

AGENDA

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CRYSTAL
• REGULAR MEETING •
MONDAY, FEBRUARY 3, 2014
6:30 P.M.
CRYSTAL CITY HALL
COUNCIL CHAMBERS**

1. Call to order
2. Roll call
3. Consider approval of minutes from the January 21, 2014 special meeting *
4. PUBLIC HEARING: Consider a resolution authorizing the sale of a lot at 4720 Douglas Drive North to Novak-Fleck for construction of a new house *
5. Consider acceptance of the 2013 Annual Report and 2014 Work Program *
6. Other business
7. Adjournment

** Materials attached*

**Minutes of the
Crystal Economic Development Authority
Special Meeting
January 21, 2014**

President Deshler called the special meeting of the Crystal Economic Development Authority to order at 8:23 p.m.

Upon call of the roll, the following members were present: Jim Adams, John Budziszewski, Julie Deshler, Mark Hoffmann, Casey Peak and Joe Selton.

The following staff members were present: Anne Norris, Executive Director; Patrick Peters, Deputy Executive Director; John Sutter, City Planner/Assistant Community Development Director; and Mike Norton, City Attorney.

Motion by Commissioner Selton (Budziszewski) to approve the minutes from the January 7, 2014 annual organizational meeting and January 7, 2014 work session.

Motion carried.

The EDA considered tentative acceptance of a proposal from Novak-Fleck to purchase a lot at 4720 Douglas Drive North for construction of a new house.

Motion by Commissioner Budziszewski (Selton) to tentatively accept the proposal from Novak-Fleck for the EDA lot at 4720 Douglas Drive North.

Motion carried.

The EDA considered approval of an option agreement with Novak-Fleck for the lot at 5824 Regent Avenue North.

Motion by Commissioner Budziszewski (Peak) to approve an option agreement with Novak-Fleck for the lot at 5824 Regent Avenue North.

Motion carried.

Motion by Commissioner Budziszewski (Adams) to adjourn the special meeting.

Motion carried.

The meeting adjourned at 8:30 p.m.

Julie Deshler, President

ATTEST:

Mark Hoffmann, Vice President



**EDA STAFF REPORT
PUBLIC HEARING
4720 Douglas Dr – Sale of Lot to Novak-Fleck**

FROM: John Sutter, City Planner/Assistant Community Development Director *JSS*

DEPARTMENT HEAD REVIEW: Patrick Peters, Community Development Director *pat*

DATE: January 30, 2014

TO: Anne Norris, Executive Director (for February 3, 2014 EDA meeting)

SUBJECT: PUBLIC HEARING: Consider a resolution authorizing the sale of lot at 4720 Douglas Drive North to Novak-Fleck for construction of a new house

On January 21 the EDA tentatively accepted a proposal from Novak-Fleck to purchase the lot at 4720 Douglas Drive North for \$50,000. Novak-Fleck has a Minnesota Residential Building Contractor license with no enforcement actions.

The proposed house would be similar to the one recently built at 5533 Xenia:

- Two car attached garage (unknown whether there would be space to add a third stall)
- 972 sq. ft. on the upper level, with an open living-dining-kitchen area, two bedrooms and one bathroom.
- 912 sq. ft. on the lower level, with one bedroom and one bathroom finished now plus a laundry/mechanical room and space for a combination of additional bedrooms and/or a family room to be finished later.

The builder would have preferred to option this lot, but could not because they are also optioning 5824 Regent and EDA guidelines limit the number of lots a builder may option. Instead, the builder seeks to go ahead and purchase 4720 Douglas, but is requesting the flexibility to increase the size, features and finishing of the proposed house depending on market conditions and buyer interest. As discussed on January 21, staff would have the discretion to review and approve house plans that result in greater features and larger size, provided the new plan would still be consistent with the EDA's guidelines.

The proposal meets city code including zoning, and also is in conformance with the EDA's lot sale guidelines. Lot sale closing is anticipated in early February, with construction start by spring 2014 and house completion by summer 2014.

The proposed resolution, 2012 aerial photo, site sketch and house plan are attached.

REQUESTED EDA ACTION: After holding the public hearing and receiving any testimony, consider adopting the attached resolution authorizing the property sale.

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CRYSTAL
HENNEPIN COUNTY
STATE OF MINNESOTA**

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE SALE OF
4720 DOUGLAS DRIVE NORTH
FOR NEW HOUSE CONSTRUCTION**

WHEREAS, the Economic Development Authority of the City of Crystal ("the EDA") is the owner of 4720 Douglas Drive North, legally described as the North 60 feet of the West 225 feet of the South 300 feet of Southwest ¼ of Northwest ¼ of Southwest ¼ of Section 9, Township 118, North Range 21, West of the 5th Principal Meridian, Hennepin County, Minnesota, excluding road ("the Property"); and

WHEREAS, the EDA has solicited proposals from builders who desire to purchase the Property from the EDA and construct thereon a new single family house; and

WHEREAS, the EDA has reviewed and accepted the proposal from Novak-Fleck.

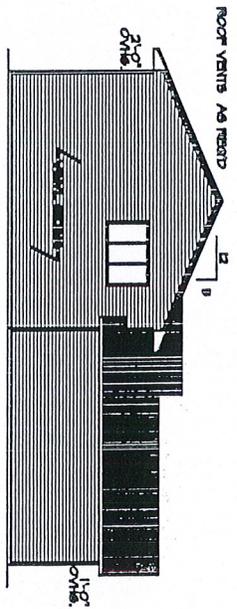
NOW, THEREFORE, BE IT RESOLVED that the EDA authorizes the sale of the Property to Novak-Fleck.

BE IT FURTHER RESOLVED that the sale shall be completed in accordance with the terms of the Purchase and Redevelopment Agreement in substantially the form on file in City Hall, and that the President and Executive Director are hereby authorized to sign said Agreement and other documents required to complete the sale of the Property to Novak-Fleck.

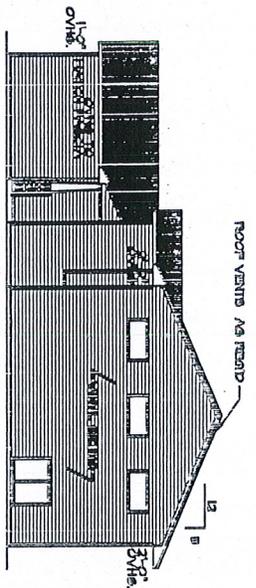
Adopted this _____ day of _____, _____.

Julie Deshler, President

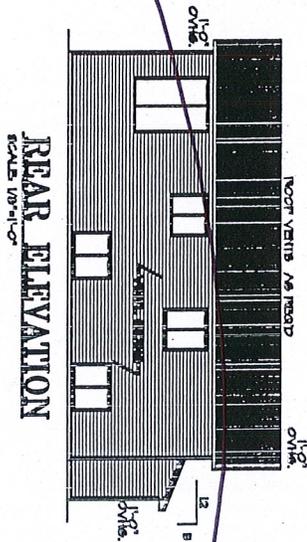
Anne Norris, Executive Director



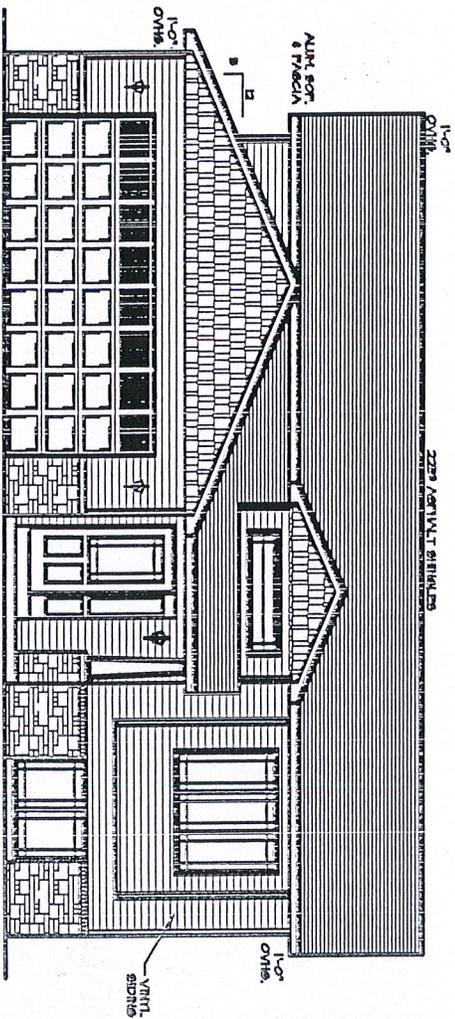
LEFT ELEVATION
SCALE 1/8"=1'-0"



RIGHT ELEVATION
SCALE 1/8"=1'-0"



REAR ELEVATION
SCALE 1/8"=1'-0"



FRONT ELEVATION
SCALE 1/8"=1'-0"

Reverse Plan

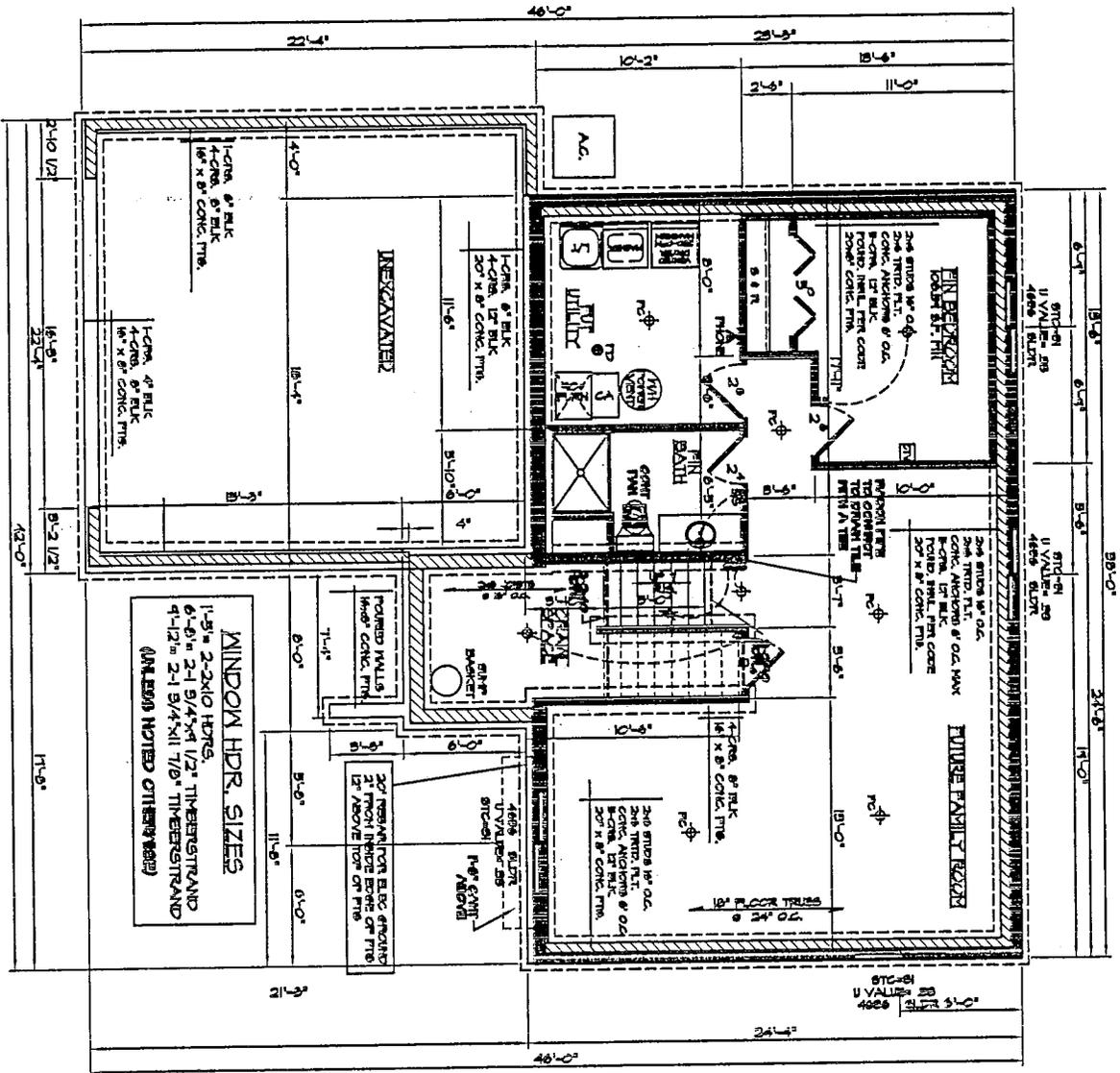
4720 DOUGLAS

NE

NOTE
 -DUE TO ELECTRONIC REPRODUCTION THIS PLAN MAY NOT SCALE CORRECTLY. THE HOUSE WILL BE BUILT ACCORDING TO THE DIMENSIONS SPECIFIED.
 -ALL DIMENSIONS, CONDITIONS AND SPECIFICATIONS ARE SUBJECT TO FIELD VERIFICATION. SOME CHANGES MAY BE NECESSARY.
 -ALL ELECTRICAL SYMBOLS SHOWN ARE APPROXIMATE ACTUAL PLACEMENT WILL BE DETERMINED BY THE ELECTRICIAN PER CODE REQUIREMENTS.
 -ALL SQUARE FOOTAGES ARE GUESSED RELIABLE BUT NOT GUARANTEED.
 -PARTMENT BOXES ON EXTERIOR WALLS (CATEGORY ONE)
 -CAULK & FLASH ALL EXTERIOR OPENINGS.

GENERAL NOTES	1. ALL DIMENSIONS ARE TO FACE UNLESS NOTED OTHERWISE.
FOUNDATION	1. FOUNDATION SHALL BE CONCRETE ON GRADE.
FLOORING	1. INTERIOR FLOORING SHALL BE AS NOTED ON FLOOR PLAN.
CEILING	1. INTERIOR CEILING SHALL BE AS NOTED ON FLOOR PLAN.
WALLS	1. EXTERIOR WALLS SHALL BE AS NOTED ON ELEVATIONS.
ROOFING	1. ROOFING SHALL BE AS NOTED ON ELEVATIONS.
MECHANICAL	1. MECHANICAL SYSTEMS SHALL BE AS NOTED ON FLOOR PLAN.
ELECTRICAL	1. ELECTRICAL SYSTEM SHALL BE AS NOTED ON FLOOR PLAN.
PAINT	1. PAINT SHALL BE AS NOTED ON ELEVATIONS.
GLASS	1. GLASS SHALL BE AS NOTED ON ELEVATIONS.
FINISH	1. FINISH SHALL BE AS NOTED ON ELEVATIONS.
OTHER	1. OTHER SHALL BE AS NOTED ON ELEVATIONS.
DATE	11/15/07
DRAWN BY	[Signature]
CHECKED BY	[Signature]
SCALE	1/8"=1'-0"
PROJECT NO.	4720 DOUGLAS
CLIENT	[Name]
ADDRESS	4720 DOUGLAS
CITY	[City]
STATE	[State]
ZIP	[Zip]
PHONE	[Phone]
FAX	[Fax]
EMAIL	[Email]
WEBSITE	[Website]
PROJECT	4720 DOUGLAS
DATE	11/15/07
DRAWN BY	[Signature]
CHECKED BY	[Signature]
SCALE	1/8"=1'-0"
PROJECT NO.	4720 DOUGLAS
CLIENT	[Name]
ADDRESS	4720 DOUGLAS
CITY	[City]
STATE	[State]
ZIP	[Zip]
PHONE	[Phone]
FAX	[Fax]
EMAIL	[Email]
WEBSITE	[Website]

[Handwritten signature]



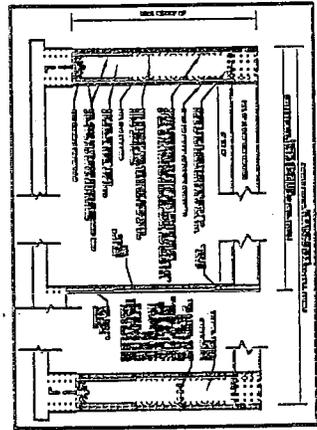
LOWER LEVEL & FOUNDATION PLAN
SCALE 1/4\"/>

(REVERSE PLAN)

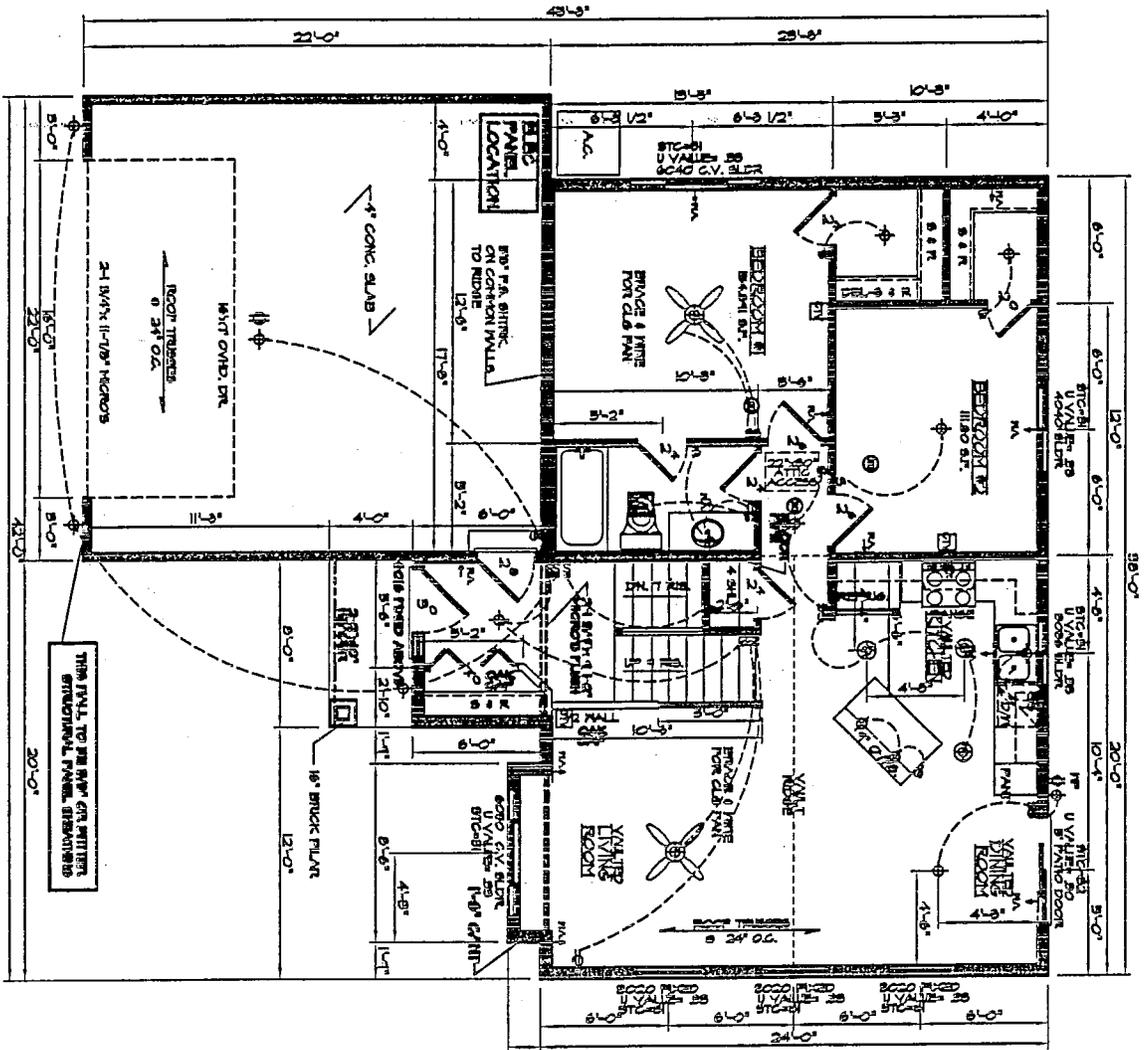
WINDOW HDR. SIZES
1'-5\"/>

- NOTES**
- DUE TO ELECTRIC REPRODUCTION, THIS PLAN MAY NOT SCALE CORRECTLY. THE HOUSE WILL BE BUILT ACCORDING TO THE DIMENSIONS SPECIFIED.
 - ALL DIMENSIONS, CONDITIONS AND SPECIFICATIONS ARE SUBJECT TO FIELD VERIFICATION. SOME CHANGES MAY BE NECESSARY.
 - ALL ELECTRICAL SYMBOLS SHOWN ARE APPROPRIATE ACTUAL PLACEMENT.
 - ALL SQUARE FOOTAGES ARE DEEMED RELIABLE BUT NOT GUARANTEED.
 - NIGHT SCENES ON EXTERIOR WALLS (CATEGORY C)
 - CAULK & FLASH ALL EXTERIOR OPENINGS.

NE



GENERAL NOTES
FOUNDATION
 FOUNDATION SHALL BE CONCRETE
 20\"/>



FLOOR PLAN
 SCALE: 1/4" = 1'-0"
 (REVERSE PLAN)

OWNER [Name]	ARCHITECT [Name]	DATE [Date]	PROJECT [Project Name]	NO. [Number]	SCALE [Scale]	REVISIONS
<p>NOTE: -DUE TO ELECTRONIC REPRODUCTION, THIS PLAN MAY NOT SCALE CORRECTLY. THE HOME WILL BE BUILT ACCORDING TO THE DIMENSIONS SPECIFIED. -ALL DIMENSIONS, CONDITIONS AND SPECIFICATIONS ARE SUBJECT TO FIELD VERIFICATION SOME CHANGES MAY BE NECESSARY. -ALL ELECTRICAL SYMBOLS SHOWN ARE APPROXIMATE ACTUAL PLACEMENT WILL BE DETERMINED BY THE ELECTRICIAN PER CODE REQUIREMENTS. -ALL SQUARE FOOTAGES ARE DEEMED RELIABLE BUT NOT GUARANTEED. -AIRTIGHT BOXES ON EXTERIOR WALLS. (CATEGORY C12) -CALL & FLASH ALL EXTERIOR OPENINGS.</p>						

ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CRYSTAL

2013 Annual Report

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 2013 EDA activities:

1. Single Family Residential - Scattered Site Redevelopment

12 lots were sold in 2013. As of December 31, 2013 seven houses have been completed and sold, two are nearly complete, two are under construction and one is scheduled to start construction in spring 2014.

a) Lots Sold in 2013:

1. 4330 Zane (acquired 1999)
2. 5527 Xenia (acquired 2007)
3. 4343 Xenia (acquired 2007)
4. 5657 Adair (acquired 2007)
5. 6529 50th (acquired 2009)
6. 4633 Douglas Dr (acquired 2009)
7. 5548 Yates (acquired 2009)
8. 4553 Yates (acquired 2009)
9. 3548 Welcome (acquired 2010)
10. 3556 Welcome (acquired 2010)
11. 3564 Welcome (acquired 2010)
12. 6516 Brentwood (acquired 2012)

- b) Lots Available as of December 31, 2013:
1. 4326 Zane (acquired 2002) – currently under option by MT Builders
 2. 5626 Vera Cruz (acquired 2007)
 3. 3533 Lee (acquired 2008)
 4. 4331 Vera Cruz (acquired 2008)
 5. 5824 Regent (acquired 2008)
 6. 5700 Regent (acquired 2009) – currently under option by Berger
 7. 5255 Edgewood (acquired 2009)
 8. 5715 Regent (acquired 2009)
 9. 4901 Vera Cruz (acquired 2009)
 10. 4349 Xenia (acquired 2012) – currently under option by MT Builders
 11. 4720 Douglas Dr (acquired 2012)
 12. 6601 62nd (acquired 2012)
 13. 5335 Corvallis (acquired 2012)
 14. 5332 50th (acquired 2012)
 15. 5924 Elmhurst (acquired 2012)

Lot sales from 1998-2013 are summarized in the attached Exhibits A (map) and B (chart), with detailed information about 2010-2013 lot sales in Exhibit C.

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% of Twin Cities metropolitan area median income are eligible. Funding for this program initially came from the Minnesota Housing Finance Agency and the Metropolitan Council. After these outside agencies' funds were exhausted, the EDA approved the use of local funds including available increment from expiring TIF districts to maintain the program.

144 Crystal homeowners used the rebate program in 2013. The approximate locations are mapped in Exhibit D.

The total and average 2013 rebates are as follows:

TOTAL 2013 REBATES \$219,220	+	TOTAL PAID BY HOMEOWNERS \$1,345,041	=	TOTAL COST OF ALL 2013 PROJECTS \$1,564,261
AVERAGE 2013 REBATE \$1,522	+	AVERAGE PAID BY HOMEOWNER \$9,341	=	AVERAGE COST PER 2013 PROJECT \$10,863

4. 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 households up to 50% of regional median income. Repayment is deferred for 15 years and then forgiven if the recipient continues to own and occupy the property throughout that time. Households from 50% to 80% of regional median income are also eligible but those loans are interest-bearing. Hennepin County administers this program for Crystal as it does for nine other cities.

By reducing and eventually eliminating the use of CDBG funds for scattered site redevelopment, the city increased funding for deferred loans in 2000-2002 and since then has maintained a relatively stable annual funding level of \$80,000-\$90,000. In addition to the annual allocation, the program also recaptures previously loaned funds in cases where the homeowner sells or moves out within the 15 year term.

During the twelve months ending September 30, 2013, \$34,000 was spent on rehab projects and \$60,000 was committed for additional projects. Three projects were started and four projects were completed, with no properties on the waiting list.

5. Single Family Residential – Tax Increment Districts for Housing Renewal

In 2013 the EDA provided \$5,000 in down payment assistance for a buyer of a vacant house using an FHA 203K purchase-rehab loan. The funds will be recaptured if the homeowner moves out or sells the property within five years. This program is being discontinued due to low level of interest (only one project in each of the last three years).

These funds are now being used for an interest rate write-down for the Community Fix-Up Fund which provides home improvement loans to Crystal homeowners.

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. The EDA has approved the sale of the west 4.3 acres to a private developer (Dominium) for construction of affordable senior housing ("The Cavanagh"). It will be a four story, 130 unit, age-restricted rental building addressed as 5401 51st Avenue North. Unit sizes will range from 1BR-1BA to 2BR-2BA and all units will be affordable to households at or below 60% of Twin Cities metropolitan area median income. Construction of The Cavanagh will begin in spring 2014 and be completed in summer 2015. The approved plan for The Cavanagh is attached as Exhibit E.

7. Commercial and Industrial Redevelopment

No EDA-involved development activity in 2013.

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, 2013 the EDA is holding the following vacant parcels for future development:

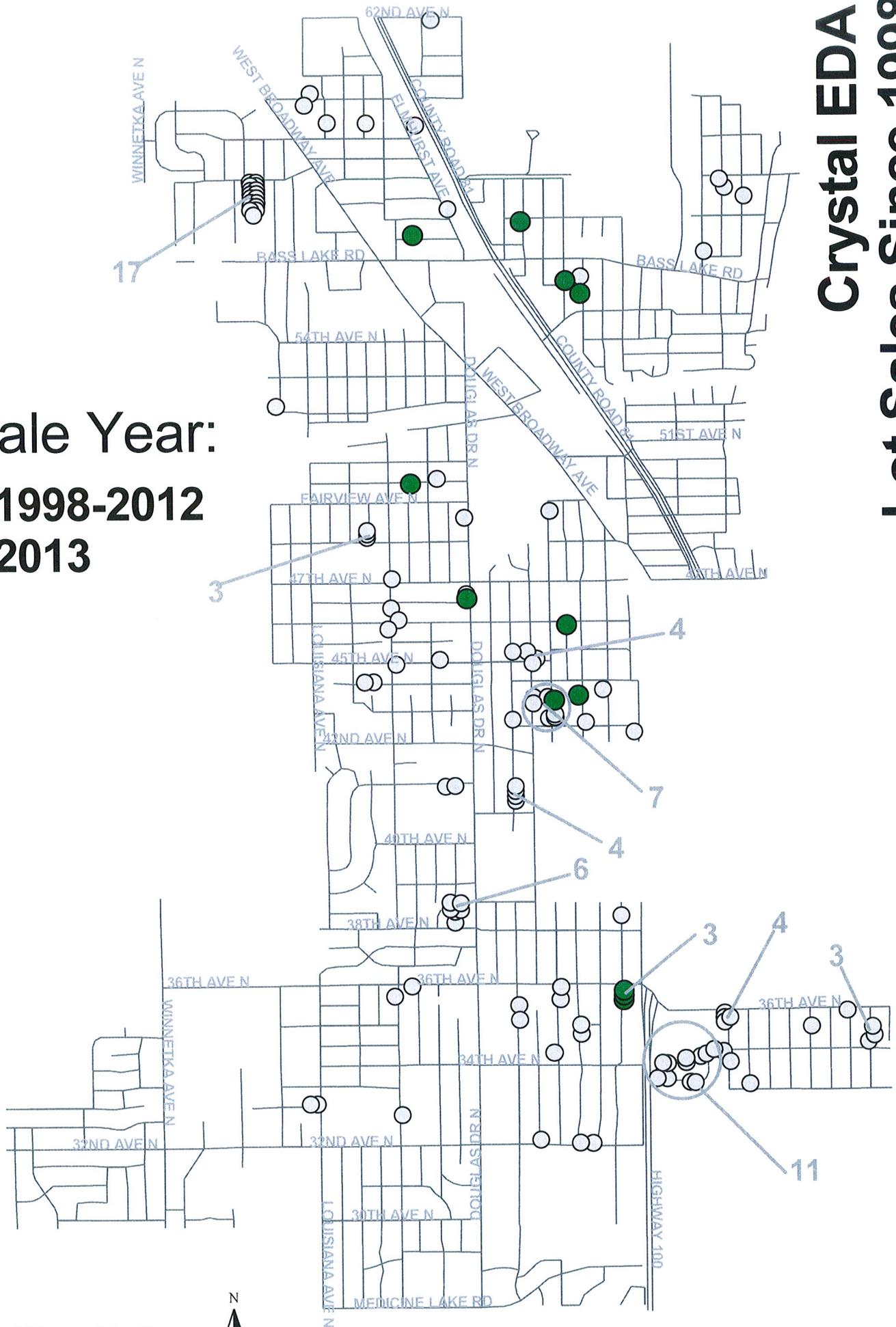
1. 3240 Hampshire (acquired 2000)
2. 3556 Major (acquired 2002 - private donation)
3. 3409 June (acquired 2003 - tax forfeit)
4. 3122 Douglas Dr (acquired 2003)
5. 5901 56th (acquired 2008)
6. 4824 56th (acquired 2009)
7. 4741 Welcome (acquired 2009)
8. 3401, 3415 and 3443 Douglas Dr (acquired 2009)
9. 5417 35th (acquired 2010)
10. 5565 Vera Cruz (acquired 2011 - tax forfeit)
11. 3354 Douglas Dr and 6213 34th (acquired 2011)
12. 3443 Edgewood (acquired 2012 - tax forfeit)

A map of city and EDA-owned property as of December 31, 2013 is attached as Exhibit F.

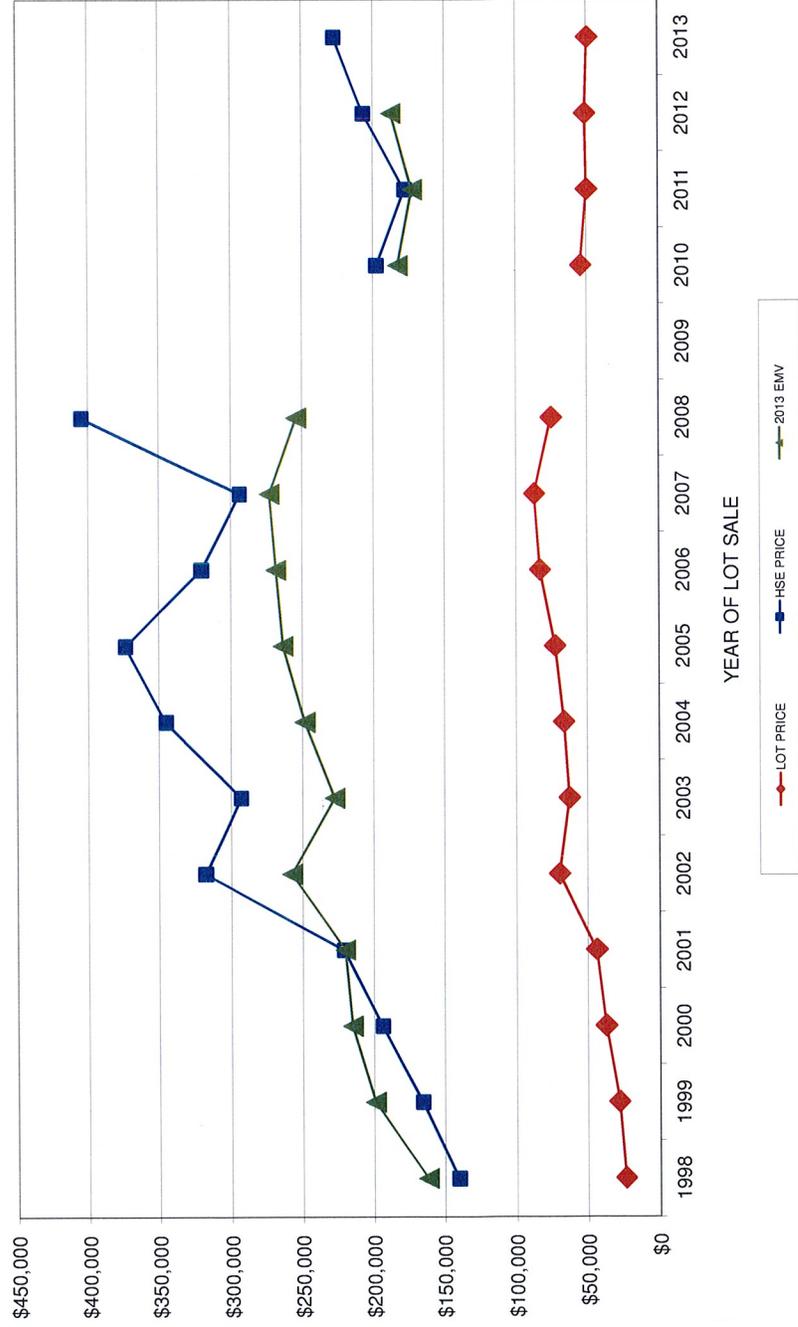
Crystal EDA Lot Sales Since 1998

Sale Year:

- 1998-2012
- 2013



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



YEAR	LOTS SOLD	AVERAGE LOT PRICE	AVERAGE HSE PRICE	AVERAGE 2013 EMV
1998	1	\$24,000	\$140,000	\$162,000
1999	7	\$28,600	\$165,789	\$199,143
2000	10	\$37,760	\$194,004	\$215,100
2001	5	\$44,100	\$221,028	\$220,200
2002	7	\$69,643	\$317,891	\$257,429
2003	9	\$62,734	\$292,980	\$227,667
2004	13	\$66,479	\$345,242	\$248,308
2005	2	\$72,500	\$373,861	\$263,500
2006	20	\$83,015	\$320,258	\$268,474
2007	3	\$87,000	\$293,667	\$273,000
2008	1	\$75,000	\$405,000	\$254,000
2009	0			
2010	13	\$54,231	\$197,682	\$182,615
2011	5	\$50,000	\$177,667	\$172,600
2012	14	\$51,111	\$206,606	\$187,429
2013	12	\$49,545	\$227,340	*

* Data not yet available.

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

"House Price" is the amount the homeowner paid for the finished house; this includes land value & new house value.

"2012 EMV" is the Estimated Market Value from the Henn Co Assessor. It provides an apples-to-apples comparison of the value of the completed houses as of January 2012.

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	\$163,000
TIF (2150)	4801 Idaho	Novak-Fleck	8,648	\$55,000	Apr-10	split	1,230	\$182,436	Jun-10	\$178,000
REDEVEL	5309 34th Pl	Novak-Fleck	10,026	\$60,000	Apr-10	split	2,000	\$203,255	Jun-10	\$191,000
REDEVEL	5101 35th	Novak-Fleck	11,707	\$55,000	Apr-10	split	2,000	\$186,000	Jun-10	\$179,000
REDEVEL	5132 34th Pl	Novak-Fleck	9,929	\$55,000	Apr-10	split	2,000	\$222,365	Jun-10	\$209,000
REDEVEL	3549 Regent	Novak-Fleck	10,500	\$50,000	May-10	split	1,447	\$189,690	Aug-10	\$179,000
REDEVEL	5918 Idaho	Novak-Fleck	8,004	\$45,000	Jun-10	split	1,230	\$178,065	Aug-10	\$165,000
TIF (2150)	3440 Regent	Novak-Fleck	10,492	\$55,000	Jun-10	split	1,447	\$205,088	Sep-10	\$198,000
REDEVEL	4612 Hampshire	Novak-Fleck	8,610	\$60,000	Jul-10	split	2,000	\$231,268	Sep-10	\$199,000
TIF (2150)	4807 Idaho	Novak-Fleck	8,023	\$55,000	Aug-10	split	1,447	\$198,000	Feb-11	\$175,000
REDEVEL	5225 35th	Novak-Fleck	10,026	\$55,000	Sep-10	split	1,447	\$203,000	Nov-10	\$191,000
TIF (2150)	6420 50th	Novak-Fleck	13,479	\$60,000	Sep-10	split	1,167	\$211,992	Dec-10	\$192,000
TIF (2150)	5708 Elmhurst	Novak-Fleck	12,800	\$45,000	Sep-10	split	1,447	\$181,400	Nov-10	\$155,000

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.
1,546	\$197,682	\$127.91

AVERAGE ASSESSOR EMV
\$182,615

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	** \$167,000
TIF (2150)	5325 35th	Novak-Fleck	10,026	\$30,000	Apr-11	* split	1,230	\$170,000	Oct-11	\$170,000
REDEVEL	5401 35th	Novak-Fleck	10,026	\$25,000	Apr-11	* split	1,230	\$170,000	Aug-11	\$171,000
NSP	4259 Vera Cruz	Habitat for Hum.	12,552	\$1	May-11	* rambler	1,588	\$162,150	Apr-12	** \$171,000
REDEVEL	5224 35th	Novak-Fleck	10,086	\$50,000	Nov-11	split	1,600	\$193,000	May-12	\$184,000

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.
1,447	\$177,667	\$122.77

AVERAGE ASSESSOR EMV
\$172,600

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

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	\$182,000
REDEVEL	3541	Regent	Novak-Fleck	10,500	\$50,000	Apr-12	split	1,230	\$185,900	Jul-12	\$170,000
REDEVEL	3548	Regent	Novak-Fleck	10,500	\$50,000	Apr-12	split	1,326	\$188,800	Aug-12	\$180,000
REDEVEL	4310	Zane	MT Builders	9,851	\$45,000	May-12	two story	2,235	\$235,300	Aug-12	\$224,000
REDEVEL	4553	Hampshire	Novak-Fleck	7,488	\$60,000	Jun-12	split	2,076	\$229,755	Sep-12	\$206,000
REDEVEL	5918	Kentucky	Novak-Fleck	7,500	\$45,000	Jun-12	split	1,230	\$192,000	Sep-12	\$161,000
REDEVEL	7024	60th	Novak-Fleck	14,000	\$55,000	Aug-12	split	1,326	\$197,900	Nov-12	\$189,000
CDBG	4306	Zane	MT Builders	9,851	\$45,000	Sep-12	two story	1,581	\$236,000	Jun-13	not yet avail
REDEVEL	5533	Xenia	Novak-Fleck	8,040	\$50,000	Oct-12	split	1,230	\$195,000	Mar-13	not yet avail
NSP	3528	Noble	Habitat for Hum.	7,603	\$1	Dec-12	* rambler	1,442	\$192,821	Oct-13	** not yet avail
NSP	5116	35th	Habitat for Hum.	12,258	\$1	Dec-12	* rambler	1,348			** not yet avail
NSP	4312	Brunswick	Habitat for Hum.	7,686	\$1	Dec-12	* rambler	1,442	\$192,821	Nov-13	** not yet avail
NSP	5724	Perry	Habitat for Hum.	11,247	\$1	Dec-12	* rambler	1,404			** not yet avail
NSP	7041	60th	Habitat for Hum.	18,030	\$1	Dec-12	* rambler	1,414			** not yet avail

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

9 HOUSES SOLD:

AVERAGE FINISHED SQ. FT.	**AVERAGE HOUSE PRICE	**AVG HSE PRICE PER FIN SQ. FT.
1,492	\$206,606	\$138.50

AVERAGE ASSESSOR EMV
\$187,429

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	not yet avail
TIF (2150)	4633	Douglas Dr	Novak-Fleck	9,963	\$50,000	Apr-13	split	1,772	\$212,000	Aug-13	not yet avail
REDEVEL	5527	Xenia	Novak-Fleck	8,040	\$50,000	Apr-13	split	1,230	\$202,685	Jul-13	not yet avail
TIF (2150)	5548	Yates	Novak-Fleck	10,575	\$50,000	May-13	split	2,105	\$236,900	Nov-13	not yet avail
CDBG	4330	Zane	MT Builders	9,851	\$40,000	Jun-13	two story	1,581	\$240,000	Sep-13	not yet avail
REDEVEL	4343	Xenia	MT Builders	10,825	\$50,000	Jul-13	two story	1,678	\$246,000	Oct-13	not yet avail
TIF (2150)	3548	Welcome	Novak-Fleck	8,960	\$55,000	Jul-13	split	1,401	\$246,220	Dec-13	not yet avail
TIF (2150)	3556	Welcome	Novak-Fleck	8,308	\$50,000	Sep-13	split	1,209	\$222,912	Dec-13	not yet avail
TIF (2150)	3564	Welcome	Novak-Fleck	8,875	\$27,000	Sep-13	* split	1,230			not yet avail
TIF (2150)	5657	Adair	Novak-Fleck	9,949	\$50,000	Oct-13	split	1,209			not yet avail
REDEVEL	6516	Brentwood	Novak-Fleck	10,125	\$50,000	Dec-13	split	1,230			not yet avail
TIF (2150)	4553	Yates	Berger	6,470	\$40,000	Dec-13	two story	1,536			not yet avail

Lot or house price excluded from average:

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

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

12 LOTS SOLD:

AVERAGE LOT AREA SQ. FT.	*AVERAGE LOT PRICE	*AVERAGE LOT PRICE PER SQ. FT.
9,463	\$49,545	\$5.21

8 HOUSES SOLD:

AVERAGE FINISHED SQ. FT.	AVERAGE HOUSE PRICE	AVG HSE PRICE PER FIN SQ. FT.
1,492	\$227,340	\$143.16

AVERAGE ASSESSOR EMV
\$0

2013 Crystal Housing Improvement Rebates (Approximate Locations)

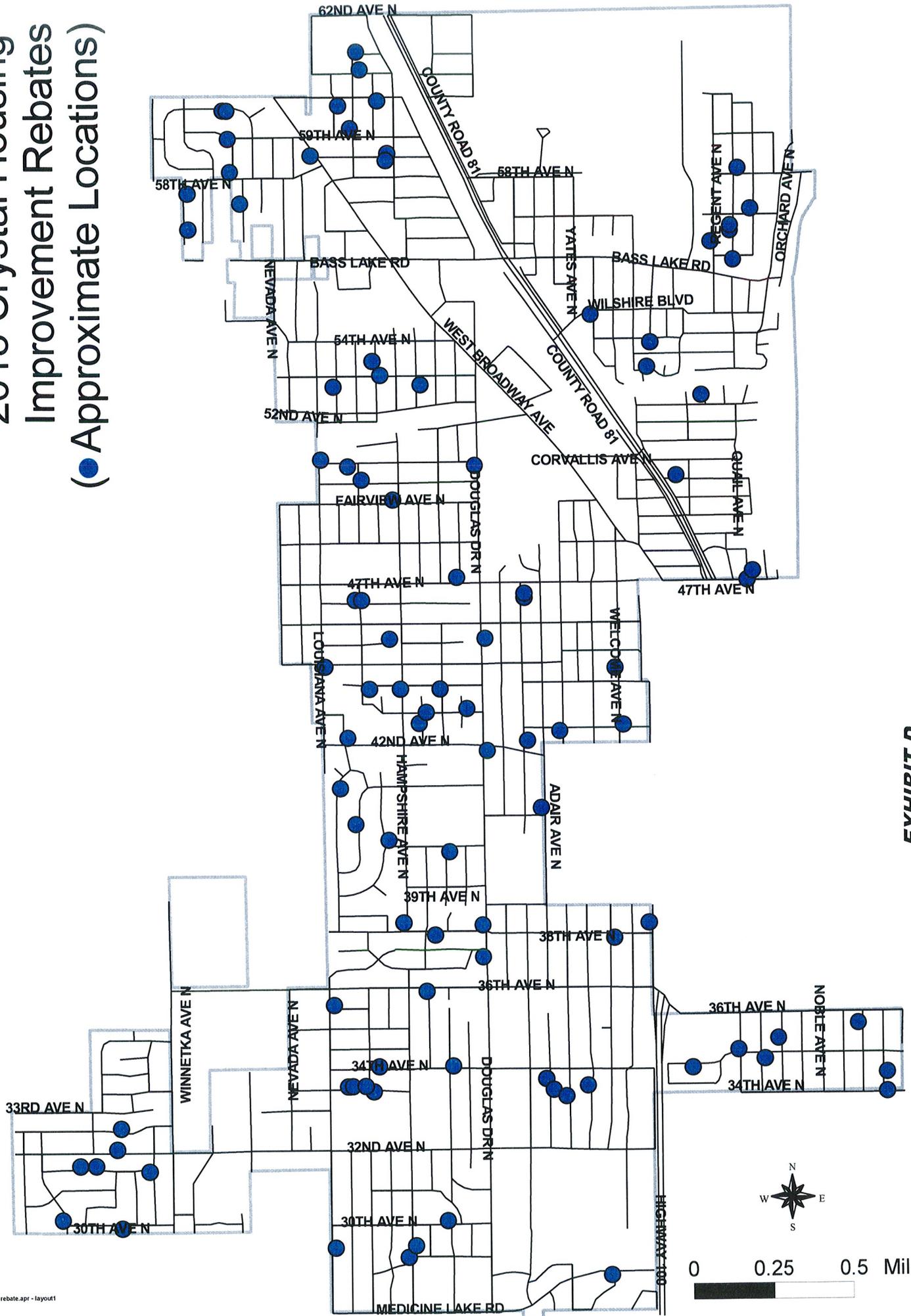


EXHIBIT D



51st Avenue North

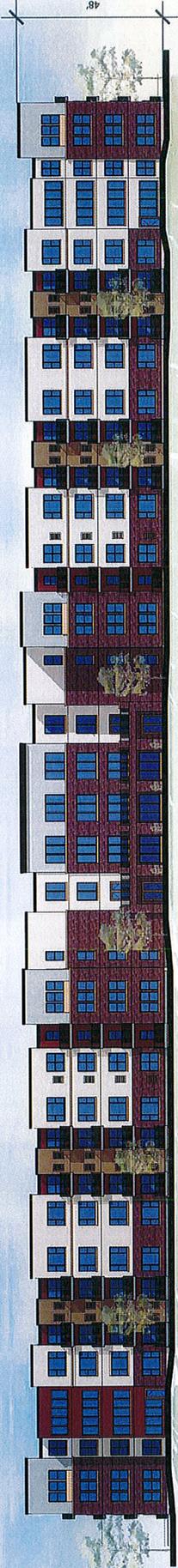


Corvallis Avenue North

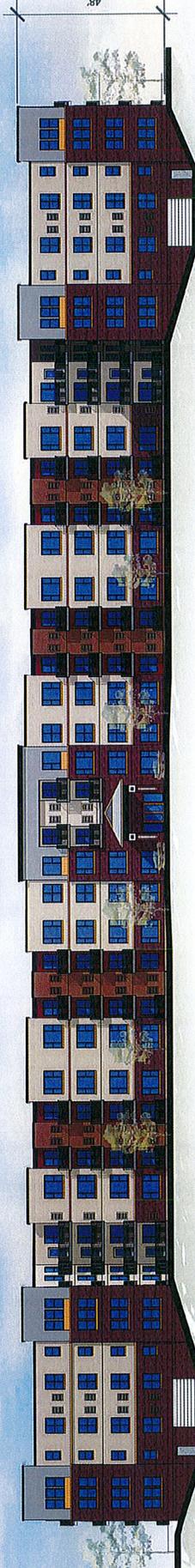


CAVANAGH SENIOR APARTMENTS
5401 51ST AVENUE NORTH





PROPOSED SOUTH ELEVATION



PROPOSED NORTH ELEVATION

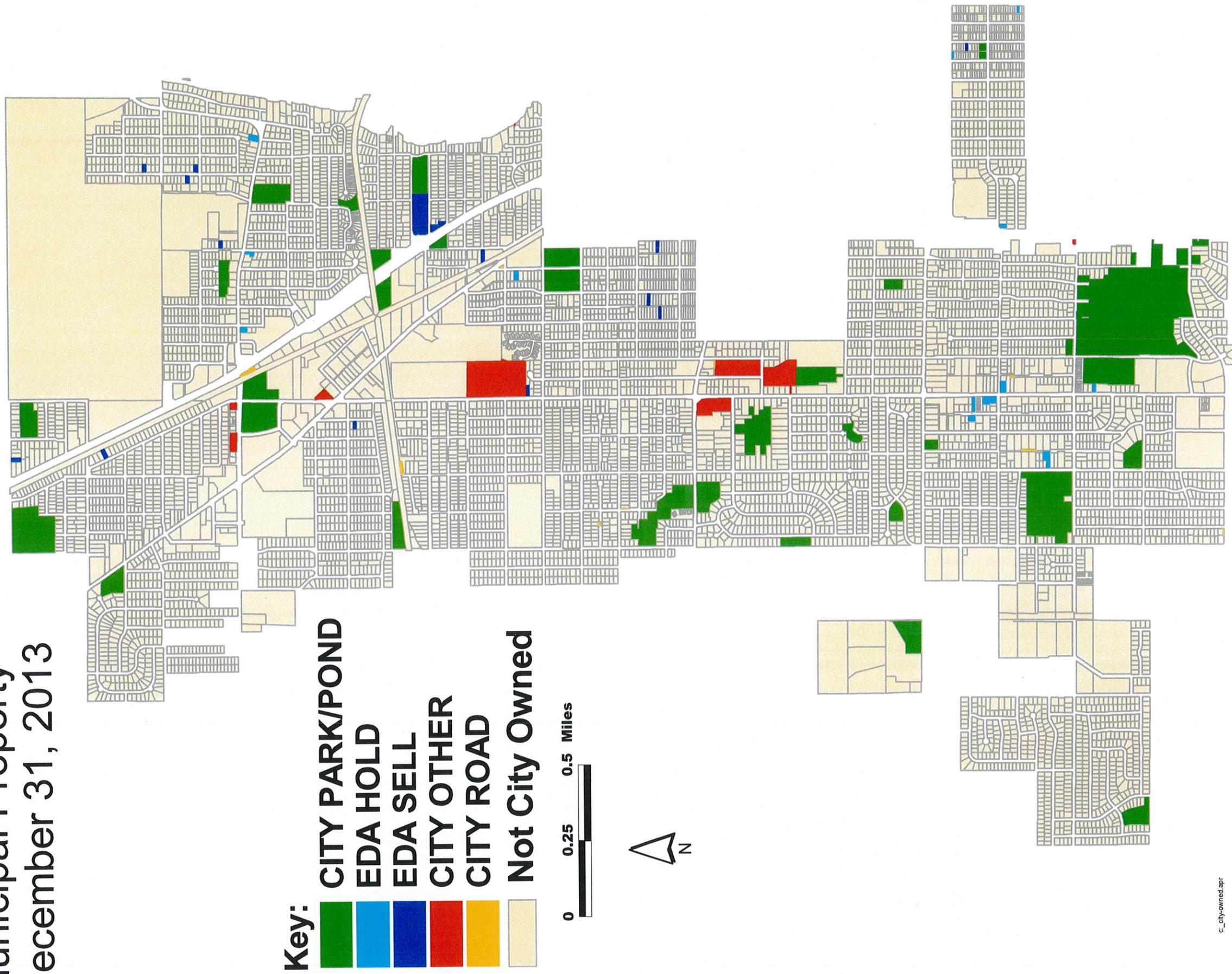


CAVANAGH SENIOR APARTMENTS



www.bkvgroup.com

City of Crystal Municipal Property December 31, 2013



ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CRYSTAL

2014 Work Program

1. **Deferred Home Improvement Loans** (administered by Hennepin County)
\$100,000 planned expenditures (all Community Development Block Grant)

This ongoing program is administered by Hennepin County and offers no-interest loans to Crystal homeowners below 50% of Twin Cities metropolitan area median income. The anticipated funding level would typically allow four projects in Crystal per year. The loans are 100% forgiven after 15 years provided the homeowner continues to own and occupy the property; if they sell or move, the loan is due and payable in full, and the recaptured funds would be used to assist another homeowner in a similar manner. Also available are deferred loans with a modest interest charge for homeowners between 50% and 80% of AMI, but these are funded by other sources. The county's administrative costs are embedded within overall CDBG funding.

2. **Home Improvement Incentive Rebates** (administered by GMHC)
\$272,000 planned expenditures
 - \$228,000 from TIF Housing Districts
 - \$44,000 from EDA Fund

This ongoing program offers a rebate for homeowners who complete home improvement projects. The program is administered by the non-profit Greater Metropolitan Housing Corporation ("GMHC") at its Housing Resource Center located at 2148 44th Avenue North in Minneapolis. Homeowners with household income less than 50% of Twin Cities metro area median income ("AMI") qualify for a 20% rebate (TIF-funded); 50%-80% AMI qualify for a 15% rebate (TIF-funded); 80%-120% AMI qualify for a 10% rebate (EDA-funded). Households over 120% AMI are not eligible.

To be eligible for a rebate, the application must be made before beginning the project, and the project must have a total cost of at least \$2,000. No property may receive rebates totaling more than \$10,000 in one year.

3. **Community Fix-Up Fund Interest Rate Buy-Down** (administered by GMHC)
\$25,000 planned expenditures from TIF Housing Districts

The EDA will provide funds to buy down the interest rate for Crystal homeowners using Community Fix-Up Fund loans from GMHC's Housing Resource Center. Maximum household income is 100% of the Twin Cities metro area median income (if a household of 1-2 people) or 115% (if a household of 3+ people).

Minimum loan is \$2,000; maximum is \$35,000. Maximum loan-to-value ratio is 110% of the after-rehab value. Maximum loan term is 10 years (for loans up to \$10,000) or 20 years (for loans over \$10,000). The interest rate, normally 5.75%, will be discounted to 3%. There are no administrative costs for the EDA.

4. **Scattered Site Acquisition/Demolition and Lot Sales**

\$100,000 planned expenditures from EDA Fund

\$285,000 planned revenues to EDA Fund

This would be a continuation of the city's longstanding acquisition, demolition and lot sale program. The adopted budgets are based on two properties being acquired/demolished and six lots being sold for new house construction, although actual property purchases and sales would depend on market conditions and each transaction requires specific EDA board approval. As opportunities arise, additional property acquisitions may be authorized by the EDA using the fund balance.

6. **Other Redevelopment**

The Cavanagh (5401 51st Avenue North) will be a four story, 130 unit, age-restricted rental building addressed as 5401 51st Avenue North. Unit sizes will range from 1BR-1BA to 2BR-2BA and all units will be affordable to households at or below 60% of Twin Cities metropolitan area median income. The EDA will sell the 4.3 acre site to Dominion in the first quarter of 2014. Construction will begin in spring 2014 and be completed in summer 2015.

Excess Hwy 100 Property from MnDOT. The EDA obligated \$255,000 of available increment from expired TIF District #1 (#2150) to acquire 5501 32nd which is a 2.6 acre site zoned low density residential for up to 14 units. The purchase will close as soon as Engineering staff and Three Rivers Park District finalize an easement for the Bassett Creek Regional Trail which will be located between this development site and the noise wall.

7. **Redevelopment Fund Balance**

The EDA board may authorize expenditure of part of its fund balances during the year to respond to unforeseen opportunities. The amount available at any particular time cannot be predicted because the fund balance varies throughout the year depending on expenditures incurred and, especially, revenue from unanticipated property sales. The EDA board would consider the condition of a particular fund balance when considering expenditures from same.



2014 NOTICE OF LOT AVAILABILITY - FEBRUARY 4, 2014

The Economic Development Authority of the City of Crystal is seeking proposals from builders to purchase lots for construction of new single family houses. For more information, please see the Request for Proposal packets which may be found by clicking on "EDA Lots for Sale" under "What's Happening" at www.crystalmn.gov.

PROPERTY ADDRESS	DIMENSIONS (approx.)		LOT PRICE	NOTES (see p. 2)
	width x depth	area (sq. ft.)		
3533 Lee Ave N, Crystal MN 55422	40 x 128	5,120	\$40,000	4
4326 Zane Ave N, Crystal MN 55422	45 x 216	9,720	\$45,000	OPTIONED
5332 50th Ave N, Crystal MN 55429	irregular	10,000	\$45,000	3
5335 Corvallis Ave N, Crystal MN 55429	irregular	12,058	\$50,000	3
4901 Vera Cruz Ave N, Crystal MN 55429	irregular	13,469	\$50,000	
4331 Vera Cruz Ave N, Crystal MN 55422	45 x 209	9,405	\$50,000	
4349 Xenia Ave N, Crystal MN 55422	50 x 216	10,800	\$50,000	OPTIONED
4720 Douglas Dr N, Crystal MN 55429	60 x 192	11,520	\$50,000	SOLD
5255 Edgewood Ave N, Crystal MN 55428	60 x 133	7,989	\$50,000	
5924 Elmhurst Ave N, Crystal MN 55428	75 x 160	12,000	\$50,000	
6601 62nd Ave N, Crystal MN 55429	62 x 169	10,498	\$50,000	
5626 Vera Cruz Ave N, Crystal MN 55429	66 x 135	8,910	\$50,000	2
5700 Regent Ave N, Crystal MN 55429	75 x 135	10,125	\$50,000	OPTIONED
5715 Regent Ave N, Crystal MN 55429	75 x 135	10,125	\$50,000	2
5824 Regent Ave N, Crystal MN 55429	75 x 135	10,125	\$55,000	OPTIONED

NOTES SPECIFIC TO PARTICULAR LOTS:

1	The existing house may still be present but demolition is in the works.
2	This lot is mapped by the Metropolitan Airports Commission (MAC) as being within the Crystal Airport's 60 DNL noise contour forecast for the year 2025. This is the lowest-level noise contour mapped by MAC in its plan for this airport. Builders are encouraged but not required to construct the house in accordance with the Builders Guide available from Metropolitan Council. This lot is not located in a Runway Protection Zone or Safety Zone for the Crystal Airport.
3	This lot is adjacent to another EDA lot but both lots shall remain separate lots for construction of a single family house on each lot. The EDA will not consider proposals to combine the lots or build a duplex. These adjacent lots do not need to be purchased (or optioned) by the same builder.
4	Due to narrow lot width and the presence of an alley, the garage must be accessed from the alley not the street.

GENERAL NOTES:

<p>The EDA considers proposals on a "first-come, first-served" basis. This means that the first proposal offering to buy the lot and build a house meeting our guidelines will be presented to the EDA for their consideration. The EDA retains absolute discretion to decide whether to accept any particular proposal.</p>
<p>Proposals must be submitted by state-licensed builders who have built at least three houses in Minnesota in the last five years, or have equivalent experience acceptable to the EDA. The house may be built speculatively or for a specific buyer. If you would be the house buyer, then your builder must submit the proposal; and if the proposal is accepted, then the EDA would sell the lot to your builder.</p>
<p>The new house must be an owner-occupied, single family house. It must have at least three bedrooms, two bathrooms, and a two-car garage (attached or detached, depending on the site). On a case-by-case basis, the EDA may also consider the sale of a lot to provide a new location for an existing house currently located in Crystal. The moved house would have to meet the general requirements described above, be brought up to current codes, and have a final value and long-term viability comparable to a new house.</p>
<p>Builders may purchase a 6-month option on a lot for \$500, renewable for an additional 6 months for an additional \$500. The option provides the builder with exclusive rights to purchase the lot and build a house subject to the normal EDA requirements and guidelines. As a condition of the option, the builder must list the lot with a to-be-built house on the MLS for the duration of the option. The number of options is limited: The EDA will not approve additional options for a builder if they already have more than 10% of the EDA's lots under option, and no more than 50% of the EDA's lots may be under option at any time.</p>

Economic Development Authority
of the City of Crystal
4141 Douglas Dr N
Crystal MN 55422



Staff contact: John Sutter
tel: 763-531-1142
fax: 763-531-1188
john.sutter@crystalmn.gov

2014 Lot Marketing

Selected tactics are in bold type

TACTIC	DESCRIPTION	PROS	CONS	IN SHORT...
Raise lot prices	EDA raises prices on some or all of its lots	Demand for lots within 494/694 beltway exceeds supply, so the market may support higher prices in Crystal; higher lot prices may push builders towards 'move-up' houses instead of starter houses	Crystal's absorption rate would be likely to slow even with strong demand for inner-ring suburban lots (we're not Edina)	It'll never be 2006 again.
No change from current lot prices	EDA lot prices unchanged from 2013	2014 inventory roughly half what it was a year ago; goal is to maximize revenue per lot without killing absorption	We may not sell as many lots in 2014 as 2013 (12 lots)	The market has firmed up and so can we.
Selective, negotiated price reductions from current lot prices	Staff may negotiate price reductions on a case-by-case basis depending on how long EDA has owned the lot, other lots/activity nearby, unique lot characteristics, exceptional qualities of the builder's proposal, etc. Staff must present its justification for EDA board review and approval at lot sale hearing.	Try to hit the 'sweet spot' with accelerated absorption of lots without sacrificing too much revenue; attract new builders to Crystal	Builders are coming to expect them on many (if not all) lots; will reduce EDA revenue somewhat - total 2013 concessions were \$25,000 out of \$572,000 in lot sales; only one 2013 lot sale went to a new builder but that lot had \$6,500 in concessions and the closing/construction have been delayed 6 months.	Tried it for one year; not worth the lost revenue, especially in a strengthening market.
Reduce lot prices across the board	EDA reduces lot prices to try and increase builders' interest in our lots	May start a snowball effect and "unstuck" the market	Significantly reduces revenue per lot; may attract builders with a lower-quality product; regional market forces are so powerful that they won't get "unstuck" by a local initiative	The EDA would be "winning" a race to the bottom.
Signs	"Lot for Sale" signs with City Hall phone number and website	They definitely do generate calls from interested parties	normal wear & tear; occasional vandalism	Ongoing
Free Media	City Newsletter, Cable Channels 12 & 16, Sun Post news	No cash cost to city, easy to update	None	Ongoing
Advertising (pay)	Star Tribune, Sun Post, etc.	Reach a wider audience	A wider audience, but is it the right audience? (general public vs. builders)	It's a high cost / low value proposition
Join BATC and do direct-mail to its members	Renew membership with Builder's Association of the Twin Cities (BATC) so we can get their mailing list of ~550 builder members	No better way to reach builders in and near the Twin Cities metro area	Cost: \$645 annual fee plus ~\$300 per mailing; we did three mailings in 2013 resulting in ~25 contacts from builders, but only one purchased a lot (and that was with \$6,500 in concessions)	Let's try it for one more year and see if we get a better response
List lots for sale on the MLS (no realtor)	Home Avenue.com	EDA lots will show up on MLS searches	For each lot, up-front fee of \$300 + \$100 commission if the builder is represented by a realtor; we tried it on our last CDBG-funded lot in 2013 but the MLS listing generated very little interest	Not worth it
List lots for sale w/ realtor	Listing agreement with a full-service realtor to sell EDA lots; includes MLS	EDA lots will show up on MLS searches; realtor connections	Paying ~6% commission on lot sale price	Probably not worth the commission; adds a layer between EDA & builders
Sell options on lots (EDA applies the option fee to purchase price)	Builder buys 6 mo. option for \$500 and puts "to be built" house on the MLS; then submits house plan for EDA hearing and approval; option fee credited towards purchase price; of the 9 options in 2013, 7 led to lot sales and 2 were extended for another 6 mos.	Gives builders a longer period of time to find a homebuyer for the new house; puts "to be built" houses on the MLS which in turn drives lot sales	An optioned lot is unavailable to other builders while optioned	It works
Sell options on lots (EDA keeps the option fee)	Same as above, except EDA keeps the option fee regardless of whether the lot sale occurs	Same as above, but with some additional revenue to EDA	Same as above, and builders may be reluctant to spend \$500 if they can't apply it to the lot price	Same as above, but trade-off is (effectively) a modest lot price increase
Build model home	EDA picks a highly visible lot, selects house plan, hires contractor to build house, then uses the listing, showings and open houses to market the other lots and generate interest	May get people and builders to look at EDA lots; a finished model home should sell more easily than a vacant lot	Cost of building then maintaining & staging; paying 6% commission on sale price; market risk if it doesn't work; competing with other builders' houses on other EDA lots	Might generate additional interest in EDA lots, but costs/risks probably outweigh benefits