

Commercial Community Land Trust Pilot Program Implementation Guide

**Created By: City of Lakes Community Land Trust and the
Commercial Land Trust Advisory Committee (CLTAC)**

February 8, 2019

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Purpose of this document: This document is intended to be a guiding document for the CLCLT Board of Directors and staff. Prior to the open advisory body application process, CLCLT should condense this document into something accessible for multiple audiences.

Commercial CLT Pilot Program: How We Got Here

People of color, especially women, are the fastest growing demographic of entrepreneurs in the nation.¹ Across the country, Black, people of color, and Indigenous (BIPOC) populations are building cooperative economies, starting businesses and in the process embedding themselves into the fabric of their communities. At the same time, elements that support the launch, growth and overall viability of a business are not readily accessible to this group of entrepreneurs. Racialized capitalism has created barriers in accessing the right kind of capital, accessing well connected networks, accessing markets--all necessary to jump start new ventures or expand existing business, leaving many aspiring entrepreneurs falling through the cracks.

The lack of affordable commercial space is another considerable barrier to retention and expansion of locally owned businesses nationally and certainly in the Twin Cities region. Many commercial landlords, developers, and lenders have a preference for national credit tenants; this preference can lead to a decrease in supply and an increase in cost of available commercial space for purchase or rental by locally owned businesses. Increasing costs can lead to the displacement of community-based businesses. Additionally, many of our commercial buildings need substantial investment and rehabilitation to comply with building and fire codes.

There are several models for building affordable commercial space; however, only one model ensures long-term affordability and allows for the business owner to also gain equity in the project. That model is a Commercial Community Land Trust (CLT).

A Commercial CLT is a community-based initiative that works to provide perpetually affordable commercial ownership opportunities. A Commercial CLT acquires land and removes it from the speculative, for-profit, real estate market. Commercial CLTs hold the land it owns "in trust" indefinitely for the benefit of the community, ensuring that the land will always remain affordable for business owners. The Commercial CLT provides a 99-year renewable ground lease to the business; the ground lease includes a resale formula that determines the building's sale price and the business owner's share of the building's increased value at the time of sale. This allows the initial investment made by public and private subsidy sources to remain with the property, making it affordable to subsequent, qualified buyers.

Several communities throughout the U.S. have looked at developing Commercial CLTs as a tool to create and sustain affordable community-owned commercial spaces. For the past 10+ years, City of Lakes Community Land Trust (CLCLT), a

¹ <https://www.colorlines.com/articles/report-black-women-are-fastest-growing-group-female-entrepreneurs>

national residential land trust leader, has been asked by residents, government, and the business community to pilot a commercial land trust initiative. In 2017, with funding from the Jay and Rose Phillips Foundation of Minnesota, CLCLT began to explore the feasibility and potential operations of a Commercial CLT model.

CLCLT worked with national consultant Michael Brown of Burlington and Associates to assess the feasibility of a Commercial CLT and make a recommendation on the role CLCLT should play in its development and implementation. Brown's preliminary recommendation was for CLCLT to initiate a Commercial CLT pilot program to validate the need for and viability of a Commercial CLT. See Appendix: A

In the fall of 2018, the CLCLT convened an advisory committee to advise and create specific recommendations around the mechanics of a Commercial CLT. The advisory committee included local business, community development corporations, funders, and government representatives. The following recommendations are based on the work of the Commercial Land Trust Advisory Committee (CLTAC). See Appendix B: CLTAC Member List. Appendix C: CLTAC Meeting Notes.

Mission, Vision, Values

Mission: To (re)develop and preserve long-term affordable commercial spaces through community driven ownership of land.

Vision: We envision neighborhoods as reflections of the economic, cultural and social life of its people. Places that anchor, hold, sustain and nurture the health and wealth of a community. Neighborhoods where local BIPOC businesses can grow and thrive, residents claim space through decision-making power and ownership of land, and together are building a vibrant human-centered economy.

Values: The following values have been identified as important to incorporate into the design and the implementation of the pilot program:

Equity: Race is a factor in our community; we work to explicitly address racial, gender, and economic disparities in our community. All decisions will be made using an intersectional equity lens or framework. We strive to create a new narrative as we strengthen community assets.

Community driven ownership: CLTs define land as being "community owned" because the land, asset or facility is entirely owned and managed by a community-based membership organization.

Community engagement and organizing: We believe that truly participatory community engagement involves shared learning and that decision making

builds trust and will yield the highest impact for the community served. The power to make decisions should include those most impacted. Community should be engaged throughout the development process from property selection to tenant selection.

Anti-displacement: Displacement of community-owned businesses has psychological impacts on residents. We will use our resources to preserve and create affordable commercial spaces indefinitely. CLTs use long-term community ownership of land through a 99-year ground lease agreement, which has demonstrated effectiveness in combating displacement of occupants.

Commercial CLT Geography

The geography of the Commercial CLT is the City of Minneapolis, with an emphasis on North Minneapolis.

Definition of Community

The Commercial CLT defines “community” as the entrepreneurs, local residents, and businesses impacted by our programs and developments. Our focus is to provide opportunities for those historically left out of property ownership, including BIPOC, women, and LGBTQI. Additionally, community will be engaged in the decision-making of the Commercial CLT through the development of a formal membership model.

Commercial CLT Stakeholders

A CLT has multiple stakeholders: Commercial CLT business owners, all Commercial CLT members, residents/businesses near project locations, and the public-at-large.

Nonprofit 501c3 Incorporation

The Commercial CLT will begin as a pilot project of the CLCLT. A new 501c3 nonprofit organization is not needed to incubate and launch the pilot program. There are benefits to working within the existing infrastructure of the CLCLT. CLCLT has a positive reputation among funders, government staff and elected officials, and partners. Additionally, CLCLT has expertise in real estate development, construction, and finance.

Commercial CLT Advisory Body

A standing advisory body will be created to inform and make recommendations to the CLCLT Board of Directors with regards to the Commercial CLT Pilot. The committee shall consist of 8-15 members. Founding members will serve 2-year terms with a maximum of 3 terms (after 3rd term, a one term break is required).

All members must support the mission, vision, and values of the Commercial CLT.

Member Selection: CLCLT will conduct a public call for applications. A task force selected by the CLTAC will review the applications and make a recommendation to the CLCLT Board of Directors; the CLCLT Board of Directors will officially appoint the founding advisory body, which should include one member of the CLCLT Board of Directors. Preferred qualifications or characteristics for advisory body members include:

- BIPOC Communities
- Residents of North Minneapolis.
- Local business owners
- Commercial real-estate development
- Property management
- Commercial lending
- Business technical assistance
- Community engagement
- Facilitation
- Conflict management
- Real-estate law
- Community Wealth Building (Cooperatives, Broad-based ownership)

The advisory body may elect ad-hoc members on a temporary basis based on the location of the development (for example: if developing a property in Whittier, they may select a member of the neighborhood association to participate in the committee on a temporary basis).

This is a working body and will need to provide expertise and support to the staff. The advisory body members should serve as ambassadors to the program and help build membership. The advisory body will meet monthly. The advisory body will elect an executive committee (chair, vice-chair, treasurer, and a secretary).

Executive committee responsibilities shall include:

- Agenda setting for monthly meetings
- Attending and presenting updates/recommendations to the CLCLT Board of Directors (bi-annually)
- Site visits/meetings with potential funders
- Recording and distributing meeting minutes (secretary)
- Financial management (treasurer)
- Development of membership model and ongoing member recruitment
- Development of the bylaws
- Planning and hosting annual meeting

Representatives from the CLCLT Board of Directors and the Commercial CLT advisory body will meet bi-annually. The Commercial CLT will be responsible for providing written updates for all CLCLT Board of Directors meetings. Annually, the CLCLT Board of Directors and Commercial CLT advisory body members will

evaluate if the Commercial CLT Pilot is best served by being a program of CLCLT or if it should become an independent organization.

Once the Commercial CLT has 5+ occupants/tenants within CLT properties **and** the CLT has established a membership base of 30+ members, the Commercial CLT should begin to hold annual elections. Elections and appointments should adhere to the following process and standards:

- Two-thirds (2/3) of the advisory body will be elected and one-third (1/3) will be nominated/appointed.
- One-third should be occupants of the CLT, one-third should be community members, and one third should be public/professional seats.
- Half or more will be BIPOC
- Half or more will be residents of North Minneapolis

The businesses (CLT occupants) elect their own representatives; the full membership elects the community members, then those two groups nominate/appoint the remaining one third of the public/professional seats.

Membership Model

The Commercial CLT Pilot should begin to develop membership base, similar to CLCLT's membership model. Eventually, members will help elect the Commercial CLT advisory body members. All Commercial CLT occupants will be members, and other people in the community may also join. Membership is open to anyone who wants to make ownership of quality, perpetually affordable commercial space possible for the whole community. Members are not involved in day-to-day operations and decision-making. There are three key areas, in which, members must vote: bylaws changes, to establish a ground lease, or sale of a property.

Key mechanisms to be incorporated into infrastructure to ensure continual community/member engagement:

1. One vote per member regardless of investment into the organization.
2. Annual member meeting in which members will have a say in the direction of the Commercial CLT through voting.
3. Annual member survey
4. Member engagement at time of development
5. Artist involvement in engagement process
6. Periodic face-to-face meetings with business owners

The minimum membership amount is recommended at \$50 annually. However, cost should not be a barrier for potential members, whom are supportive of the mission and vision of the organization; staff should determine a creative solution to ensuring membership is accessible to all (example: volunteers hours). Commercial CLT occupants are not required to pay the membership fee. Membership fees go towards general operations of the commercial CLT.

Business Recruitment and Evaluation Criteria

The Commercial CLT should inform local technical assistance providers, business associations, and small-business lenders about the commercial land trust program and build a pipeline of potential occupants. The Commercial CLTAC suggested several evaluation criteria to prioritize when selecting occupants. See Table 1.

Table 1: End-User Evaluation Criteria

Commercial CLT Pilot End-User Evaluation Criteria					
Selection Criteria	Excellent	Good	Fair	Poor	Notes
Quality of business plan					
Fit of the business plan with space (marketability of business based on location)					
Demonstration of financial need (but for this subsidy/program the business would not be able to own/lease the space)					
Provides an opportunity to those historically excluded from ownership of real estate (Women, POC, Indigenous, Black, LBGTQ+)					
Stage of business (Target = 2nd Stage)					
North Minneapolis resident					
Locally-owned business or franchise					
Tenure of business in community					
For-profit or nonprofit a community identified need/priority					
# of jobs created					
Potential for positive community impact					
Existing relationship with TA provider/partner					
Potential for positive reciprocal relationship with the community					

The tenant selection process should be transparent. The Advisory Committee should be made aware of every applicant/potential tenant even if there are extenuating circumstances, in which, the applicant does not qualify.

CLCLT and the Commercial CLT advisory committee should work with a real estate attorney to draft all materials/processes and by-laws related to tenant selection to ensure they are fully compliant with all real estate laws and rules.

Property Acquisition Strategy

The Commercial CLT's property acquisition strategy should be flexible. Flexibility will allow the program to take advantage of low-cost acquisition opportunities and meet the needs of the businesses that it intends to serve. Two acquisition strategies are recommended:

Buyer-Initiated Strategy: The Commercial CLT Pilot works in partnership with business owners or nonprofit to identify, purchase, and (re)develop a commercial property. This scenario can work for both single-tenant and multi-tenant properties.

Buyer-initiated/single-tenant property: Similar to a residential buyer-initiated program, the business owners or nonprofits would identify a single-use building to acquire, the Commercial CLT would purchase the property, the business will then finance the acquisition of the building, and the Commercial CLT will provide a 99-year renewable ground lease to the business. The business would be fully responsible for the acquisition of the building, the costs of the rehab, maintenance, and building improvements unless another agreement was negotiated. The ground lease would include a resale formula that determines the building's sale price and the business owner's (or nonprofit's) share of the building's increased value at the time of sale. The Commercial CLT should hold a first right of refusal to purchase the building from the business.

Buyer-initiated/multi-tenant property: The business owner or nonprofit would identify a multi-tenant building to acquire and the Commercial CLT would purchase the property, the business will then finance the acquisition of the building, and provide a 99-year renewable ground lease to the business. The business or nonprofit would be fully responsible for the acquisition of the building, costs of the rehab, maintenance, and building improvements unless another agreement was negotiated. The business or nonprofit would be fully responsible for the tenant recruitment, leasing, and property management of the building. The ground lease would include a resale formula that determines the building's sale price and the business owner's share of the building's increased value at the time of sale.

Partnership Acquisition Strategy: The Commercial CLT works in partnership with government and/or community to identify, purchase, and (re)develop a commercial property. The Commercial CLT should fundraise and to minimize debt service from the land portion of the property. If an owner/operator is not identified after the rehab is complete; the Commercial CLT could choose to lease out commercial space at an affordable rent. This model can work for single-

tenant or multi-tenant properties. Minimize debt service; business needs to removal the debt service on the land. The Commercial CLT must seek a balance between community engagement to influence purchasing decisions and the need to keep real estate decisions confidential.

Single-tenant property/ownership: The Commercial CLT would purchase and may make stabilization improvements and potential make additional rehab the property. During construction, they would work with partners to identify and select an owner occupant. Once the tenant is selected, transaction, the commercial land trust, would provide a 99-year renewable ground lease to the business. The business would be fully responsible for the cost maintenance and tenant improvements unless another agreement was negotiated. The ground lease would include a resale formula that determines the building's sale price and the business owner's (or nonprofit's) share of the building's increased value at the time of sale. The commercial CLT staff should work to identify opportunities from both the government and the private market.

Single-tenant property/rental: The Commercial CLT would purchase and stabilize improvements, rehab the property. During construction, they would work with partners to identify and select a commercial tenant. If possible, the CLT should work to lower tenant improvement costs for CLCLT tenants to create the lowest barrier to entry for business owners.

Multi-tenant property/ownership: The Commercial CLT would purchase the property, the business will then finance the acquisition of the building, and provide a 99-year renewable ground lease to the business. The business or nonprofit would be fully responsible for the costs of the rehab, maintenance, and building improvements. The business or nonprofit will be fully responsible for the tenant recruitment, leasing, and property management of the building; however, within the ground lease measures should be taken to ensure that the building owner is meeting the spirit of the program in their lease agreements. The ground lease would include a resale formula that determines the building's sale price and the business owner's share of the building's increased value at the time of sale.

Multi-tenant property/rental: The Commercial CLT would purchase and fully rehab the property. During construction, they would work with partners to identify and select tenants. CLCLT staff should use the applicable End User Evaluation Criteria to prioritize tenants.

Staff should consider several evaluation criteria before acquiring a property. See Table 2.

Table 2: Property Evaluation Criteria

Minneapolis Commercial CLT Property Evaluation Criteria

Selection Criteria	Excellent	Good	Fair	Poor	Notes
Location					
Flexibility/adaptability of space					
Acquisition cost					
Rehab costs					
Size					
Parking					
Community impact					
Potential for public and private investment					

Ground Lease Resale: When a Commercial CLT occupant is ready to sell the building they can sell it on the open market or back to the Commercial CLT. They new use/occupant must align with Commercial CLT priorities. Conditions of the resale will be should be addressed in the ground lease.

Business and Nonprofit Technical Assistance

The Commercial CLT should leverage the expertise of local technical assistance (TA) providers and Community Development Financial Institutions (CDFIs) including those participating in the City of Minneapolis TA Program. Technical assistance plans should be created with each individual business or nonprofit based on their needs; staff may require Commercial CLT occupants to receive technical assistance. Technical assistance may include (but is not limited to): business management, real estate management, accounting, and marketing.

Commercial CLT occupants should work with a separate underwriter and TA provider. This will provide a critical third eye to ensure transparency in the process.

Potential technical assistance partners include:

- a. Northside Economic Opportunity Network—NEON
- b. Neighborhood Development Center—NDC
- c. Metropolitan Consortium of Community Developers—MCCD
- d. Metropolitan Economic Development Agency—MEDA
- e. Propel for Nonprofits
- f. Local Initiative Support Corporation—LISC
- g. Social Impact Strategies Group
- h. Village Financial Cooperative
- i. Asian Economic Development Association - AEDA
- j. African Economic Development Solutions - AEDS
- k. African Development Center - ADC
- l. Bii Gii Wiin Community Development Loan Fund
- m. Latino Economic Development Center - LEDC

Funding and Capital Strategy

Private, public, and philanthropic funding will be needed to create a sustainable business model for the commercial land trust pilot program. Table 3 describes the potential sources and uses for the pilot.

Table 3: Funding Sources and Uses

Description of Use	Responsible Party	Potential Sources	Notes
Commercial CLT Operations and Administration	CLCLT Pilot	Philanthropy, Membership	
Predevelopment and Due Diligence	CLCLT Pilot	Philanthropy, Government, LISC	
Property Acquisition	CLCLT Pilot	Philanthropy, PRIs, Government, CDFIs	
Initial Rehab and Renovations	CLCLT Pilot	Government, Philanthropy, PRIs, CDFIs	
Building Acquisition	Business/Nonprofit	CDFIs, Social Impact Fund, Crowd Sourcing, Seller financing, Contract for Deed, Capital Campaign, Private debt and equity	
Building Renovations after Acquisition by Business	Business/Nonprofit	Business Income, CDFIs, Social Impact Fund, City of Minneapolis 2% loan, Capital Campaign, Propel Loan, Private debt	*If Commercial CLT decides to lease to business/nonprofit they will be responsible for renovations unless explicit in lease.

		and equity	
Common Area Maintenance and Taxes	Business/Nonprofit	Business Income	
Tenant Improvements	Business/Nonprofit	CDFIs, Business Income, Mezzanine loan, Private debt and equity	To supplement future tenant improvements, the Commercial CLT may set aside a percentage of rent to start a fund for future tenant improvements.
Community and Member Engagement	CLCLT Pilot	Philanthropy, Membership Dues	
Technical Assistance	Business/Nonprofit	City of Minneapolis BTAP Program	

Committee Capital/Finance Recommendations:

- Develop financing/subsidy tools for Commercial CLT buyers that help make the Commercial CLT properties and improvements more attainable to potential buyers; examples include: down-payment assistance and tenant improvements.
- Non-traditional funding sources should be utilized to bring down the cost of the debt service and provide additional subsidies for businesses; these include crowd funding, mezzanine fund, and social-impact investments.
- Property acquisition: Create maximum long-term affordability by removing all debt service from the land property on the front end, if possible.
- City of Minneapolis—The Commercial CLT should work with the City of Minneapolis to identify city-owned or county tax-forfeited properties to be acquired by the land trust.

Potential Government Grant/Financing tools:

- Hennepin County—[Transit Oriented Development Grant Program, Environmental Clean-up](#). This funding may be applicable to single and multi-tenant redevelopments in need of substantial rehab and high jobs #'s.
- Metropolitan Council—[Livable Communities \(LCDA and TBRA\)](#) (TBRA Pilot investigation and some clean up. This funding may be applicable for multi-tenant redevelopments in need of substantial rehab and high jobs #'s on transit lines.
- Department of Employment and Economic Development—[Contamination Cleanup and Investigation Grants](#)
- City of Minneapolis [2 Percent Loan Program](#). This funding may be the

business to finance the building rehab.

Staffing

The current internal capacity at CLCLT is not sufficient to move the pilot forward. As recommended in Michael Brown’s preliminary recommendations, the CLCLT will need, “additional staffing capacity needed to manage the core functions required by being the owner, operator and landlord of commercial spaces in building(s) in its portfolio.” Initially, one staff person will be hired to manage the program. Eventually, two staff people may be needed to operate the Commercial CLT; one dedicated full-time staff person to work on the real estate and one part-time staff focused on outreach, engagement, and membership recruitment. Additional needs can be subcontracted back to CLCLT or to external consultants/contractors.

Commercial CLT staff preferred qualifications, experiences, and skills:

Director of Commercial Land Trust:

- Committed to the Commercial Land Trust Model
- Understanding of North Minneapolis commercial real estate/business
- Entrepreneurial and self-directed
- Knowledge of commercial (re)development
- Project management
- Commercial real estate agent/broker
- Property management
- Contract negotiation
- Real estate due diligence
- Fundraising/grant writing (raise one million dollars within year one (cash/real estate assets))

Communications, Engagement and Outreach Coordinator:

- Committed to the Commercial Land Trust Model
- Community engagement and outreach
- Membership recruitment
- Communications

Proposed Implementation Timeline

Milestone	Date(s)	Notes
Bring CLCTAC recommendations to CLCLT Board of Directors	February 20, 2019	
Outreach and selection of Commercial CLT Pilot Advisory Body	February – April 2019	Applications open, bring recommendation to April CLCLT Board Meeting

Commercial CLT Pilot Body to Convene	May 2019	
Hire Pilot Staff	May-June 2019	

Legal Disclaimer

The recommendations within this report are an output of the Commercial Land Trust Advisory Committee. We have not received any legal counsel on these matters or recommendations. Legal counsel should be pursued before implementation of the CLT Pilot Program.



Burlington Associates
in Community Development

27 December 2017

To: Staci Horwitz
From: Michael Brown
Re: Assumptions for City of Lakes CLT's Commercial Stewardship Program Operations

If approved by its board of directors, City of Lakes CLT would proceed with creating a pilot project to demonstrate the need for – and viability of – using the community land trust mechanism to preserve the availability and affordability of community-owned commercial space.

Pilot Project Assumptions

The target clientele will be mid-sized businesses (i.e., businesses with demonstrated success that are facing challenges in finding available space with affordable, stable rents) as well as successful, home-based businesses looking to transition into commercial/storefront space. Typical space need is estimated at 1,000-2,000 square feet.

The plan for this initial commercial CLT 'pilot', as envisioned currently, includes:

- CLCLT will identify and acquire one or more existing, smaller commercial buildings with grants and contributions to be provided by public and private sector sources.
- Sufficient funding will be secured for acquisition and rehab/upgrades costs needed with zero (or very little) mortgage debt to be serviced. To keep rents lower for commercial spaces to be provided to mid-sized businesses, the cost of acquisition and rehab/upgrades would need to be covered in full by grants and donations – resulting in no (or very little) debt service being included in the base rents charged in this commercial CLT pilot project.
- For the initial pilot (and until a suitable owner/operator of the building(s) can be identified and recruited) CLCLT will retain ownership of the land as well as ownership of the building(s).
- Base rents to be charged to commercial tenants will include real estate taxes (as applicable), utilities and Common Area Management (CAM) costs – but no (or very little) debt service.
- The anticipated outcome will be stable, secure, suitable commercial space with rents affordable to targeted, mid-sized businesses.

Operating Assumptions

- As a successful community land trust, CLCLT knows well that stewardship is a time-intensive, service-enriched, labor-intensive set of very specific responsibilities that must

be diligently and consistently managed by qualified, paid professional staff on a day-to-day, month-to-month basis for the duration of the lease terms currently in force.

- The stewardship of commercial properties – whether CLCLT is the landowner/lessor or owns the improvements in addition to the land – entails a very different set of management responsibilities than the stewardship of residential properties, with which CLCLT is so familiar and so adept.
- As capable and competent as CLCLT's current staff are, there is simply not sufficient capacity within the organization to add commercial stewardship to CLCLT's mission and work plan without adding paid staffing specifically dedicated to this new line of work.
- CLCLT needs to add one full-time (1 FTE) qualified, paid professional staff person focused solely on operating, managing, and growing this commercial CLT stewardship program.

To design, implement, and successfully manage this commercial CLT initiative, CLCLT will require:

1. Sufficient capital (i.e., equity) to acquire commercial buildings (and rehab/upgrade them as needed) without mortgage debt to be serviced.
2. Sufficient grant funding to pay for one full-time staff person with professional skills and suitable experience to manage the commercial CLT program for the first five years of its operations. (It is anticipated that the commercial CLT program will be fully able to support its continued operations and expansion through fees and revenue earned through its eventual commercial properties portfolio.

Staffing Assumptions

The core functions to be managed by this full-time paid professional staff person will include:

2018

1. Define mission and objectives of commercial CLT program
 - Primary social objective: Providing stable, secure, affordable commercial space to targeted mid-sized businesses at base rents made affordable by removing project debt service.
 - Financial objectives: Target reserve levels; distribution of excess operating income, if any; etc.
2. Solicit partnership commitments from qualified, experienced entities willing to support and assist this commercial CLT endeavor, including partners with expertise in:
 - Vetting and matching businesses to available space;
 - Property management and asset management of commercial properties; and
 - Additional support services to be made available to commercial tenants.
3. Develop CLCLT commercial leasing strategy
 - Tenant selection and leasing priorities
 - Target tenants: What would be the ideal tenant types for this commercial space?
 - Back-up tenants: What type of tenants to recruit if unable to rent space to target tenants?

- Excluded tenants: Types of tenants CLCLT will *not* rent to (e.g., liquor stores, pawn shops, check cashing businesses)
 - Marketing/tenant outreach strategy
 - What will be the best media and methods to reach target tenant types?
 - What are the tasks to be completed?
 - How much will this cost?
4. Outline and design property management and asset management plans for CLCLT commercial properties
 - Policies and procedures necessary to manage commercial property(ies) once occupied
 - Budgeting, bookkeeping and accounting
 - Move-in procedures and security deposits
 - Maintenance and security
 - Contracts and disbursements
 - General policies and procedures
 5. Arrange and secure project financing and equity funding for initial commercial CLT pilot
 - Pre-development budget
 - Construction budget (including required tenant build out)
 - 10-year operating *pro forma*
 - Projected cash flows
 - Construction financing
 - Project equity requirements
 6. Develop tenant evaluation and selection policy
 - Tenant evaluation criteria
 - Application checklist
 - Tenant evaluation and selection procedures
 7. Determine terms and condition of commercial rental lease
 - Term, including options for renewal
 - Base rent – and escalators, if appropriate
 - Tenant improvements
 - Rent collection
 - Evictions
 8. Identify existing commercial building(s) for CLCLT for commercial CLT pilot program and coordinate efforts to acquire first building(s) and complete necessary rehab
 9. Initiate marketing and oversee tenant evaluation, selection and lease-up
 10. Oversee and manage daily and monthly commercial CLT stewardship functions

2019

1. Coordinate review and refinement of key program requirements (e.g., leasing strategy; property management and asset management plan; tenant targeting, evaluation, and selection; commercial lease instruments)

2. Continue to oversee daily and monthly operations of CLCLT's commercial pilot
3. Coordinate efforts to measure and evaluate success of initial commercial CLT pilot
4. Develop plan to recruit, appoint, and support an advisory committee for CLCLT's commercial CLT program, comprised of commercial tenants; other supporting community organizations, interests, and leaders; and directors from CLCLT's governing board. The purpose and role of this advisory committee will be to oversee and advise the day-to-day operations of the commercial CLT program.
5. Continue to solicit and secure financing needed to expand CLCLT's portfolio of commercial CLT properties and equity needed to ensure that project debt service is removed entirely upon project completion
6. Develop 5-year acquisition and stewardship plan to build CLCLT's commercial CLT portfolio to size sufficient to fund the operational cost of the program entirely through earned portfolio revenue
7. Recruit partner entity (or entities) willing to own and operate commercial properties on CLCLT-owned land, facilitating the CLCLT to transition into its more familiar role as landowner/lessor and long-term steward.

2020 and Beyond

1. Continue to expand CLCLT's commercial CLT program, its policies and operations, and its portfolio (as outlined above)
2. Commit to evaluating parameters and requirements for determining feasibility and advisability of 'spin-off' of CLCLT's commercial CLT program into a separate (independent or related) corporate entity
3. Add additional staff as needed to assist with growth

**Appendix B:
City of Lakes Community Land Trust Commercial CLT Advisory Committee**

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