ECONOMIC DEVELOPMENT AUTHORITY

2015 Annual Report

Note: Throughout this document you will see references to "AMI" which is the median annual household income in the Twin Cities metropolitan area. The median is the point at which half the households are above and half are below. AMI was $86,600 in 2015.

The Economic Development Authority of the City of Crystal ("the EDA") formulates and implements the city's redevelopment and housing improvement programs. It operates under the provisions of Minnesota Statutes Chapter 469, and has powers similar to a Housing & Redevelopment Authority. For residential property, EDA activities generally involve using voluntary acquisitions to replace blighted, structurally substandard or functionally obsolete houses; or providing assistance to homeowners to help them make improvements to their houses. Multi- family and commercial/industrial redevelopment are typically accomplished in larger, more complex projects made possible by a combination of different funding sources; they also sometimes require participation by multiple government agencies, non-profit organizations and businesses. As in previous years, the EDA recommended and the Council approved an EDA levy to provide funding for redevelopment activities.

The following are specific descriptions of 2015 EDA activities:

1. Single Family Residential - Scattered Site Redevelopment

Seven lots were sold in 2015. As of December 31, 2015, five had been completed and sold, and two were under construction with completion anticipated in spring 2016.

a) Lots Sold in 2015:

1. 5700 Regent (acquired in 2009) – house completed & sold
2. 6526 45th (acquired in 2014) – house completed & sold
3. 6601 62nd (acquired in 2012) – house completed & sold
4. 5255 Edgewood (acquired in 2009) – house completed & sold
5. 5715 Regent (acquired in 2009) – house completed & sold
6. 4553 Yates (acquired in 2009) – house under construction, for sale
7. 5626 Vera Cruz (acquired in 2008) - house under construction, for sale

b) EDA Lots for Sale as of December 31, 2015:

1. 3556 Major (received by donation in 2002, added to lot list in 2015)
2. 3122 Douglas Dr (acquired in 2003, added to lot list in 2015)
3. 3533 Lee (acquired in 2008)

4. 4331 Vera Cruz (acquired in 2008)
5. 4901 Vera Cruz (acquired in 2009)
6. 5924 Elmhurst (acquired in 2012)
7. 4724 Lakeland (acquired from Hennepin County in 2015)

Lot sale data are summarized in the following attachments:
A. Map - Lots Sold 1998-2015
B. Chart - Demolitions vs Lot Sales 1998-2015
C. Chart - Lots Sold 1998-2015
D. Table - Lot Sale Details 2010-2015

2. Single Family Residential - Scattered Site Acquisition and Rehabilitation

The EDA does not acquire and renovate houses because city-managed rehab projects are not a very cost-effective way of advancing the city's housing goals when compared with other approaches. Instead, the city utilizes a combination of regulatory tools, rehab incentives, and other agencies' programs to encourage home renovations by homeowners, investors, contractors and others in the private sector.

3. Single Family Residential - Home Improvement Incentive Rebates

In 1998, Crystal and four other communities partnered with the Greater Metropolitan Housing Corporation (GMHC) to provide an incentive rebate for improvements to owner occupied homes. Households up to 120% AMI are eligible. Approximately 75% of program expenses are funded by available increment from Housing TIF districts and the other 25% by the EDA levy.

88 Crystal homeowners used the rebate program in 2015. The expenditure history and approximate 2015 locations are shown in Attachments E and F.

The total and average 2015 rebates are as follows:

TOTAL 2015 REBATES $161,966	+	TOTAL PAID BY HOMEOWNERS $925,206	=	TOTAL COST OF ALL 2015 PROJECTS $1,087,172
AVERAGE 2015 REBATE $1,841	+	AVERAGE PAID BY HOMEOWNER $10,514	=	AVERAGE COST OF 2015 PROJECTS $12,355

4. Single Family Residential – Community Fix-Up Fund

The EDA and the Minnesota Housing Finance Agency provide an interest rate write-down for Community Fix-Up Fund home improvement loans. Households up to 115% AMI are eligible. In 2015 there were 9 Crystal projects receiving a total of $8,441 from state funds and $23,843 in available increment from Crystal's Housing TIF districts.

5. Single Family Residential – Deferred Home Improvement Loans

Since 1982, Crystal has used part of its federal Community Development Block Grant (CDBG) allocation to provide interest-free home improvement loans to homeowners up to 50% AMI. Repayment is deferred for 15 years and then forgiven if the recipient continues to own and occupy the property throughout that time. Homeowners from 50%-80% AMI are also eligible but those loans are interest-bearing. Hennepin County administers this program for Crystal and eight other cities (Brooklyn Center, Brooklyn Park, Edina, Hopkins, Maple Grove, New Hope, Richfield and St. Louis Park).

Crystal's 2015 CDBG allocation was $92,927 and all of it was allocated to this program. In addition to the allocation, the program also recaptures previously loaned funds in cases where the homeowner sells or moves out within the 15 year term. The county may also use unexpended CDBG funds that become available from other allocations. This means that available funding fluctuates within each year and between years, but usually ends up being greater than the amount of Crystal's annual allocation. Demand for the program also fluctuates, meaning that eligible projects must sometimes be put on a waiting list until additional funding becomes available.

In 2015, $138,520 was spent and $138,924 was committed for projects. Six projects were started, two projects were completed and 15 properties were on the waiting list at the end of the year. Of the eight other Hennepin County cities with similar programs, only Hopkins, Richfield and St. Louis Park had more activity than Crystal.

6. Multi-Family Residential Redevelopment

The Cavanagh (5401 51st Avenue North). In October 2012 the EDA acquired the 8.3 acre Cavanagh property from Robbinsdale Area Schools which had determined that it no longer needed the property. In December 2012 the EDA transferred the east 4 acres to the city for park purposes. In April 2013 the EDA completed the demolition of the school with funding from Metropolitan Council for asbestos abatement and Hennepin County for demolition. In June 2014 the EDA sold the west 4.3 acres to a private developer (Dominium) for construction of The Cavanagh, a four story, 130 unit, age-restricted apartment building. Unit types range from 1BR-1BA to 2BR-2BA and all units are affordable to households at or below 60% AMI. Construction began in summer 2014 and the building opened for occupancy in August 2015. The building was fully leased in November 2015 which is an extraordinarily fast lease-up (6-9 months is typical).

7. Commercial and Industrial Redevelopment

No EDA-involved development activity in 2015.

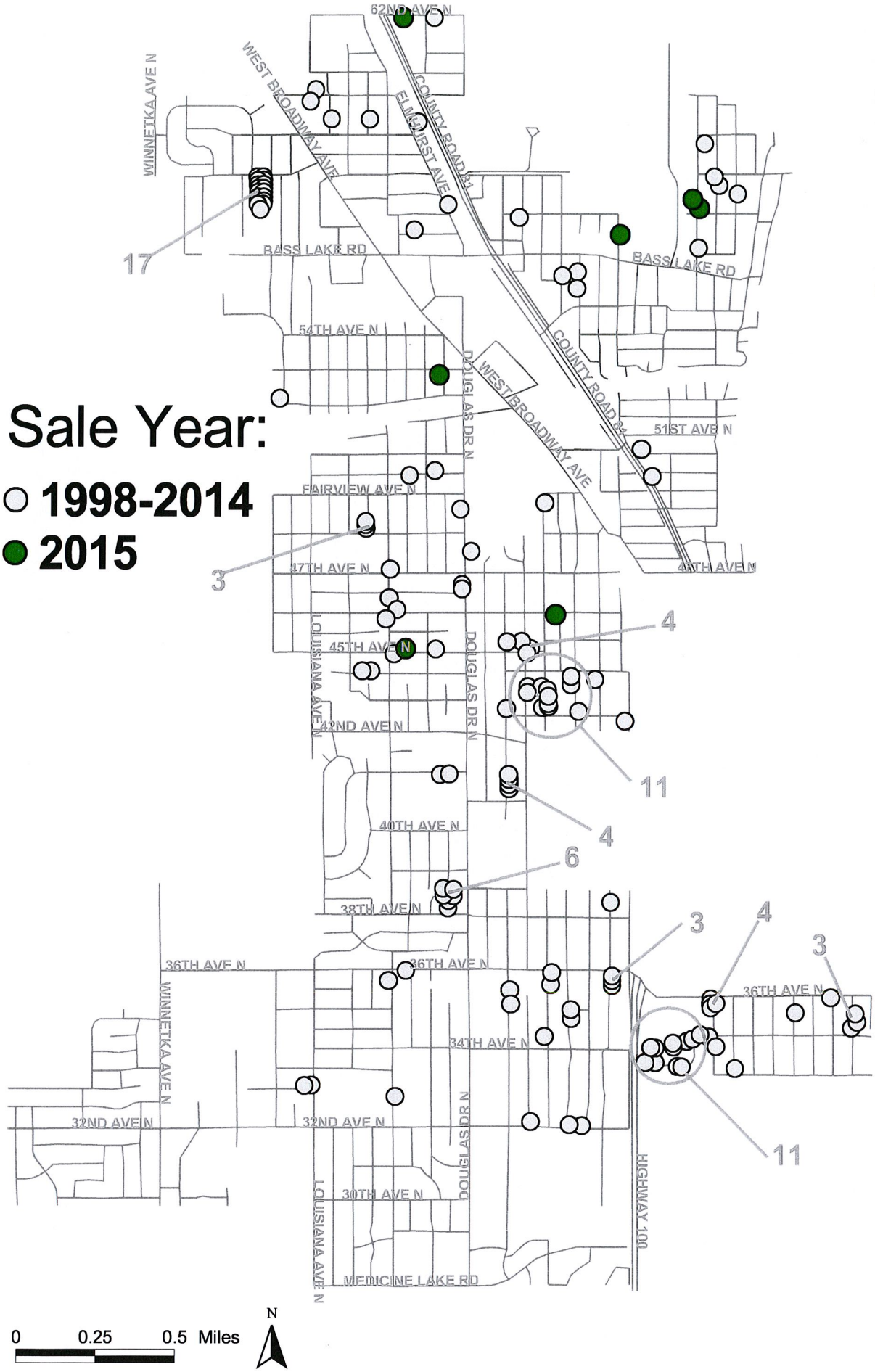
8. Land Banking for Future Redevelopment

In addition to the more immediate redevelopment activities discussed in Section 1, the EDA also takes advantage of opportunities to acquire and hold property for future development. These parcels will be sold depending on market conditions, site characteristics and the status of adjacent properties. As of December 31, 2015 the EDA is holding the following vacant parcels for future development:

1. 3240 Hampshire (acquired 2000)
   - Holding to see if owners of other vacant lots north of Gardendale Subdivision (32xx Georgia) desire to develop their property
2. 3409 June (acquired 2003 - tax forfeit)
   - Holding for future development of 34xx June
3. 5901 56th (acquired 2008)
   - Holding until street reconstruction in 2016-2017
4. 4824 56th (acquired 2009)
   - Holding until street reconstruction in 2016-2017
5. 4741 Welcome (acquired 2009)
   - Holding to see what happens with adjacent 4-plexes
6. 3401 & 3415 Douglas Dr (acquired 2009)
   - Will seek development proposals depending on market conditions
7. 3443 Douglas Dr (acquired 2009)
   - Holding to see what happens with former medical clinic at 3501 Douglas Dr
8. 5417 35th (acquired 2010 from MnDOT)
   - Holding to see what happens with house at 5409 35th
9. 5565 Vera Cruz (acquired 2011 - tax forfeit)
   - Holding until street reconstruction in 2016-2017
10. 3354 Douglas Dr and 6213 34th (acquired 2011)
    - Holding to see what happens with house at 3342 Douglas
11. 3443 Edgewood (acquired 2012 - tax forfeit)
    - Holding to see what happens with former medical clinic at 3501 Douglas Dr
12. 5926 56th and 5612-18 Adair (acquired 2015 from Henn Co)
    - Holding until street reconstruction in 2016-2017

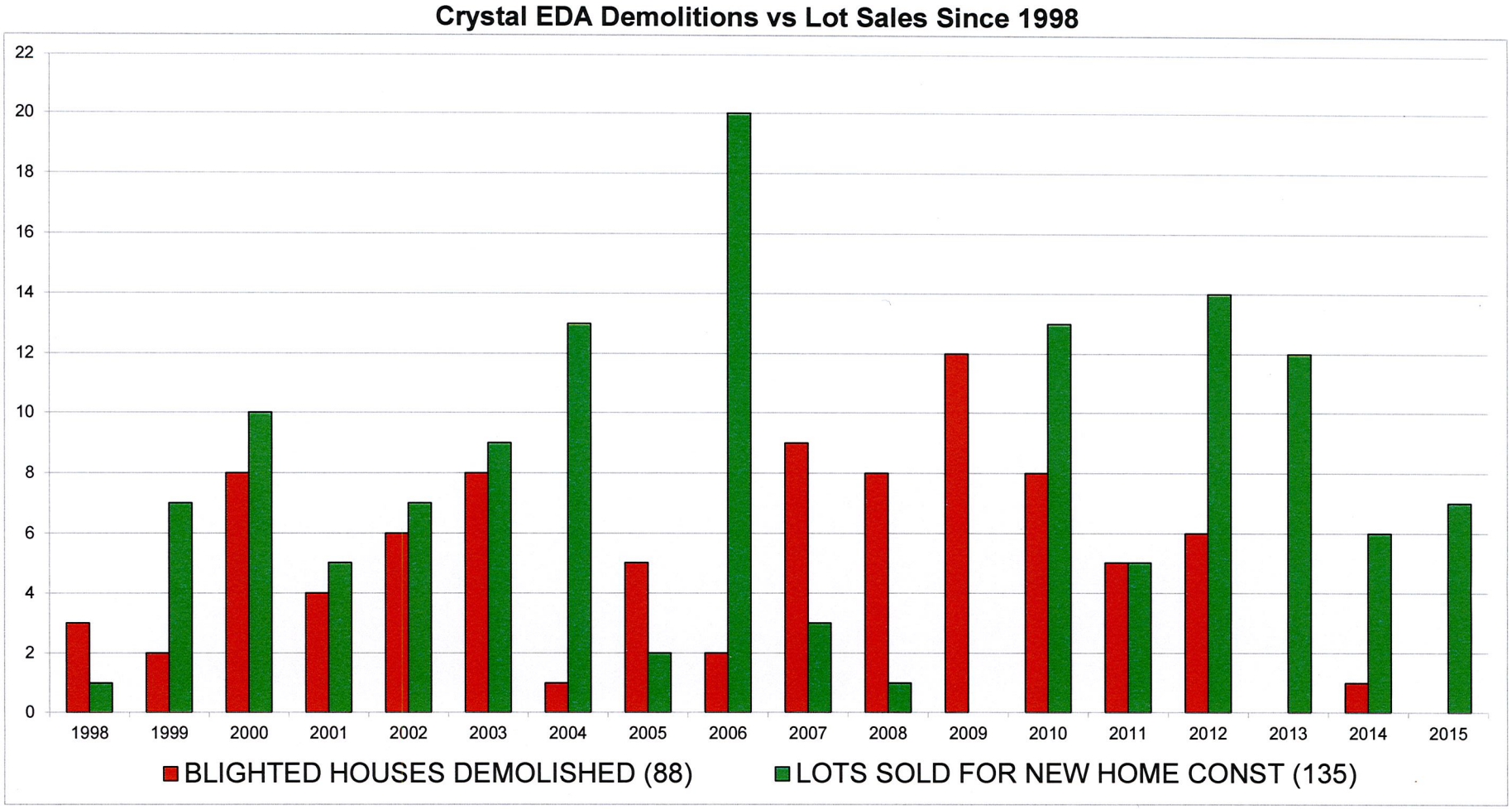
Please see the map of city and EDA-owned parcels as of December 31, 2015 (Attachment G).

Crystal EDA
Lot Sales Since 1998



Attachment A

Project File = Scattard Sites



Attachment B

Crystal EDA - Residential Redevelopment - Annual Averages by Year of Lot Sale, 1998-Present

**There was only one lot sale in 1998 so it has been combined with 1999; there was only one lot sale in 2008 so it has been combined with 2007; and there were no lot sales in 2009.*

"Lot Price" is the amount the builder paid for the vacant lot.

"House Price" is the amount the homebuyer paid for the finished house including the land value.

"EMV" is the January 2015 Estimated Market Value from the Henn Co Assessor. It provides an apples-to-apples comparison of the value of the completed houses regardless of when they were built. The EMV is not yet available for the new homes built on lots that were sold in 2014 and 2015.

Attachment C

2010 EDA Lot Sales

FUNDING	BLDG	STREET	BUILDER	LOT AREA SQ. FT.	LOT PRICE	LOT SALE DATE	HOUSE STYLE	FINISHED SQ. FT.	HOUSE PRICE	HOUSE SALE DATE	ASSESSOR EMV
TIF (2150)	4813	Idaho	Novak-Fleck	8,023	$55,000	Apr-10	split	1,230	$177,310	Jun-10	$184,000
TIF (2150)	4801	Idaho	Novak-Fleck	8,648	$55,000	Apr-10	split	1,230	$182,436	Jun-10	$205,000
REDEVEL	5309	34th Pl	Novak-Fleck	10,026	$60,000	Apr-10	split	2,000	$203,255	Jun-10	$226,000
REDEVEL	5101	35th	Novak-Fleck	11,707	$55,000	Apr-10	split	2,000	$186,000	Jun-10	$205,000
REDEVEL	5132	34th Pl	Novak-Fleck	9,929	$55,000	Apr-10	split	2,000	$222,365	Jun-10	$242,000
REDEVEL	3549	Regent	Novak-Fleck	10,500	$50,000	May-10	split	1,447	$189,690	Aug-10	$204,000
REDEVEL	5918	Idaho	Novak-Fleck	8,004	$45,000	Jun-10	split	1,230	$178,065	Aug-10	$192,000
TIF (2150)	3440	Regent	Novak-Fleck	10,492	$55,000	Jun-10	split	1,447	$205,088	Sep-10	$207,000
REDEVEL	4612	Hampshire	Novak-Fleck	8,610	$60,000	Jul-10	split	2,000	$231,268	Sep-10	$228,000
TIF (2150)	4807	Idaho	Novak-Fleck	8,023	$55,000	Aug-10	split	1,447	$198,000	Feb-11	$212,000
REDEVEL	5225	35th	Novak-Fleck	10,026	$55,000	Sep-10	split	1,447	$203,000	Nov-10	$215,000
TIF (2150)	6420	50th	Novak-Fleck	13,479	$60,000	Sep-10	split	1,167	$211,992	Dec-10	$233,000
TIF (2150)	5708	Elmhurst	Novak-Fleck	12,800	$45,000	Sep-10	split	1,447	$181,400	Nov-10	$182,000

13 LOTS SOLD:

AVERAGE LOT AREA SQ FT	AVERAGE LOT PRICE	AVERAGE LOT PRICE PER SQ FT
10,021	$54,231	$5.41

13 HOUSES SOLD:

AVERAGE FINISHED SQ FT	AVERAGE HOUSE PRICE	AVG HSE PRICE PER FIN SQ FT	AVERAGE ASSESSOR EMV
1,546	$197,682	$127.91	$210,385

2011 EDA Lot Sales

FUNDING	BLDG	STREET	BUILDER	LOT AREA SQ. FT.	LOT PRICE	LOT SALE DATE	HOUSE STYLE	FINISHED SQ. FT.	HOUSE PRICE	HOUSE SALE DATE	ASSESSOR EMV
NSP	5906	Elmhurst	Habitat for Hum.	12,000	$1	Jan-11 *	rambler	1,588	$147,225	Dec-11 **	$207,000
TIF (2150)	5325	35th	Novak-Fleck	10,026	$30,000	Apr-11 *	split	1,230	$170,000	Oct-11	$204,000
REDEVEL	5401	35th	Novak-Fleck	10,026	$25,000	Apr-11 *	split	1,230	$170,000	Aug-11	$194,000
NSP	4259	Vera Cruz	Habitat for Hum.	12,552	$1	May-11 *	rambler	1,588	$162,150	Apr-12 **	$209,000
REDEVEL	5224	35th	Novak-Fleck	10,086	$50,000	Nov-11	split	1,600	$193,000	May-12	$211,000

Lot or house price excluded from average:

**lot price excluded from avg; discounted due to soil correction or compliance with federal affordability rules*

***house price excluded from avg; does not reflect work completed by homebuyer, or similar factors*

5 LOTS SOLD:

AVERAGE LOT AREA SQ FT	AVERAGE LOT PRICE	AVERAGE LOT PRICE PER SQ FT
10,086	$50,000	$4.96

5 HOUSES SOLD:

AVERAGE FINISHED SQ FT	AVERAGE HOUSE PRICE	AVG HSE PRICE PER FIN SQ FT	AVERAGE ASSESSOR EMV
1,447	$177,667	$131.28	$205,000

2012 EDA Lot Sales

FUNDING	BLDG	STREET	BUILDER	LOT AREA SQ. FT.	LOT PRICE	LOT SALE DATE		HOUSE STYLE	FINISHED SQ. FT.	HOUSE PRICE	HOUSE SALE DATE		ASSESSOR EMV
REDEVEL	6620	46th	Novak-Fleck	9,840	$60,000	Feb-12		split	1,600	$198,800	Jun-12		$204,000
REDEVEL	3541	Regent	Novak-Fleck	10,500	$50,000	Apr-12		split	1,230	$185,900	Jul-12		$192,000
REDEVEL	3548	Regent	Novak-Fleck	10,500	$50,000	Apr-12		split	1,326	$188,800	Aug-12		$208,000
REDEVEL	4310	Zane	MT Builders	9,851	$45,000	May-12		two story	2,235	$235,300	Aug-12		$258,000
REDEVEL	4553	Hampshire	Novak-Fleck	7,488	$60,000	Jun-12		split	2,076	$229,755	Sep-12		$237,000
REDEVEL	5918	Kentucky	Novak-Fleck	7,500	$45,000	Jun-12		split	1,230	$192,000	Sep-12		$208,000
REDEVEL	7024	60th	Novak-Fleck	14,000	$55,000	Aug-12		split	1,326	$197,900	Nov-12		$205,000
CDBG	4306	Zane	MT Builders	9,851	$45,000	Sep-12		two story	1,581	$236,000	Jun-13		$223,000
REDEVEL	5533	Xenia	Novak-Fleck	8,040	$50,000	Oct-12		split	1,230	$195,000	Mar-13		$187,000
NSP	3528	Noble	Habitat for Hum.	7,603	$1	Dec-12	*	rambler	1,442	$192,821	Oct-13	**	$205,000
NSP	5116	35th	Habitat for Hum.	12,258	$1	Dec-12	*	rambler	1,348	$204,900	Jun-14	**	$258,000
NSP	4312	Brunswick	Habitat for Hum.	7,686	$1	Dec-12	*	rambler	1,442	$192,821	Nov-13	**	$192,000
NSP	5724	Perry	Habitat for Hum.	11,247	$1	Dec-12	*	rambler	1,404	$199,900	Jun-15	**	$210,000
NSP	7041	60th	Habitat for Hum.	18,030	$1	Dec-12	*	rambler	1,414	$199,900	Dec-14	**	$216,000

Lot or house price excluded from average:

**lot price excluded from avg; discounted due to soil correction or compliance with federal affordability rules*

***house price excluded from avg; does not reflect work completed by homebuyer, or similar factors*

14 LOTS SOLD:

AVERAGE LOT AREA SQ FT	AVERAGE LOT PRICE	AVERAGE LOT PRICE PER SQ FT
9,730	$51,111	$5.25

13 HOUSES SOLD:

AVERAGE FINISHED SQ FT	AVERAGE HOUSE PRICE	AVG HSE PRICE PER FIN SQ FT	AVERAGE ASSESSOR EMV
1,492	$206,606	$134.41	$214,500

2013 EDA Lot Sales

FUNDING	BLDG	STREET	BUILDER	LOT AREA SQ. FT.	LOT PRICE	LOT SALE DATE		HOUSE STYLE	FINISHED SQ. FT.	HOUSE PRICE	HOUSE SALE DATE	ASSESSOR EMV
TIF (2150)	6529	50th	Novak-Fleck	11,610	$60,000	Feb-13		split	1,728	$212,000	Jun-13	$207,000
TIF (2150)	4633	Douglas Dr	Novak-Fleck	9,963	$50,000	Apr-13		split	1,772	$212,000	Aug-13	$208,000
REDEVEL	5527	Xenia	Novak-Fleck	8,040	$50,000	Apr-13		split	1,230	$202,685	Jul-13	$185,000
TIF (2150)	5548	Yates	Novak-Fleck	10,575	$50,000	May-13		split	2,105	$236,900	Nov-13	$240,000
CDBG	4330	Zane	MT Builders	9,851	$40,000	Jun-13		two story	1,581	$240,000	Sep-13	$231,000
REDEVEL	4343	Xenia	MT Builders	10,825	$50,000	Jul-13		two story	1,678	$246,000	Oct-13	$253,000
TIF (2150)	3548	Welcome	Novak-Fleck	8,960	$55,000	Jul-13		split	1,401	$246,220	Dec-13	$283,000
TIF (2150)	3556	Welcome	Novak-Fleck	8,308	$50,000	Sep-13		split	1,209	$222,912	Dec-13	$229,000
TIF (2150)	3564	Welcome	Novak-Fleck	8,875	$27,000	Sep-13	*	split	1,772	$195,000	Jan-14	$208,000
TIF (2150)	5657	Adair	Novak-Fleck	9,949	$50,000	Oct-13		split	2,105	$244,531	Mar-14	$242,000
REDEVEL	6516	Brentwood	Novak-Fleck	10,125	$50,000	Dec-13		split	1,772	$221,811	Apr-14	$222,000

Lot or house price excluded from average:

**lot price excluded from avg; discounted due to soil correction or similar factors*

11 LOTS SOLD:

AVERAGE LOT AREA SQ FT	AVERAGE LOT PRICE	AVERAGE LOT PRICE PER SQ FT
9,735	$50,500	$5.14

11 HOUSES SOLD:

AVERAGE FINISHED SQ FT	AVERAGE HOUSE PRICE	AVG HSE PRICE PER FIN SQ FT	AVERAGE ASSESSOR EMV
1,529	$225,460	$135.13	$228,000

2014 EDA Lot Sales

FUNDING	BLDG	STREET	BUILDER	LOT AREA SQ. FT.	LOT PRICE	LOT SALE DATE	HOUSE STYLE	FINISHED SQ. FT.	HOUSE PRICE	HOUSE SALE DATE	ASSESSOR EMV
REDEVEL	4720	Douglas Dr	Novak-Fleck	12,000	$50,000	Feb-14	split	1,237	$229,150	Dec-14	not yet avail
REDEVEL	5335	Corvallis	Novak-Fleck	12,058	$50,000	Mar-14	split	1,401	$229,365	Jul-14	not yet avail
REDEVEL	5332	50th	Novak-Fleck	10,000	$45,000	Apr-14	split	1,237	$222,900	Sep-14	not yet avail
REDEVEL	4349	Xenia	MT Builders	10,825	$50,000	Sep-14	two story	1,678	$249,725	Jan-15	not yet avail
REDEVEL	4326	Zane	MT Builders	9,851	$45,000	Sep-14	two story	1,615	$254,953	Aug-15	not yet avail
REDEVEL	5824	Regent	Novak-Fleck	10,125	$55,000	Sep-14	split	1,237	$236,900	Mar-15	not yet avail

6 LOTS SOLD:

AVERAGE LOT AREA SQ FT	AVERAGE LOT PRICE	AVERAGE LOT PRICE PER SQ FT
10,810	$49,167	$4.55

6 HOUSES SOLD:

AVERAGE FINISHED SQ FT	AVERAGE HOUSE PRICE	AVG HSE PRICE PER FIN SQ FT	AVERAGE ASSESSOR EMV
1,401	$237,166	$169.30	not yet avail

2015 EDA Lot Sales

FUNDING	BLDG	STREET	BUILDER	LOT AREA SQ. FT.	LOT PRICE	LOT SALE DATE	HOUSE STYLE	FINISHED SQ. FT.	HOUSE PRICE	HOUSE SALE DATE	ASSESSOR EMV
REDEVEL	5700	Regent	Novak-Fleck	10,125	$50,000	Mar-15	split	1,237	$252,000	May-15	not yet avail
REDEVEL	6526	45th	Novak-Fleck	10,082	$60,000	Apr-15	rambler	1,181	$231,520	Jul-15	not yet avail
REDEVEL	6601	62nd	Tollberg Homes	10,498	$50,000	Apr-15	split	1,236	$224,900	Sep-15	not yet avail
REDEVEL	5255	Edgewood	Novak-Fleck	7,989	$50,000	Jun-15	spliy	1,237	$241,639	Oct-15	not yet avail
REDEVEL	5715	Regent	Tollberg Homes	10,125	$50,000	Jul-15	split	1,372	$258,085	Oct-15	not yet avail
REDEVEL	4553	Yates	Day Constr.	6,470	$45,000	Aug-15	two story	1,659			not yet avail
REDEVEL	5626	Vera Cruz	Tollberg Homes	8,910	$50,000	Sep-15	split	1,372			not yet avail

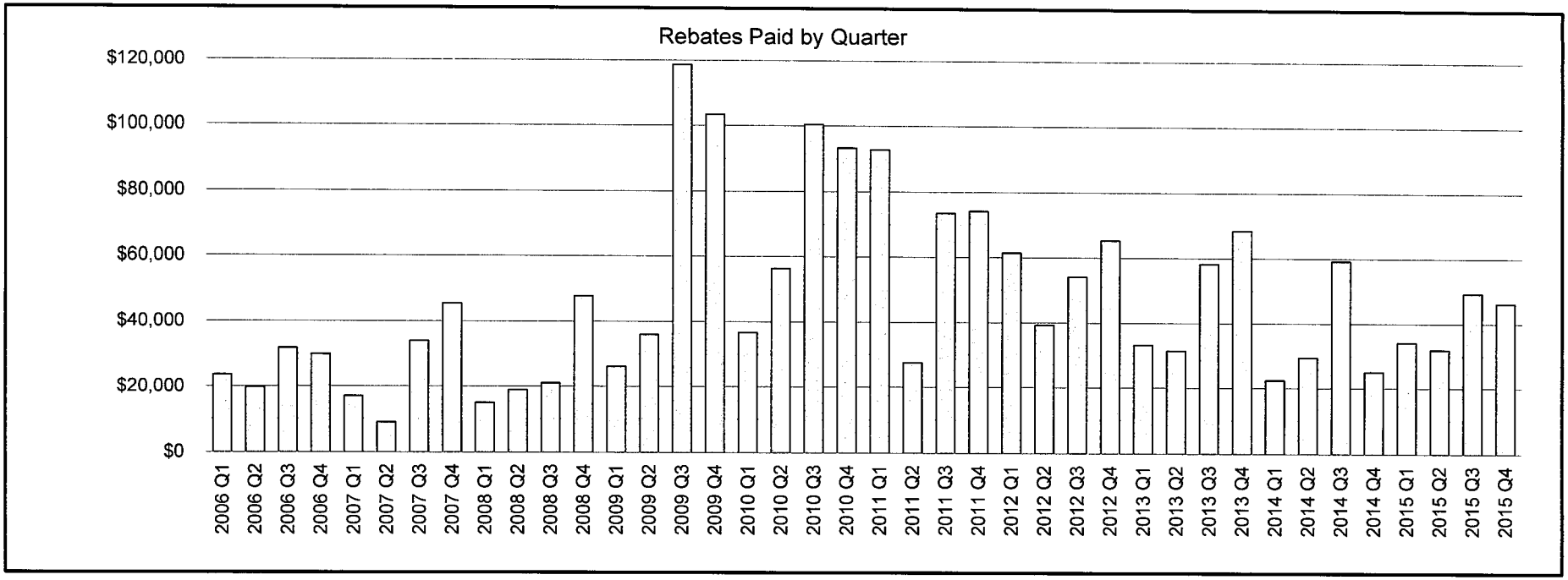
7 LOTS SOLD:

AVERAGE LOT AREA SQ FT	AVERAGE LOT PRICE	AVERAGE LOT PRICE PER SQ FT
9,171	$50,714	$5.53

5 HOUSES SOLD:

AVERAGE FINISHED SQ FT	AVERAGE HOUSE PRICE	AVG HSE PRICE PER FIN SQ FT	AVERAGE ASSESSOR EMV
1,253	$241,629	$192.90	not yet avail

City of Crystal - Home Improvement Incentive Rebate - through December 30, 2015



On 4/01/2009, rebate percentages were increased: 10% ↗15%, 12% ↗20%, and 15% ↗25%. On 1/01/2012, rebate percentages were reduced: 15% ↘10%, 20% ↘15%, and 25% ↘20%.

AVERAGE QUARTERLY EXPENDITURES SINCE JANUARY 1, 2012 (when rebate percentages were reduced to current levels):

$710,500	REBATES PAID
$78,155	ADMINISTRATION FEES
$788,655	TOTAL EXPENDITURES SINCE JANUARY 1, 2012
16	NUMBER OF QUARTERS SINCE JANUARY 1, 2012
$49,291	**AVERAGE QUARTERLY EXPENDITURES SINCE JANUARY 1, 2012**

EXPENDITURES IN 2015:

$161,966	REBATES PAID
$17,816	ADMINISTRATION FEES
$179,782	**2015 EXPENDITURES**
$232,000	**2015 BUDGET**
$52,218	**BUDGET UNEXPENDED**

ADOPTED 2015 BUDGET:

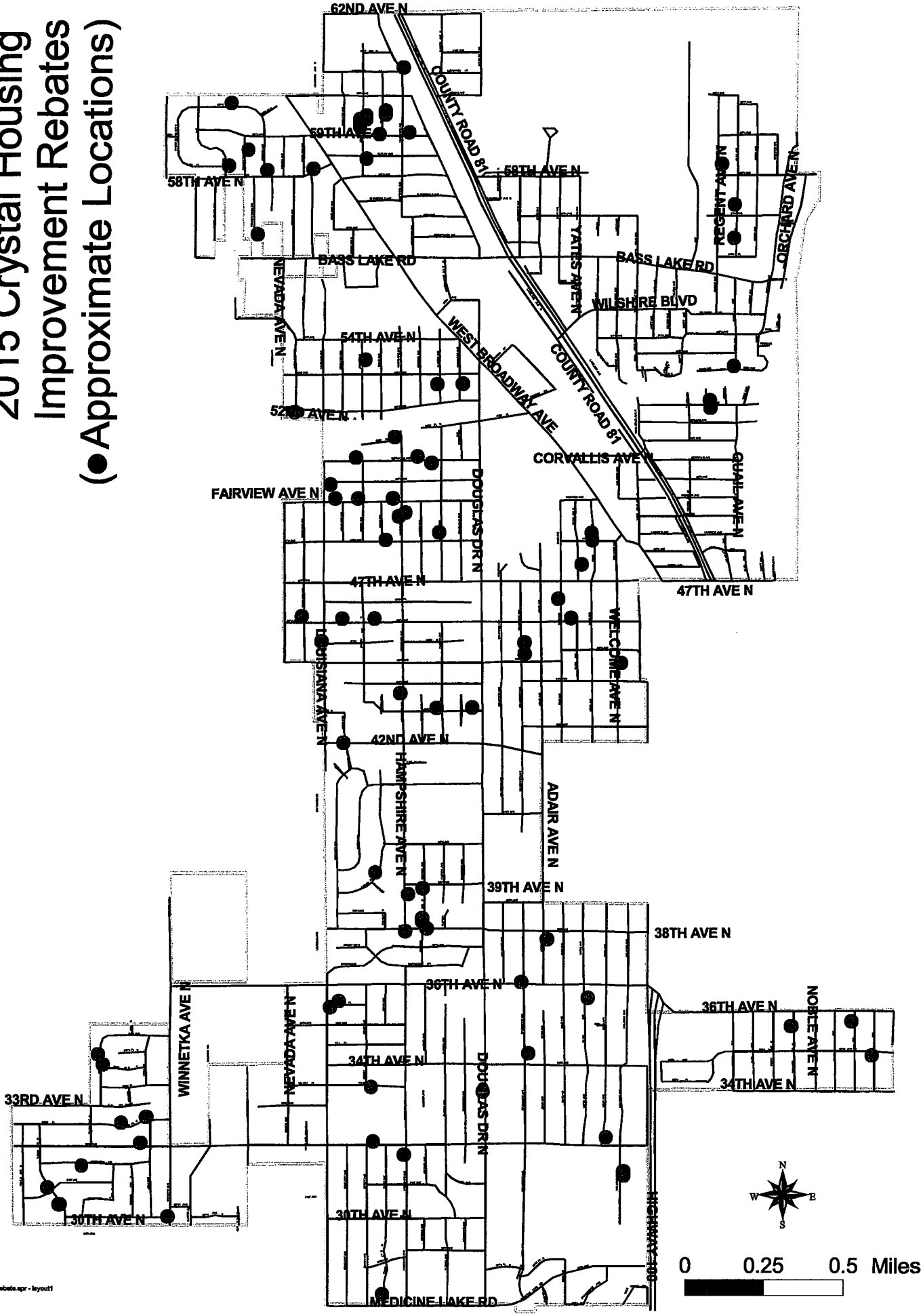
$209,800	AVAILABLE INCREMENT FROM TIF DISTRICTS
$22,200	FROM EDA
$232,000	**TOTAL 2015 BUDGET**

PROPOSED 2016 BUDGET:

$177,600	AVAILABLE INCREMENT FROM TIF DISTRICTS
$22,200	FROM EDA
$199,800	**TOTAL**

Attachment E

2015 Crystal Housing Improvement Rebates (●Approximate Locations)

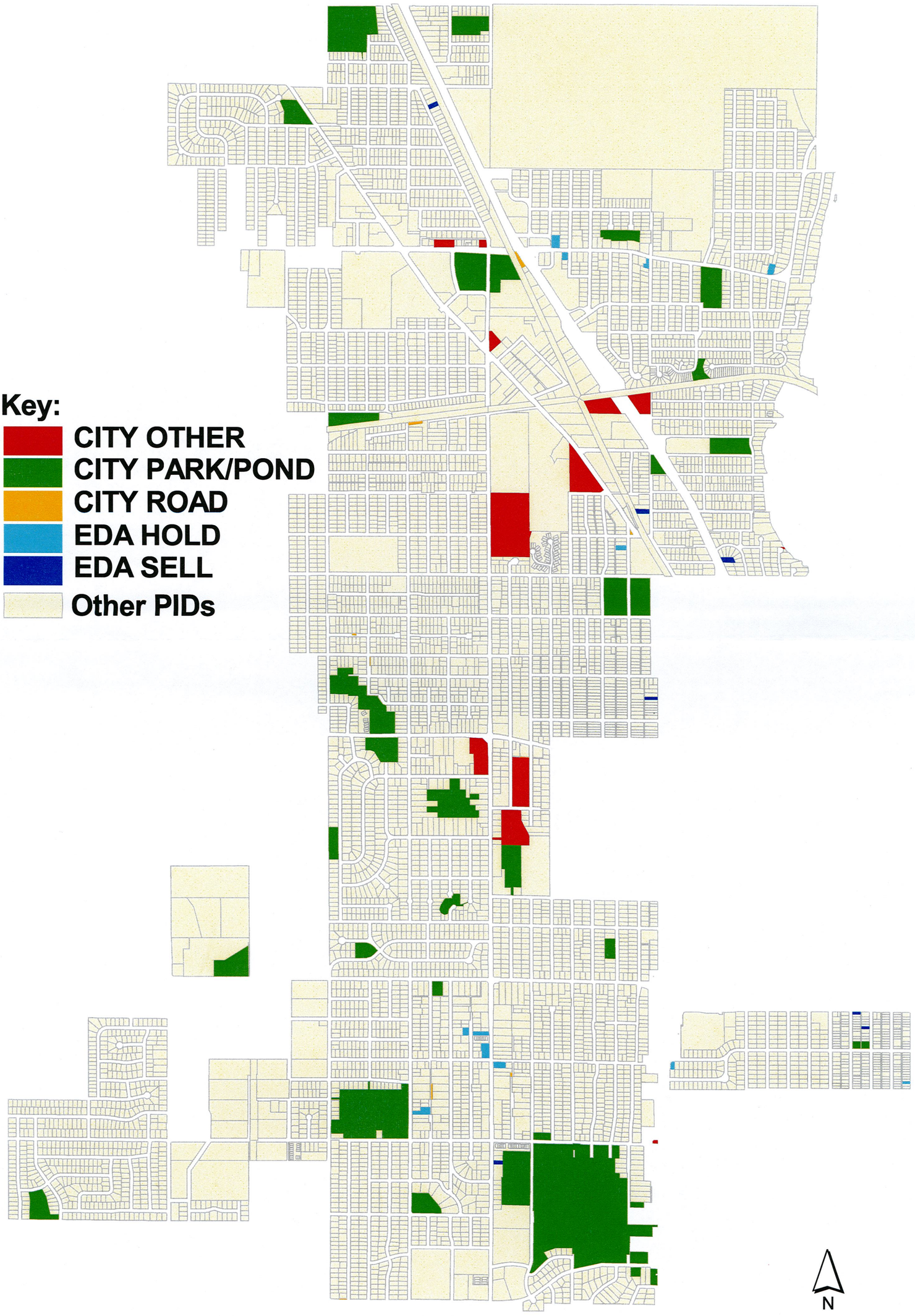


rebate.apr - layout1

Attachment F

Attachment G

City of Crystal Municipal PIDs
December 31, 2015



c:_city-owned.apr