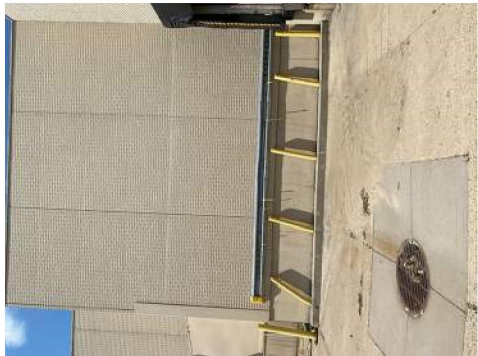
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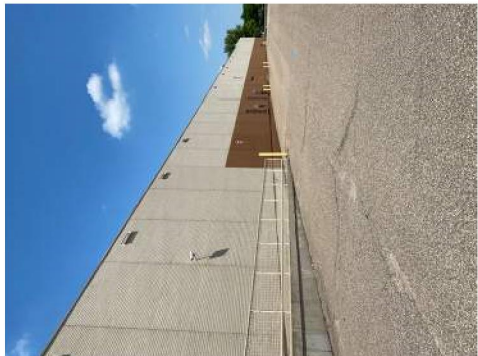
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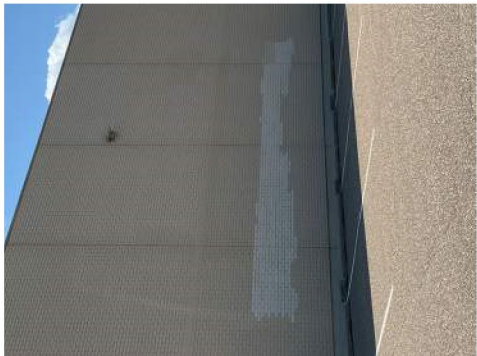
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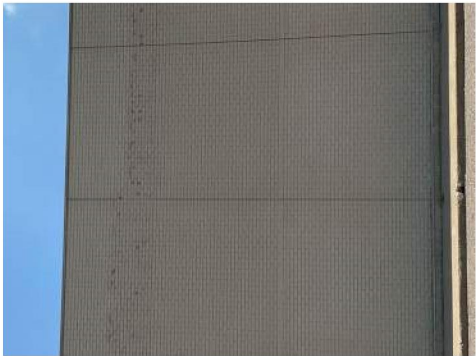


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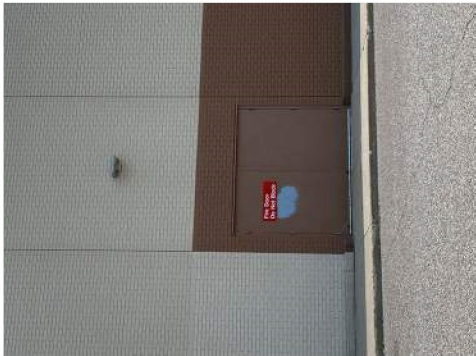


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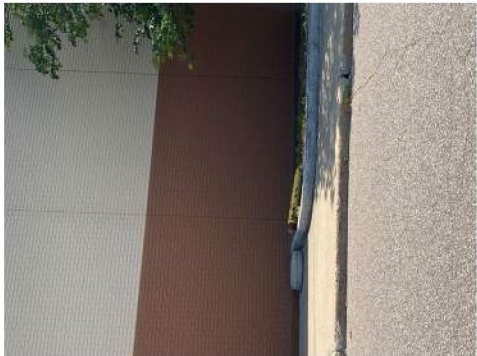
Target Building Redevelopment TIF District | Parcel A: 35-119-21-43-0009



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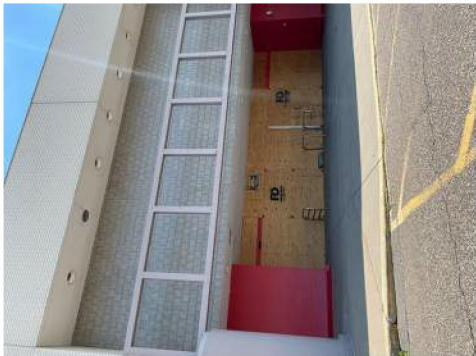
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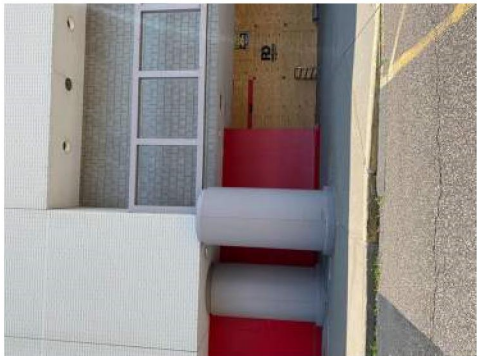
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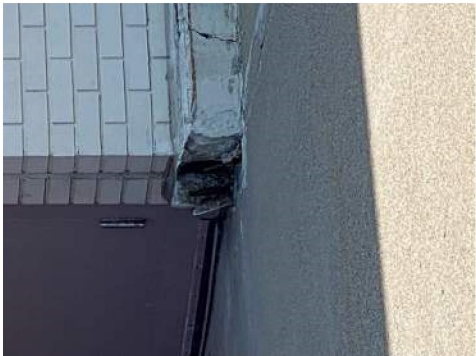
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Council/EDA Work Session

DATE: 10/9/2023

TO: City Council

FROM: Dr. Reggie Edwards, City Manager

THROUGH: N/A

BY: Dr. Reggie Edwards, City Manager

SUBJECT: Upcoming Items

Requested Council Action:

- Memorial Policy
- Special Assessment Policy/Franchise Fees (*referred to Financial Commission*)
- Beautification and Public Art Commission
- Liquor Store 2
- Organizational Chart-Budget work sessions
- New and Repeat Type IV Rental License Review (*referred to Housing Commission*)
- Food Truck Ordinance/License
- Emerald Ash Borer Policy Review (*referred to Park & Rec Commission November*)
- Opioid Settlement
- ARPA Funds
- Grants: Revenues & Expenses
- Purchasing Policy
- Interveners Impact
- Revisit Resolution 2021-73

Background:

Budget Issues:

Antiracist/Equity Policy Effect:

Strategic Priorities and Values: