I. Call to Order

II. Roll Call

III. Pledge of Allegiance

IV. Approval of Meeting Agenda

V. Community Comment

During "Community Comment," the Edina Housing and Redevelopment Authority (HRA) will invite residents to share new issues or concerns that haven't been considered in the past 30 days by the HRA or which aren't slated for future consideration. Individuals must limit their comments to three minutes. The Chair may limit the number of speakers on the same issue in the interest of time and topic. Generally speaking, items that are elsewhere on today's agenda may not be addressed during Community Comment. Individuals should not expect the Chair or Commissioners to respond to their comments today. Instead the Commissioners might refer the matter to staff for consideration at a future meeting.

VI. Adoption of Consent Agenda

All agenda items listed on the consent agenda are considered routine and will be enacted by one motion. There will be no separate discussion of such items unless requested to be removed from the Consent Agenda by a Commissioner of the HRA. In such cases the item will be removed from the Consent Agenda and considered immediately following the adoption of the Consent Agenda. (Favorable rollcall vote of majority of Commissioners present to approve.)

A. Minutes: Draft Minutes of Regular Meeting and Work Session Oct. 10, 2019
B. Approve Loan Participation Agreement with Edina Housing Foundation
C. Approve Lighting Encroachment Agreement with Edina Market Street, LLC
D. Approve Payment of Claims

VII. Reports/Recommendations: (Favorable vote of majority of Commissioners present to approve except where noted)

A. Project Update: 6600 to 6800 France Avenue
B. Motion to Close Meeting of the HRA as permitted by MS. 13D.05 subdivision 3
C. Motion to move back into Open Session

VIII. Correspondence
   A. Correspondence

IX. HRA Commissioners' Comments

X. Executive Director's Comments

XI. Adjournment

The Edina Housing and Redevelopment Authority wants all participants to be comfortable being part of the public process. If you need assistance in the way of hearing amplification, an interpreter, large-print documents or something else, please call 952-927-8861 72 hours in advance of the meeting.
To: Chair & Commissioners of the Edina HRA
From: Jennifer Garske, Executive Assistant
Subject: Minutes: Draft Minutes of Regular Meeting and Work Session Oct. 10, 2019

**ACTION REQUESTED:**
Approve the regular meeting minutes and work session minutes of Oct. 10, 2019.

**INTRODUCTION:**
See attached meeting minutes of Oct. 10, 2019.

**ATTACHMENTS:**
- HRA Regular Meeting Minutes Oct. 10, 2019
- HRA Work Session Meeting Minutes Oct. 10, 2019
MINUTES
OF THE REGULAR MEETING
OF THE EDINA HOUSING AND REDEVELOPMENT AUTHORITY
OCTOBER 10, 2019
7:30 A.M.

I. CALL TO ORDER
Chair Hovland called the HRA meeting to order at 7:30 a.m.

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL
Answering rollcall were Commissioners Anderson, Brindle, and Chair Hovland.

Absent: Commissioner Fischer.

IV. APPROVAL OF MEETING AGENDA – AS PRESENTED
Motion made by Commissioner Brindle seconded by Commissioner Anderson approving the meeting agenda as presented.
Ayes: Anderson, Brindle, Hovland
Motion carried.

V. COMMUNITY COMMENT
No one appeared.

VI. CONSENT AGENDA – AS PRESENTED
Motion made by Commissioner Anderson seconded by Commissioner Brindle approving the consent agenda.
VI.A. Minutes: Approve Draft Minutes of Regular Meeting of September 26, 2019
Ayes: Anderson, Brindle, Hovland
Motion carried.

VI.B. Approve Modification of Affordable Housing Loan Agreement

VI.C. Adopt Resolution No. 2019-09: Requesting Public Hearing for December 3, 2019, for Amundson Avenue Tax Increment Financing District
Ayes: Anderson, Brindle, Hovland
Motion carried.

Commissioner Staunton arrived at 7:36 a.m.

VII. REPORTS/RECOMMENDATIONS
VII.A. VILLAGE HOMES OF CENTENNIAL LAKES – EDINA HRA AGREEMENT – APPROVED
Executive Director Neal shared background information regarding reasons for the request and the preliminary agreement reached with the Village Homes of Centennial Lakes HOA Board, which had approved in concept and was being presented to the HRA.

Finance Director Uram said this item was initially presented to the HRA on January 31 and again on March 28. At the meeting in March, the HRA voted to deny the petition by the Centennial Lakes Village homeowners to eliminate the park maintenance fees. However, the HRA expressed some interest in staff continuing to work with the homeowners to determine if there was a compromise position benefiting both parties. In June, Staff met with representatives from the association and their attorney to discuss options that included capping the fees and extending the term. The agreement included terms of CPI fee increase for 2020 and 2021, fees capped at $15/unit/month through December 31, 2019, and payment term extended through December 31, 2034 for an additional five years with fees reduced to $10/unit/month. He said this agreement was consistent with surrounding residential property agreements and would start in 2022 at $15/unit/month with the extension of fees after. He noted while fees were reduced in the short term there was an overall extension and that staff supported approval.
The HRA said they were pleased with outcome and would support the agreement.

**Motion made by Commissioner Anderson seconded by Commissioner Brindle to approve the Village Homes of Centennial Lakes - Edina HRA Agreement as presented.**

Ayes: Anderson, Brindle, Hovland, Staunton

Motion carried.

**VII.B. AFFORDABLE HOUSING PROGRESS REPORT – RECEIVED**

Affordable Housing Development Manager Hawkinson shared a progress report on affordable housing in the City. She shared locations of current affordable housing that included The Lorient at 46 units with three affordable units through TIF; Nolan Mains at 100 units with 10 units affordable through TIF and Trust Fund; Millennium at Southdale with 375 units and 11 affordable; 66 West with 39 units all affordable through TIF; Aria Apartments with 188 units and eight affordable; Aurora with 179 units and 10 affordable; Villa Nova at 11 units and five affordable through TIF pooling; Yorkshire of Edina with 96 units and 10 affordable; 7200-7250 France Avenue of 311 units with 62 affordable units through TIF; 4100 Edina of 70 units all affordable with TIF; Amundson Flats with 62 units all affordable; and Avidor at 165 units with 18 affordable. She shared a summary of all units produced since 2012 that totaled 20 percent affordable. Ms. Hawkinson reviewed the Come Home 2 Edina program with over $5 million of second mortgage notes originated that had benefited 106 households. She then reviewed the Homes Within Reach program through block grant funding that created affordable homes for 99 years and totaled $1.4 million. She reviewed policies and ordinances created to support affordable housing programs and thanked the HRA for their support to continue the creation of affordable housing in the City.

The HRA spoke about the Southdale 2 TIF analysis from Ehlers and Associates and their recommendation to extinguish the loan obligation to Simon that maximized reconstruction of the mall and use up to $15.2 million for affordable housing needs. Ms. Hawkinson shared information on the special legislation pooling funds of $7.5 million with $2.4 million pledged to 4100 Edina with payback of $500,000 and the $1.3 pledged to Amundson Flats with payback of $600,000 that would result in an ending balance of $4.8 million. She said the remaining $8 million was not contained in special legislation and that we have used $350,000 to date with most funds remaining.

Mr. Uram explained $12.8 million remained out of the $15.2 million with a deadline of commitment for turnback by the of 2021, then noted the other portion of $7.5 million could extend beyond as it was not special legislation funding, just pooled funding for housing so there was flexibility in timing for those funds.

The HRA said because so much time was needed to create affordable housing, what could be done now to ensure projects were in place by 2021. Ms. Hawkinson said that topic would be the HRA’s focus at the work session shortly and while no active projects were in place, staff would be presenting concepts to ensure funding was not lost.

**VIII. CORRESPONDENCE**

VIII.A. Correspondence – None.

The HRA noted they would like to review their involvement with the Land Bank based on their recent correspondence.

**IX. HRA COMMISSIONERS’ COMMENTS**

**X. EXECUTIVE DIRECTOR’S COMMENTS**

**XI. ADJOURNMENT**

**Motion made by Commissioner Brindle seconded by Commissioner Anderson to adjourn the regular HRA meeting at 7:52 a.m.**

Ayes: Anderson, Brindle, Hovland, Staunton

Motion carried.

Respectfully submitted,

___________________________________________
Scott Neal, Executive Director
I. CALL TO ORDER
Chair Hovland called the HRA meeting to order at 8:09 a.m.

II. ROLL CALL
Answering roll call were Commissioners Anderson, Brindle, Staunton and Chair Hovland.
Absent: Commissioner Fischer.

Staff attending the meeting: Bill Neuendorf, Economic Development Manager; Scott Neal, City Manager; Stephanie Hawkinson, Affordable Housing Development Manager; Don Uram, Finance Director; Cary Teague, Community Development Director; Casey Casella, City Management Fellow; and Jennifer Garske, Executive Assistant.
Also attending was Ann Swenson, Edina Housing Foundation (EHF) member.

III. Welcome and Introductions
Manager Neal introduced Ms. Swenson to the Housing & Redevelopment Authority (HRA).

IV. Joint Meeting with the Edina Housing Foundation
The Commissioners asked Ms. Swenson to share ideas EHF might have to maximize TIF money. Ms. Swenson shared that EHF is looking for a broker to help them locate properties. They don’t want the HRA and EHF to bid against each other on properties. They are hoping the next project can be for senior housing. EHF had Ehlers come and speak about TIF money. EHF wants to encourage the City Council to be more proactive, and EHF will help with that. Ms. Swenson shared the challenge of finding houses that can fit the guidelines, since you can’t make a TIF district around a single-family home.

Ms. Swenson, Ms. Hawkinson and Mr. Neuendorf answered Commissioners’ questions around the special legislation TIF money, that must be used by the end of 2021, and that a percentage of the funds have to be used toward rental properties. Ms. Hawkinson explained that EHF has different ideas for single-family affordable housing where more flexible funds could be used.

Commissioners asked about the City creating its own land trust, land banking, co-op housing options, the flexibility of EHF vs. HRA when it comes to buying property and land options in the City that could be purchased for affordable developments.

Ms. Hawkinson gave an update on the Aeon project, 4100 W. 76th St., and shared Aeon will find out in November if they have all their funding in place. Aeon is going over the site plan with staff, and then it will go to the Planning Commission. She asked the HRA to think about what their vision is for the west promenade, as staff works with Aeon on the plans.

Commissioners asked if developers know the City is willing to partner on affordable housing projects, and Ms. Hawkinson said yes. The biggest challenge is finding land for the projects. Ms. Swenson discussed the need to look at transportation options near affordable housing developments, as they did at 70th & Cahill.

Commissioners asked about parcels that might be right for developing a Community Center. They discussed the Southdale Library site and when that site might be available to purchase. Mr. Neuendorf shared that in order to use the TIF money under deadline, all that is needed is to establish the TIF District.

V. ADJOURNMENT
Chair Hovland adjourned the meeting at 8:48 a.m.
Respectfully submitted,

___________________________________________
Scott Neal, Executive Director
ACTION REQUESTED:
Approve the loan participation agreement with the Edina Housing Foundation.

INTRODUCTION:
This item pertains to the $1.5 million affordable housing loan provided by the Edina Housing Foundation and the Edina Housing and Redevelopment Authority.

This loan was approved as part of the July 2017 Redevelopment Agreement with Edina Market Street, LLC who is constructing the Nolan Mains apartments and the new Center Parking Ramp.

The Housing Foundation agreed to contribute $750,000 in loan proceeds to support the inclusion of affordable housing units in this project. This participation agreement documents the terms and conditions of this loan.

This agreement has been prepared by the HRA's legal counsel. Staff recommends that this agreement be approved.

HRA’s legal counsel is making minor revisions to the agreement based on input from the Housing Foundation. The final agreement will be available for review on Tuesday, Oct. 22.

ATTACHMENTS:
Participation Agreement (Nolan Mains-EHF-HRA Affordable Housing Loan 2019)
Participation Agreement
(Edina Affordable Housing Fund – Nolan Mains)

This Participation Agreement (the “Agreement”), is made and entered into this ___ day of ___________, 2019, by and between the HOUSING AND REDEVELOPMENT AUTHORITY OF EDINA, MINNESOTA, a public body corporate and politic organized and existing under the laws of the State of Minnesota (the “Authority” or “Lead Lender”), and the EAST EDINA HOUSING FOUNDATION, a Minnesota nonprofit corporation (the “Foundation”).

Recitals:

A. The Authority has agreed to make a loan in the maximum, aggregate principal amount of $1,500,000.00 (the “Loan”) to EDINA MARKET STREET LLC, a Minnesota limited liability company (the “Borrower”), the proceeds of which will be used by the Borrower to partially finance the construction of an approximately 100 unit apartment building (the “Project”) on the real property situated in the city of Edina, Minnesota (“City”), described on Exhibit A attached to the Mortgage (as defined below) (the “Property”).

B. The Authority, the City, and the Borrower have entered into a Redevelopment Agreement (the “Redevelopment Agreement”) dated June 27, 2017, as amended, which Redevelopment Agreement is intended to provide for the redevelopment of the Property by the Borrower with the cooperation and assistance of the Authority and the City.

C. Pursuant to the Redevelopment Agreement and in consideration for the Loan, the Borrower has agreed to impose restrictive covenants upon the Property to ensure that at least 10 percent of the residential units within the Project will remain affordable to certain low-income persons and households (“Affordability Covenants”), as more specifically set forth in the Redevelopment Agreement.

D. The Foundation is a nonprofit corporation whose purpose is to provide assistance to families and individuals looking for affordable home ownership options in the City.

E. The Foundation desires to participate in the Loan by providing 50% of the Loan funds, and the Lead Lender has agreed to such participation, all upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the agreements set forth herein, the parties hereto hereby agree as follows:

1. Definitions. For the purposes of this Agreement, each of the following terms shall have the meaning specified with respect thereto, unless a different meaning clearly appears from the context:

   (a) “Lender” means the Lead Lender or a Participant, and “Lenders” means both the Lead Lender and the Participants.

   (b) “Collateral” means any property, real or personal, tangible or intangible, on or in which the Lead Lender holds a lien or security interest as collateral security for the Loan.

   (c) “Event of Default” means an event of default, or any default and the expiration of any cure period applicable thereto, under, pursuant to, or as defined in any of the Loan Documents, as determined by the Lead Lender.
(d) “Loan” means the Borrower’s obligations as described in this Agreement, the Loan Agreement, and the Note and includes, but is not limited to, all extensions, renewals, modifications, and refinancings or the Borrower’s obligation as well as all collateral and assurances of repayment taken in connection with the Loan.

(e) “Loan Agreement” means that certain Affordable Housing Loan Agreement between the Borrower and Lead Lender dated January 10, 2018.

(f) “Loan Documents” means those “Loan Documents” as that term is defined in the Loan Agreement, including without limitation the Loan Agreement, the Note, and the Mortgage.

(g) “Mortgage” means the Mortgage as defined in the Loan Agreement.

(h) “Note” means the Promissory Note dated January 10, 2018, executed and delivered by the Borrower to Lead Lender, in the maximum principal amount of $1,500,000.00 to evidence the Loan.

(i) “Participant” means the Foundation and each other purchaser of a Participating Interest.

(j) “Participating Interest” means the undivided interest of each Participant in the Loan, in the Loan Documents and in the Collateral.

(k) “Participation Certificate” means a certificate in the form of Exhibit A attached hereto evidencing each Participant’s interest in the Note.

(l) “Participation Commitment” means the maximum dollar amount each Participant has committed to advance on the Note as designated on the Participation Certificate attached hereto as Exhibit A.

(m) “Percentage Interest” means each Participant’s and the Lead Lender’s respective undivided interest in the Loan, which shall be the Retained Interest for the Lead Lender and the Participating Interest for each Participant, as shown on such Participant’s Participation Certificate.

(n) “Pro Rata Share” means the proportion each Participant’s and the Lead Lender’s respective right and obligation bears to the total rights and obligations of all Participants and the Lead Lender.

(o) “Retained Interest” shall be deemed to mean an undivided interest in the Loan, in the Loan Documents, and in all rights, interest and obligations pertaining to such interest and all proceeds arising therefrom, from and after the date hereof, expressed as a percentage and calculated at any time by subtracting the aggregate Participating Interests from 100%.

2. Participation.

(a) Grant of Participation. The Lead Lender hereby sells, grants and assigns to each Participant, and each Participant hereby purchases and accepts from the Lead Lender, such Participant’s Participating Interest in: (i) the Lead Lender’s obligations under the Note and the other Loan Documents, (ii) the Lead Lender’s rights to obtain payment from the Borrower pursuant to the Note and the other Loan Documents (including without limitation payments of principal of and interest on the Note, late payment charges, and amounts realized as the result of enforcement under the Note and other Loan
Documents), (iii) any and all rights conferred upon the Lead Lender as security for the Borrower’s obligation to make payment under the Note, and to comply with the other Loan Documents, including, without limitation, the Mortgage, and (iv) the risks, liabilities and expenses (including without limitation attorneys’ fees) arising or incurred under or in connection with the Note or the other Loan Documents, including the risk of late performance or nonperformance by the Borrower of its obligations under the Note and the other Loan Documents and disputes or litigation relating to the Note or the other Loan documents.

(b) **Payment.** With regard to each request for an advance which the Lead Lender has approved, each Participant agrees to make payment of its Pro Rata Share of the requested advance to the Lead Lender on the date reasonably required by Lead Lender up to an aggregate principal amount for such Participant equal to its Participation Commitment. As soon as practicable after any payment by a Participant to the Lead Lender in accordance with this Section 2(b), the Lead Lender shall furnish to each Participant a Participation Certificate, in substantially the form of Exhibit A hereto, to evidence each Participant’s Participating Interest in such advance as well as in the Loan. The most current Participation Certificate shall supersede all prior Participation Certificates.

(c) **Defaulting Participants.** Should any Participant fail to make available to the Lead Lender its Pro Rata Share of any advance each defaulting Participant shall be considered a defaulting Lender for its respective Pro Rata Share of such advance. A defaulting Participant will be further obligated to pay interest to the Lead Lender at the rate specified in the Note for the period of delinquency of its Pro Rata Share. So long as any Participant is a defaulting Participant hereunder, it shall not have the right to consent or object to any matter requiring Participants’ consent. In addition to the remedies set forth in this Section 2(c), the Lead Lender shall be entitled to pursue all other remedies available at law or in equity against any defaulting Participant.

3. **Distribution of Payments and Expenses.**

(a) **Loan Servicing by the Lead Lender.** The Lead Lender shall service the Loan at no cost or expense to the Participants other than each Participant’s share of the expenses referred to in Section 3(c). All amounts received by the Lead Lender from or on behalf of the Borrower in connection with the payment of principal, interest or any other amounts due under the Note and the other Loan Documents shall be held on behalf of the Lead Lender and the Participants for disbursement in accordance with and pursuant to this Agreement.

(b) **Application of Monies.** All monies collected or received by the Lead Lender in connection with the Loan shall be applied in the following order of priority: (i) to the repayment to the Lead Lender and the Participants, as the case may be, of any amounts permitted to be paid by the Lead Lender on behalf of the Borrower under the Loan Documents and actually paid by the Lead Lender, (ii) to the payment of any amounts payable by the Borrower pursuant to any Loan Document, other than the payment of interest on or principal of the Note, (iii) to the payment of interest due and payable on the Note, and (iv) to the payment of principal of the Note. Lead Lender shall keep records of each such remittance, which records shall be presumed to be accurate until the contrary is established.

(c) **Allocation of Expenses.** The Lead Lender and the Participants shall share, in accordance with their respective Percentage Interest, all reasonable expenses incurred by the Lead Lender which are necessary to (i) enforce any of the Loan Documents, including, without limitation, the Note, and/or (ii) protect the Collateral and/or the priority of the Collateral for the Loan.

(d) **Distribution of Payments.**
Upon receipt by Lead Leader of a payment of principal, interest or any other amount in connection with the Loan with respect to which the Participants are entitled to receive a share, the Lead Leader shall pay to each Participant, within a reasonable time thereafter, the amount due to each Participant as determined pursuant to this Agreement.

Notwithstanding any other provision in this Agreement, before any distribution of any amount to any Participant is made, the amount of such distribution shall be adjusted, if necessary, to deduct any amount owed by such Participant hereunder and not paid when due.

4. Rights of the Lead Lender and the Participants.

(a) Interest in Loan Documents. The respective interests of the Lead Lender and the Participants in the Loan Documents and in the rights and claims of the Lead Lender thereunder shall be in proportion to their respective Percentage Interests, shall be ratably concurrent, coordinate, and pari passu, and neither shall have any priority over the other.

(b) Powers Granted to the Lead Lender. The Participants appoint and authorize the Lead Lender as an independent contractor (and not as an agent, employee, partner, joint venturer, or fiduciary) acting on behalf of the Participants, subject to the limitations herein contained: (i) to negotiate, control, manage and service the Loan, (ii) to enforce or to refrain from enforcing the Note and the other Loan Documents, (iii) to give consents, approvals or waivers in connection with the Note and the other Loan Documents, (iv) to agree to any amendments to modifications of the Note and the other Loan Documents, (v) to acquire additional security for the Loan, (vi) to take or refrain from taking any action and to make any determination provided for herein or in the Note or the other Loan Documents, and (vii) to exercise all such powers as are incidental thereto.

(c) Limitations on the Lead Lender’s Actions. The Lead Lender shall not, without the prior written consent, approval or concurrent action of those Lenders (i.e., both the Lead Lender and the Participants) holding 100% of the Percentage Interests, agree to any amendment, modification or waiver of any of the terms of the Note, the Loan Agreement or any other Loan Document, consent to any action or failure to act by the Borrower or any other party, or exercise any rights the Lead Lender may have in respect thereof; if, in any case, such amendment, modification, waiver, consent or exercise would: (i) increase the principal amount of the Note; (ii) reduce the principal amount of or rate of interest on the Loan; (iii) extend the maturity date of the Note; (iv) release any collateral except as otherwise provided in any Loan Document; or (v) modify the Affordability Covenants.

(d) Events of Default. In the event of the occurrence of an Event of Default of which Lead Lender shall have actual knowledge, Lead Lender may, on behalf of all Participants, enforce any remedies under the Loan Documents, or applicable law, on such terms and conditions as the Lead Lender in the exercise of its sole discretion shall deem advisable (herein generally “Enforcement Procedures”), and in furtherance thereof may select and retain counsel and other professionals of its choice to assist Lead Lender in such Enforcement Procedures.

(e) Allocation of Losses/Indemnification. The Lead Lender and the Participants shall also share, in accordance with their respective Percentage Interests, in any and all losses or liabilities incurred or experienced with respect to the Loan, the Loan Documents or the Collateral. Consistent with and not in contradiction of the terms of the preceding sentence, each Participant shall hold the Lead Lender harmless to the extent of such Participant’s Percentage Interest, from and against any loss or liability incurred by the Lead Lender arising out of or in any way connected with the Loan, the Loan Documents or the Collateral, if and to the extent that such loss or liability of the Lead Lender exceeds the
Lead Lender’s Pro Rata Share of the aggregate amount of such loss or liability, unless the same shall occur through the Lead Lender’s gross negligence or willful misconduct.

(f) Reliance on the Lead Lender. Neither the Lead Lender, nor any of its directors, officers, agents or employees, shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement, the Note or the other Loan Documents, or the Collateral, and neither the Lead Lender, nor such directors, officers, agents or employees, shall be responsible to the Participants for the consequences of any oversight or error of judgment or be answerable to the Participants for any loss whatsoever unless the same shall occur through their own gross negligence or willful misconduct, except that the Lead Lender shall be liable to the Participants for the Lead Lender’s breach of this Agreement.

(g) Independent Investigation and Credit Decision. Each Participant hereby acknowledges that copies of the final drafts of the Note, all other Loan Documents and all other documents necessary to make a credit decision have been made available to it if requested, and acknowledges its understanding and acceptance of the terms thereof. Each Participant further acknowledges that it has made its own factual, credit and legal analysis and decision whether to enter into this Agreement (including, without limitation, investigating the past performance of the Borrower generally), independently and without reliance upon the Lead Lender or counsel for the Lead Lender and based upon such documents and information as it has deemed appropriate.

(h) Representations and Warranties. The Lead Lender and each Participant each represents and warrants to the other that it is duly authorized and empowered to enter into this Agreement and to comply with the terms hereof, that this Agreement has been duly executed and delivered by it and constitutes its legal, valid and binding obligation, and that the execution and delivery of this Agreement and the performance of the agreements set forth herein are in accordance with all laws and regulations affecting or otherwise applicable to it. Except as specifically set forth in this Agreement, neither the Lead Lender nor any Participant makes any representation or warranty of any kind or nature, express or implied. In addition, notwithstanding anything to the contrary contained in this Agreement.

(i) No Recourse. The sale of the Participating Interests by the Lead Lender to the Participants pursuant to this Agreement shall be, except for any recourse of the Participants against the Lead Lender arising out of a default hereunder by the Lead Lender, without recourse against the Lead Lender.

(j) Inspection of Records by the Participants. The Lead Lender shall maintain with respect to the Loan its customary records, for inspection by the Participants at the address established for notice under Section 5(c), at all reasonable times during the normal business hours of the Lead Lender.

5. Miscellaneous.

(a) Extension of Affordability Covenants and Loan. Pursuant to the Redevelopment Agreement, prior to the maturity date of the Loan and the expiration of the Affordability Covenants, the Borrower has agreed to participate in good faith discussions with the Authority regarding an extension of the Affordability Covenants and the terms and conditions of any such extension. In connection with such discussions with the Borrower, at such time, each of the parties to the Agreement agree to participate in good faith discussions regarding an extension or other modification to the Loan and Loan Documents in order to extend the Affordability Covenants and preserve affordable housing within the Project.

(b) Transfer. Neither Lead Lender nor any Participant shall sell, assign, pledge, transfer, subparticipate or otherwise divide its Retained Interest or Participating Interest, as applicable or
any of its rights in this Agreement or the Loan Documents without the prior written notice to and consent of each of the other parties to this Agreement.

(c) **Notices.** Unless otherwise specified herein, all notices, requests and other communications to any party provided for hereunder shall be in writing and shall be sent by certified mail, by a reputable overnight courier, or by manual delivery to the Lead Lender at its address set forth below and to each Participant at its address set forth in its most current Participation Certificate, or at such other address as shall be designated by such party.

Lead Lender: Housing and Redevelopment Authority of Edina, Minnesota
Attention: Executive Director
4801 West 50th Street
Edina, MN 55424

(d) **No Waiver.** The delay or failure to enforce any provision of this Agreement shall not constitute a waiver or modification thereof. Any waiver of any breach of any provision hereof shall not constitute a waiver of any succeeding breach of such provision or any other provision.

(e) **Severability of Provisions.** The invalidity or unenforceability of any term or provision of this Agreement shall not affect the validity or enforceability of the remaining terms of provisions hereof, which shall remain in full force and effect.

(f) **Entire Agreement; Amendment.** This Agreement constitutes the entire agreement between the parties as of the date hereof with respect to the subject matter hereof, supersedes any prior understandings, letters, agreements or representations by or between the parties, oral or written, and may be modified, amended or terminated only by a written instrument duly executed on behalf of each party hereto.

(g) **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute the same agreement. Handwritten signatures to this Agreement transmitted by telecopy or electronic transmission (for example, via email through use of a Portable Document Format or “PDF” file) shall be valid and effective to bind the party so signing.

(h) **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota without regard to its choice of law provisions.

(i) **Successors and Assigns.** Except as other provided herein, all of the terms of this Agreement shall be binding upon and shall inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto.

(j) **No Third Party Beneficiary.** This Agreement is made for the sole benefit of the Lead Lender and the Participants and their respective permitted successors and assigns, and no other person or persons shall have any rights or remedies under or by reason of this Agreement.

[Remainder of page intentionally left blank; signatures on following page(s)]
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first set forth above.

LEAD LENDER:

HOUSING AND REDEVELOPMENT AUTHORITY OF EDINA, MINNESOTA

By: _________________________________________
    James B. Hovland, Chair

By: _________________________________________
    Michael Fischer, Secretary

FOUNDATION:

EAST EDINA HOUSING FOUNDATION,
a Minnesota nonprofit corporation

By: ________________________________
    Name: ___________________________
    Its: _____________________________

By: ________________________________
    Name: ___________________________
    Its: _____________________________
EXHIBIT A

PARTICIPATION CERTIFICATE NO. _____

Date: ______________

To: East Edina Housing Foundation
   4801 West 50th Street
   Edina, MN 55424
   Attention: Jeff Huggett

The undersigned hereby acknowledges receipt from the above-named entity (hereinafter referred to as “Participant”), under and pursuant to that certain Participation Agreement dated ________________, 2019 (the “Participation Agreement”), the aggregate sum of $750,000.00, which represents payment by you of your Participation Commitment as set forth below:

Participation Commitment: $750,000.00

Participation Interest 50%

Borrower: EDINA MARKET STREET LLC

Aggregate Principal Amount of Loans: $1,500,000.00

Reference is hereby made to the Participation Agreement for the terms and conditions of the sale and purchase of the participating ownership interest represented by this Participation Certificate, and to the Loan Documents evidencing such Loan for a complete statement of the terms and conditions of, and security for, such Loan.

Dated as of the ____ day of ____________, 2019.

HOUSING AND REDEVELOPMENT AUTHORITY
OF EDINA, MINNESOTA

By______________________________

Scott Neal, Executive Director

[Exhibit A to Participation Agreement]
ACTION REQUESTED:
Approve Lighting Encroachment Agreement with Edina Market Street, LLC.

INTRODUCTION:
This item pertains to the redevelopment of the properties on Market Street. The development approvals envisioned decorative lighting over portions of the public street. Both the North Parking Ramp and Nolan Mains apartment buildings were constructed to accommodate this type of lighting.

An encroachment agreement was prepared by the City Attorney to allow the installation of privately owned decorative lighting over the public street. The City Council approved the agreement on October 15, 2019.

Staff recommends that this lighting encroachment agreement be approved.

ATTACHMENTS:
Lighting Encroachment Agreement
AGREEMENT FOR
LIGHTING ENCROACHMENT OVER PUBLIC RIGHT-OF-WAY

This Lighting Encroachment Agreement (the “Agreement”) is made this ____ day of ______________, 2019 (the “Effective Date”), by and among the CITY OF EDINA, a Minnesota municipal corporation, with a principal office located at 4801 W. 50th St. Edina, Minnesota, 55424 (“City”), the EDINA HOUSING AND REDEVELOPMENT AUTHORITY, a public body corporate and politic under the laws of the State of Minnesota , with a principal office located at 4801 W. 50th St. Edina, Minnesota, 55424 (“HRA”) and EDINA MARKET STREET LLC, a Minnesota limited liability company, with a principal office located at 5100 Eden Avenue, Suite 317, Edina, Minnesota 55436 (“Developer”).

RECITALS

A. Developer is the fee owner of certain real property located in the City of Edina, Minnesota which is located at 3925 Market Street and legally described in Exhibit A (“South Site Developer Property”); and

B. Developer is also the fee owner of certain real property located in the City of Edina, Minnesota which is located at [3930 and 3944] Market Street and legally described in Exhibit A (“North Site Developer Property”, and collectively with the South Site Developer Property, the “Developer Property”); and

C. The HRA is the fee owner of certain real property located in the City of Edina, Minnesota located at [3940] Market Street and legally described in Exhibit B (“HRA Property”); and

D. The South Site Developer Property is separated from the North Site Developer Property and the HRA Property by Market Street and public sidewalks located within right-of-way dedicated to the public (collectively referred to herein as the “Right of Way”); and

E. Developer proposes to install and maintain decorative lights connected to brackets (“Lighting”) installed on (a) the North Site Developer Property and HRA Property on the north side of the Right of Way, and (b) the South Site Developer Parcel on the south side of the Right of Way, and extending over the Right of Way between such parcels, as described and depicted on Exhibit C attached hereto (“Lighting Encroachment Area”); and

E. The City is the road authority for the Right of Way located within the City of Edina.

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt of which is hereby acknowledged the Parties agree as follows:
1. City hereby grants Developer, and its successors and assigns, the right to encroach over the public right of way, in the Lighting Encroachment Area for the purposes of installing, operating, and maintaining the Lighting, subject to the following terms and conditions:

A. Developer may install the decorative lighting within the Lighting Encroachment Area at its sole cost. For the purpose of this agreement, the Lighting shall include the bulbs, wiring, guidewires, connecting clips, timers, sensors and other equipment necessary for the Lighting to be fully functional.

B. The Lighting shall be installed in accordance with City approved plans, specifications and permits and, once installed, shall not obstruct or interfere with the public’s use of the Right of Way, subject to the terms hereof.

C. The Lighting must be at least 16 feet clear above the Public Street and public sidewalk within the Right of Way and must be attached to guidewires mounted to the building(s) located on Developer Property and the North Parking Ramp located on the HRA Property. Installation of Lighting within or over the Right of Way shall not begin without the prior written approval of the City’s Director of Public Works or his or her designee (“Director”), such approval not to be unreasonably withheld, conditioned or delayed, and once approved shall occur only in conformance with a City approved traffic management plan and any other reasonable conditions set by the Director for such activities, which conditions may be modified as reasonably deemed necessary by the Director during the period of construction. Disruption of the normal use of Right of Way during construction shall be minimized as much as is reasonably feasible.

D. Developer shall be responsible for the cost of modifying, repairing, relocating, restoring, reinstalling and providing electricity for the lights, in a City approved fashion and location.

E. After installation, the Lighting must remain in operable condition with non-functional bulbs promptly replaced until such time that the Lighting is removed in its entirety. Developer shall be responsible for maintaining the appearance and safety of the Lighting in top quality condition. Developer shall also be solely responsible for the cost of all maintenance, repairs or alterations to the Lighting.

F. Pursuant to and in accordance with the provisions of this Section F, the City reserves the right under this Agreement, or under any applicable laws, to terminate this Agreement in the event of an uncured material default by Developer and to abate or remove any hazardous conditions which may occur with respect to the Lighting and to recover the costs of such abatement or removal, including any attorney’s fees incurred in the enforcement or implementation of these rights.
If the City determines that the health or safety of persons are materially and adversely affected by the condition of the Lighting (a “Safety Default”), Developer shall, upon receipt of written notice of such condition from the City, immediately take the necessary corrective actions to abate or remove the unsafe conditions, and, if unable to do so, shall remove the Lighting if reasonably directed to do so by the City. In the event that Developer shall fail to correct the conditions as directed by the City within a reasonable time, the City may, upon not less than three (3) business day prior written notice to Developer (or such notice as is reasonably possible under the conditions in the event of imminent threat to the health or safety of persons) enter upon the Developer Property and so abate or remove such unsafe conditions, or, if unable to do so, remove the Lighting. If the City determines that any default other than a Safety Default has occurred, Developer shall, within thirty (30) days of receipt of written notice of such default from the City, take the necessary corrective actions to cure the default (or if such cure is not reasonably feasible to be cured within said thirty (30) day period, Developer shall commence said cure within said thirty (30) day period and thereafter diligently pursue to completion), and, if unable to do so, shall remove the Lighting if reasonably directed to do so by the City. In the event that Developer shall fail to cure the default within the periods so provided, the City may, upon not less than three (3) business day prior written notice to Developer, enter upon the Developer Property and cure such default, or, if unable to do so, remove the Lighting. The City shall thereafter be entitled to collect the costs incurred in such corrective action, including any attorneys’ fees incurred in the enforcement or implementation of these rights. It is agreed that these costs shall be lien against the Developer Property and that the costs may be collected alternatively by foreclosure of this lien, by assessment of the costs against the Developer Property, by action on this Agreement against the owner of the Developer Property, or by any or all of the above, or by any other method available to the City.

Nothing herein shall require or obligate the City to make any repairs or modifications to the Lighting.

G. Developer shall, at all times during the installation of the Lighting and for so long as the Lighting remains in place, maintain commercial general liability insurance coverage of the Lighting and Lighting Encroachment in amounts, equivalent, at a minimum, to the municipal liability limits in effect at any given time under Minnesota Statutes, Section 466.04, as the same may be amended or replaced. Developer’s insurance shall be in a form acceptable to the City and HRA, written by insurers licensed or certified to do business in the State of Minnesota and acceptable to Developer, sufficient to reasonably protect the Developer, the City, and the HRA for the work covered by this Agreement and Developer’s use of the
Lighting Encroachment Area, including workers’ compensation claims and property damage, bodily and personal injury which may arise from operations and use under this Agreement, whether such operations and use are by Developer or anyone directly or indirectly employed by Developer.

Developer’s insurance must be “Primary and Non-Contributory” with respect to the liability of Developer or anyone directly or indirectly employed by Developer. The insurance policy shall include the City and HRA as additional insureds by endorsement. A copy of the endorsement shall be submitted upon request of the City or HRA. Developer shall provide a certificate of insurance prior to commencement of work within the Lighting Encroachment Area.

Developer’s policies and Certificate of Insurance shall contain a provision that coverage afforded under the policies shall not be cancelled without at least thirty (30) days’ advanced written notice to the City and HRA, or ten (10) days’ notice for non-payment of premium. Developer shall maintain a current certificate of insurance coverages on file with the City’s Risk Manager.

H. Developer shall have the Lighting and connection brackets attached to the buildings located on Developer Property and HRA Property inspected for structural integrity by a qualified third party at least annually. The Developer shall be solely responsible for any corrective or preventative action recommended for immediate action or otherwise required by this inspection. A copy of the inspection report shall be provided to the City or HRA upon request.

2. The HRA grants Developer the right to connect the Lights to the brackets that have been (or will be) installed on the southern face of the North Parking Ramp located on the HRA Property for this purpose in accordance with Exhibit C. Connection of the Lighting to any other element of the North Parking Ramp shall only be permitted if approved in writing in advance by the Director, such approval not to be unreasonably withheld, conditioned or delayed.

3. Miscellaneous.

A. The respective rights and obligations of the parties under this Agreement shall run with the Developer Property, the HRA Property and the Right of Way and shall be binding upon and inure to the benefit of the respective parties, their successors and assigns, and shall continue in force until such time as the Lighting (or its replacement) is permanently removed and this Agreement is terminated. This Agreement shall be recorded against the Developer Property, HRA Property and Right of Way prior to any work by Developer within the Lighting Encroachment Area.
B. Developer shall comply with all applicable federal, state and local laws and regulations in the installation, repair, maintenance, operation, removal and use of the Lighting.

C. If Developer shall not complete the inspections required by Section 1(H) above, Developer shall be responsible for any and all costs incurred by the City for reasonable and necessary inspection of the Lighting, including the costs of any consultants contracted by the City in connection with such inspections.

D. This Agreement shall be governed by Minnesota law.

E. The failure by any party to enforce against another party any term of this Agreement shall not be deemed a waiver of such party’s right to enforce against the other parties the same or any other term in the future.

F. Developer agrees to hold harmless, defend, and indemnify the City and the HRA, and their officers, employees, agents, contractors, and assigns, from and against any and all claims, liabilities, losses, damages, cost, and expenses (including attorneys’ fees) for property damage or personal injury or death to the extent the same are caused by the Lighting, its construction, repair, maintenance, use or removal, unless caused by the negligence or willful misconduct of the City or the HRA, or their officers, agents, employees, contractors, or assigns.

G. Notices required to be given under this Agreement shall be hand delivered or mailed to the respective parties at their addresses first described above, or to such other address as a party may direct by notice similarly given.

H. Developer shall have the right to terminate this Agreement at any time upon not less than thirty (30) days advance written notice to the other parties. Unless earlier terminated as provided herein, effective as of the fifth (5th) anniversary of the Effective Date, this Agreement may be terminated by the City upon not less than 60 days advance written notice to Developer. Upon termination of this Agreement, the Developer shall remove the Lighting prior to the termination date. Upon the termination of this Agreement, the parties shall execute and record such reasonable documents as are necessary to terminate this Agreement of record.

[remainder of page intentionally left blank]

[signature pages to follow]
IN WITNESS to this Agreement, the parties have caused this instrument to be executed as of the day and year first above written.

CITY OF EDINA

BY: ________________________________

James B. Hovland, Mayor

(SEAL)

AND ________________________________

Scott Neal, City Manager

STATE OF MINNESOTA  )

) ss.

COUNTY OF HENNEPIN  )

The foregoing instrument was acknowledged before me this ________ day of __________, 2019, by James B. Hovland and Scott Neal, respectively the Mayor and City Manager of the City of Edina, a Minnesota municipal corporation, on behalf of the corporation and pursuant to the authority granted by its City Council.

________________________________________
NOTARY PUBLIC
EDINA HOUSING AND REDEVELOPMENT AUTHORITY

By: ____________________________________
    James B. Hovland
    Its President

By: ____________________________________
    Michael Fischer
    Its Secretary

ATTESTED:

BY: _______________________________
    Scott Neal
    Its Executive Director

STATE OF MINNESOTA )
    ) ss.
COUNTY OF HENNEPIN )

The foregoing instrument was acknowledged before me this _____ day of ___________, 2019, by James B. Hovland and Michael Fischer, respectively, the President and Secretary, of the Edina Housing and Redevelopment Authority, a public body corporate and politic under the laws of the State of Minnesota, on behalf of the public body corporate and politic.

__________________________________
NOTARY PUBLIC
EDINA MARKET STREET LLC

By: EDINA MARKET STREET MANAGER LLC,
a Minnesota limited liability company,
its Managing Member

By: ______________________________

Name: ______________________________

Its: ______________________________

STATE OF MINNESOTA )
COUNTY OF HENNEPIN ) ss.

The foregoing instrument was acknowledged before me this _____ day of ____________, 2019, by ______________________________ the __________________ of Edina Market Street Manager LLC, a Minnesota limited liability company, the Managing Member of Edina Market Street LLC, a Minnesota limited liability company, on behalf of the limited liability company.

______________________________
NOTARY PUBLIC

DRAFTED BY:
CAMPBELL, KNUTSON, P.A.
860 Blue Gentian Road, Suite 290
Eagan, MN 55121
Telephone: (651) 452-5000
[RNK]
EXHIBIT A

LEGAL DESCRIPTION OF SOUTH SITE DEVELOPER PROPERTY

Lot 1, Block 2, Edina Market Street, according to the recorded plat thereof, Hennepin County, Minnesota.

LEGAL DESCRIPTION OF NORTH SITE DEVELOPER PROPERTY

Tracts B and C, Registered Land Survey 1872, Hennepin County, Minnesota.
EXHIBIT B

LEGAL DESCRIPTION OF HRA PROPERTY

Tract A, Registered Land Survey 1872, Hennepin County, Minnesota.
EXHIBIT C
DEPICTION OF LIGHTING ENCROACHMENT AREA AND ATTACHMENT LOCATIONS

See attached page
Date: October 24, 2019

To: Chair & Commissioners of the Edina HRA

From: Don Uram, Finance Director

Subject: Approve Payment of Claims

ACTION REQUESTED:
Motion to approve payment of claims for HRA Check Register 09.26.19-10.17.19 totaling $87,639.77

INTRODUCTION:
Payment of claims are attached.

ATTACHMENTS:

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Report Totals 87,639.77
ACTION REQUESTED:
For discussion only; no action requested.

INTRODUCTION:
This discussion item pertains to the redevelopment of the Southdale Office Center site located at 6600 to 6800 France Avenue.

While the developer/owner secured preliminary rezoning and site plan approvals in 2016, the high cost of construction has delayed the implementation of additional phases.

Staff has discussed potential options with the developer to determine a possible way to reinvigorate the redevelopment. Staff will present an update of the current status and possible outcomes.

Direction from the HRA Board is requested in order to shape ongoing discussions with the developer.

ATTACHMENTS:

Project Update Report for 6600-6800 France Avenue
Information / Background:

The 22-acre property at 6600 to 6800 France is owned by a partnership including Wildamere Properties and Olympus Ventures. In 2016, Wildamere and Olympus secured re-zoning to allow for an ambitious mixed-use redevelopment on portions of the site. The existing multi-story office buildings would remain, but the single-story buildings and surface parking lots were proposed to be redeveloped with additional users. At the time, the project was called “Avenue on France”. In its entirety, it potentially included new retail space, new medical space, new office space, new hotel space and new residential units. The first project (Bank of America) has been completed and open to the public.

Wildamere and Olympus have sought additional users and financing for the site. While there is strong interest in the marketplace, the development cost of the project is too high. Some of the cost concerns stem from adding storm water facilities to meet current standards and from replacing the surface parking lots with structured parking decks. Additional projects on the site are effectively on hold until plans are revised to be successful in the marketplace.

Wildamere and Olympus recently engaged McGough Companies to explore possible revisions to the site plan. They have contacted staff to discuss potential public elements that might be desirable and beneficial to the site. They have also inquired about the interest of the HRA to provide Tax Incremental Financing or Property Tax Abatement to ensure the overall project is viable.

Edina has historically limited the use of TIF to projects that deliver benefits to the general public that otherwise would not be achieved. Examples include:
• outdoor park space, storm water and public parking at Centennial Lakes
• indoor public facility and outdoor public space at Edinborough
• public parking and streetscape improvements at 50th & France

Staff notes that there are several potential public benefits delivered or public goals achieved that might be included as part of a revised site plan at 6600-6800 France Ave. They include:

1. Shared public parking to benefit visitors to Rosland Park and the Greater Southdale District
2. Storm water improvements that might lessen the risk of flooding in adjacent residential neighborhoods and improve the water quality in Lake Cornelia
3. Improved connectivity for the public via new driving and walking routes through the large property
4. Site for future Water Treatment Plant
5. Site for future Edina Arts Center
6. Site for future Edina Fire Station

At this point, none of these potential public benefits have been explored in any detail. Staff seeks input and direction from the HRA Board regarding the potential redevelopment of this site.

1) Would the HRA Board like staff to pursue any of the six potential public benefits described above?
2) Are there any other outcomes that the HRA Board seeks on this site?
3) Is the HRA Board open to considering public financial participation to achieve redevelopment of this site that achieves public benefits that would not otherwise be realized?

Based on your direction, the developer will explore possible options to advance private goals and deliver public goals and benefits. Staff will keep the HRA Board informed if any of these initial concepts move forward to a realistic proposal.
CITY OF EDINA
HOUSING & REDEVELOPMENT
AUTHORITY
4801 West 50th Street
Edina, MN 55424
www.edinamn.gov

Date: October 24, 2019
To: Chair & Commissioners of the Edina HRA
From: Jennifer Garske, Executive Assistant
Subject: Motion to Close Meeting of the HRA as permitted by MS. 13D.05 subdivision 3 for Acquisition of 4040 West 70th Street

Agenda Item #: VII.B.
Item Type: Report / Recommendation
Item Activity: Action, Information

ACTION REQUESTED:
Adopt motion as stated.

INTRODUCTION:
Date: October 24, 2019

To: Chair & Commissioners of the Edina HRA

From: Jennifer Garske, Executive Assistant

Subject: Motion to move back into Open Session

**ACTION REQUESTED:**
Adopt motion as stated.

**INTRODUCTION:**
Date: October 24, 2019

To: Chair & Commissioners of the Edina HRA

From: Jennifer Garske, Executive Assistant

Subject: Correspondence

ACTION REQUESTED:
None.

INTRODUCTION:
Attached is correspondence received since the last HRA meeting.

ATTACHMENTS:

HRA Correspondence 10-24-19
Correspondence Selection

Data Practices Advisory:

Any information submitted through this form will be emailed to the Housing and Redevelopment Authority (HRA) Chair and Commissioners and submitted for inclusion in the next public “HRA packet.” HRA packets are permanent records of materials prepared for HRA meetings. HRA packets are public documents that are available in print, published on the City’s website and maintained in permanent electronic records.

You are not required to complete any fields of this form. However, if you do not provide your name and street or email address, your comments will not be included in the HRA packet.

Open Meeting Law

The HRA Chair and Commissioners receive and consider all feedback sent through this form. Because of the open meeting law, the HRA Chair and Commissioners cannot engage in back-and-forth emails involving a quorum of three or more members. For that reason, you might not receive a response from them. You might also receive a response from a City staff member.

Email HRA:

If you only want to email the City Council and not send your comments for publishing, contact members at CityCouncil@EdinaMN.gov. Contact Executive Assistant Jennifer Garske, at jgarske@EdinaMN.gov, if you have any questions or require assistance.

HRA Packet Deadline

Correspondence must be received by noon the Thursday prior to a HRA meeting in order to ensure it is published in the packet prior to the Council meeting. Submissions after that time may be included in a future Council packet.

Name* VEAP

Street Address 9600 Aldrich Avenue South

City Bloomington

State MN

Zip Code 55420

Phone Number no dashes or spaces

Email katrinad@veap.org

Comments* See Attached

File Upload

Attachments allowed: pdf, jpg, png

ENAH-support for Aeon property 4100 W 76th.pdf 380.05KB

By submitting this form, I have read and agree to the Data Practices Advisory above.
October 22, 2019

Dear Planning Commission and To Others Whom This May Concern—

We are writing as representatives of VEAP to express our support for the AEON proposal at 4100 W. 76th Street in Edina. VEAP works with low-income residents of Bloomington, Richfield, Edina, and South Minneapolis to provide access to healthy foods, housing stability, and supportive services. The work we do is driven by community need, which is currently heavily influenced by the housing market. From a survey conducted in the spring of this year, Edina residents accessing services at VEAP reported:

- **Rent increases with stagnant income or wages.** 52% reported a rent increase within the past year, ranging from $50-$150 per month.
- **Unreasonable housing costs.** On average, Edina renters reported applying 66% or more of their income to rent. This ratio falls well below what is considered reasonable for housing costs under federal and state guidelines.
- **Low rental vacancies.** 38% waited more than a year to get into their current housing.

We are encouraged to see an opportunity in Edina for residents at varying economic levels to experience housing stability and increased opportunity in life. We continue to lose community members due to involuntary displacement from the sale of apartment buildings or effective eviction from raised rents. Unaffordable rents are linked to food insecurity, delayed medical care, poor performance in school among children, and generational poverty.

Some of the reasons we support Aeon’s project specifically are:

- **Aeon is a strong community partner.** Aeon has a history of successful collaborative efforts with other cities and non-profits, including VEAP
- **This project is 100% Affordable.** Housing will serve an underpaid workforce population
- **Affordable housing eases renter burden.** Providing housing that is affordable to the 50%-60% AMI workforce population will ease renter burden, freeing up some of their income to spend in the community
- **The units will be permanently affordable.** In a tight market, many affordable housing units are converted to market rate. Relative to the demand, we are losing more affordable housing than we are rehabilitating or producing.
- **Aeon is an expert in owning and managing multifamily housing.** They are growing their property management capacity to continue meeting the demands of their acquisitions.

By supporting Aeon’s project at 4100 W. 76th street, you are taking a step in ensuring individuals and families from varying economic levels in Edina have a long-term opportunity for success.

Thank you for your consideration,

Tara Little
Katrina Dragon