



CITY OF RICHFIELD, MINNESOTA

MONDAY, AUGUST 15, 2016

RICHFIELD MUNICIPAL CENTER  
6700 PORTLAND AVENUE

**REGULAR HOUSING AND REDEVELOPMENT AUTHORITY MEETING**

**COUNCIL CHAMBERS**

**7:00 P.M.**

**AGENDA**

Call to order

1. Approval of the minutes of the Regular HRA Meeting of July 18, 2016
2. HRA approval of the agenda
3. **Consent Calendar contains several separate items which are acted upon by the HRA in one motion. Once the Consent Calendar has been approved, the individual items and recommended actions have also been approved. No further HRA action on these items is necessary. However, any HRA Commissioner may request that an item be removed from the Consent Calendar and placed on the regular agenda for HRA discussion and action. All items listed on the Consent Calendar are recommended for approval.**
  - A. Consideration of the approval of a resolution authorizing an amendment to a Richfield Rediscovered Contract for Private Development for 7333 Emerson Avenue S.R. No. 24
  - B. Consideration of the approval of a resolution authorizing an amendment to a Richfield Rediscovered Contract for Private Development for 7533 Dupont Avenue S.R. No. 25
4. Consideration of a resolution approving the issuance of the HRA's Tax Increment Limited Revenue Note to Mesaba Capital Development, LLC

Staff Report No. 26

5. Consideration of the resolutions approving the 2017 Proposed HRA Budget and tax levy and 2016 Revised HRA Budget

Staff Report No. 27

6. HRA discussion items
7. Executive Director report
8. Claims and payroll

Adjournment

**Auxiliary aids for individuals with disabilities are available upon request. Requests must be made at least 96 hours in advance to the City Clerk at 612-861-9738.**



# HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

## Regular Meeting

July 18, 2016

### CALL TO ORDER

The meeting was called to order by Chair Supple at 7:00 p.m.

### ATTENDANCE

*HRA Members Present:* Mary Supple, Chair; David Gepner; Pat Elliott; and Debbie Goettel.

*HRA Members Absent:* Doris Rubenstein

*Staff Present:* Karen Barton, Acting Executive Director/Assistant Community Development Director, Kate Aitchison, Housing Specialist.

Item #1

**APPROVAL OF THE MINUTES OF THE REGULAR HRA MEETING OF JUNE 20, 2016**

M/Gepner, S/Goettel to approve the minutes.

Motion carried 4-0.

Item #2

**HRA APPROVAL OF THE AGENDA**

M/Elliott, S/Gepner to approve the agenda.

Motion carried 4-0.

Item #3

**Public hearing and consideration of a resolution authorizing the sale of 7333 Emerson Avenue to Endres Custom Homes and a contract for private development with Endres Custom Homes for the construction of a single family home through the Richfield Rediscovered Program**

Acting Executive Director/Assistant Community Development Director Barton presented Staff Report No. 21.

Dustin Endres was available for questions

HRA Commissioner Goettel asked about Endres Custom Homes waitlist and success in the Richfield Rediscovered program.

Mr. Endres says they find leads on his website and through the Richfield program. He feels the company tries to have a good price point and good finishes inside the home.

Commissioner Gepner asked Acting Executive Director Barton how many applicants had applied, and what distinguished Endres to get three lots.

Ms. Barton replied that Endres homes met the program guidelines and that the design made the best fit with the neighborhoods.

Commissioner Elliott commented that Endres Custom Homes has familiarity in Richfield and is able to produce homes that are desired in the community.

Chair Supple questioned whether Endres Custom Homes will have difficulty undertaking three homes at once.

Mr. Endres replied that he will not.

Commissioner Elliott responded that the long driveway will have difficulties keeping driveway clear of snow and wondered if there would be issues storing snow in the winter.

Endres replied that there were 5' available for snow removal.

Kristin Swan, of 6409 2<sup>nd</sup> asked when the building of the home would begin.

Ms. Barton replied that closing would occur by August 30<sup>th</sup> and that construction would begin following closing.

M/Goettel, S/Elliott to close the Public Hearing

Motion carried 4-0.

M/Gepner, S/Goettel that the following resolution be approved:

**HRA RESOLUTION NO. 1230  
RESOLUTION AUTHORIZING THE SALE OF REAL PROPERTY LOCATED AT  
7333 EMERSON AVENUE TO ENDRES CUSTOM HOMES**

Motion carried 4-0. This resolution appears as HRA Resolution No. 1229.

<b>Item #4</b>	<b>Public hearing and consideration of a resolution authorizing the sale of 7533 Dupont Avenue to Endres Custom Homes and a contract for private development with Endres Custom Homes for the construction of a single family home through the Richfield Rediscovered Program</b>
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Acting Executive Director/Assistant Community Development Director Barton presented Staff Report No. 22.

Chair Supple asked for clarification on whether the garage was attached or detached.

Ms. Barton responded that it was detached.

Mary Freund, 7529 Dupont, stated that they are concerned about what the home will look like and where the garage will be located. She'd also like to know how tall the home will be, and how far back it will be.

Commissioner Goettel asked what the setbacks are for the garage.

Mr. Endres responded that the garage is 3' from the side property line, and 3' from the rear property line. The new home will be 6' from the neighboring property line. Mr. Endres also showed a side elevation that will be facing the neighboring home. He stated that the setback from the front property line is 35'.

M/Goettel, S/Gepner to close the Public Hearing

Motion carried 4-0.

M/Goettel, S/Gepner that the following resolution be approved:

HRA RESOLUTION NO. 1231  
RESOLUTION AUTHORIZING THE SALE OF REAL PROPERTY LOCATED AT  
7533 DUPONT AVENUE TO ENDRES CUSTOM HOMES

Motion carried 4-0. This resolution appears as HRA Resolution No. 1230.

<b>Item #5</b>	<b>Public hearing and consideration of a resolution authorizing the sale of 7033 Garfield Avenue to Endres Custom Homes and a contract for private development with Endres Custom Homes for the construction of a single family home through the Richfield Rediscovered Program</b>
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Acting Executive Director/Assistant Community Development Director Barton presented Staff Report No. 23.

Commissioner Goettel stated that this lot is smaller than the other lots.

Jim Smenko 7037 Garfield, stated that he believes property taxes will increase and that the house doesn't fit in the neighborhood that has many small houses. He also asked if they can also add second stories to their own homes. He stated that they were concerned about rooflines and the runoff of water into neighboring properties.

Ms. Barton responded that higher value homes can potentially increase property taxes because it increases the value of the surrounding homes as well. Ms. Barton also stated that during permitting, the new home will be reviewed for water runoff.

Commissioner Elliott stated that there is possibly liability action available if there is a negative impact from water coming from neighboring properties.

Commissioner Gepner stated that the city makes sure that drainage from new construction does not affect neighboring properties.

Mr. Endres stated that the home will have gutters that will point towards the street or rear yard and that ditches will be installed on the side yard if needed to ensure water stays on the property. He stated that the city inspects that issue and does a good job. Mr. Endres stated that the city has loan programs to help people add second stories to their Richfield homes.

Barton explained the Transformation Home Loan for remodeling projects.

Carol Petkoff, 7037 Garfield, questioned why this home would be approved if it sticks out with single-level homes on other sides.

Mr. Endres responded that they've tried to apply with ramblers, but appraisals are difficult to make work and that it is hard to find a lot that is large enough for ramblers.

Commissioner Gepner discussed the purpose of the Richfield Rediscovered program and its positive outcomes.

Commissioner Goettel stated that families are moving into these homes when they cannot find what they are looking for in Richfield's existing homes.

Chair Supple stated that we have a large supply of smaller homes and that the city is trying to get a better balance of homes.

Jerry Freund, 7529 Dupont, stated his support for the city's program.

M/Goettel, S/Elliott to close the Public Hearing

Motion carried 4-0.

M/Gepner, S/Elliott that the following resolution be approved:

**HRA RESOLUTION NO. 1232  
RESOLUTION AUTHORIZING THE SALE OF REAL PROPERTY LOCATED AT  
7033 GARFIELD AVENUE TO ENDRES CUSTOM HOMES**

Motion carried 4-0. This resolution appears as HRA Resolution No. 1231.

<b>Item #5</b>	<b>HRA DISCUSSION ITEMS</b>
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HRA Commissioner Gepner asked about remaining lots available for the Richfield Rediscovered.

Ms. Barton responded that there were four remaining lots available, and that one was from a previous program. Housing Specialist Kate Aitchison answered that the remaining lots have received calls but no serious inquiries.

Assistant Executive Director/Assistant Community Development Director Barton updated the HRA on the former City garage site, Cedar Point II and Cedar Point South projects.

<b>Item #6</b>	<b>EXECUTIVE DIRECTOR REPORT</b>
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None.

<b>Item #7</b>	<b>CLAIMS AND PAYROLL</b>
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M/Goettel, S/Elliott that the following claims and payroll be approved:

<b>U.S. BANK</b>	<b>7/18/2016</b>
Section 8 Checks: 127833 -127912	\$ 159,877.28
HRA Checks: 32758 - 32789	\$ <u>113,837.37</u>
<b>TOTAL</b>	<b>\$ 273,714.65</b>

Motion carried 4-0.

**ADJOURNMENT**

The meeting was adjourned by unanimous consent at 7:43 p.m.

Date Approved: August 15, 2016

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Mary B. Supple  
HRA Chair

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Kate Aitchison  
Acting City Clerk

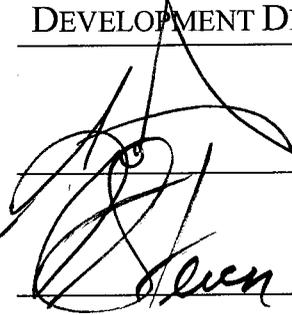
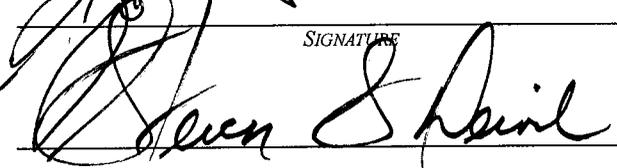
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Karen Barton  
Acting Executive Director



## STAFF REPORT

### HOUSING AND REDEVELOPMENT AUTHORITY MEETING AUGUST 15, 2016

REPORT PREPARED BY:	JULIE URBAN/KATE AITCHISON, HOUSING SPECIALIST <i>NAME, TITLE</i>
REPORT PRESENTER:	KAREN BARTON, ASSISTANT COMMUNITY DEVELOPMENT DIRECTOR <i>NAME, TITLE</i>
DEPARTMENT DIRECTOR REVIEW:	<input checked="" type="checkbox"/>  <i>SIGNATURE</i>
REVIEWED BY EXECUTIVE DIRECTOR:	<input checked="" type="checkbox"/> 

#### ITEM FOR HRA CONSIDERATION:

Consideration of an amendment to a Richfield Rediscovered Contract for Private Development for 7333 Emerson Avenue.

#### I. RECOMMENDED ACTION:

**By Motion: Approve the amendment to the Contract for Private Development for 7333 Emerson Avenue.**

#### II. EXECUTIVE SUMMARY

On July 18, 2016 the Richfield Housing and Redevelopment Authority (HRA) approved a Contract for Private Development (Contract) with Endres Custom Homes (Builder) for the construction of a new single-family home at 7333 Emerson Avenue. The home will be built through the Richfield Rediscovered program.

Since that time, the end-buyer has made some changes to their house plans, resulting in a lowering of the overall value of the completed home. With the changes, the end value of the home will be \$442,150 instead of \$450,000.

The HRA must approve an amendment to the Contract to incorporate this new value into the project.

### III. BASIS OF RECOMMENDATION

#### A. BACKGROUND

- In June 2016 HRA staff awarded the development of 7333 Emerson Avenue to Endres Custom Homes for the construction of a new two-story home with five bedrooms, four baths, a finished basement and a two-car detached garage. The completed home would have 3,300 square feet.
- The home was chosen for this lot primarily for its design, which compliments surrounding homes and provides adequate side-yard setbacks.
- The end value of the home was originally contracted to be at least \$450,000.
- After approval by the HRA on July 18th, the Builder contacted HRA staff with the proposed change to the home plan and end-price. The homeowner wishes to have a back porch instead of an extended dining area.

#### B. POLICY

- The proposed project meets the policy objectives of the Richfield Rediscovered Program:
  - Removes substandard, functionally obsolete housing and eliminates its blighting influence.
  - Provides new, higher valued housing.
  - Alleviates shortage of housing choice for families.
- The project meets the Housing Design and Site Development Criteria as defined in the Richfield Rediscovered Guidelines. Several features are incorporated to address the design criteria:
  - The appearance of the garage and garage door is minimized with the detached garage.
  - The height is minimized through the use of a front gable, so the house doesn't look like a full two stories.
  - The gable roof design is similar to that of neighboring houses, which will help it blend with the existing neighborhood.
- The Contract establishes a Minimum Market Value for the property based on construction estimates provided by the applicant.
- The Builder must construct the home in accordance with the program guidelines and construction plans to meet or exceed the Minimum Market Value, or be in default under the Contract.

#### C. CRITICAL TIMING ISSUES

- Closing on the property is imminent, with construction beginning immediately after permits are issued.
- Construction needs to begin in order to complete the home before winter to avoid the need for an escrow to be deposited.

D. FINANCIAL

- The HRA acquired the 50-foot wide property and structure in 2016 for \$65,000.
- The appraised value of the vacant lot is \$60,000.
- Under the terms of the Contract the \$60,000 will be due at closing.
- Under the terms of the original Contract, the minimum market value of the house will be \$450,000.
- The Buyer has requested to amend the minimum market value to \$442,150 to account for changes to the house plans.
- Under the terms of the Contract the Builder must submit a \$10,000 cash escrow to be held until construction is completed as provided in the Contract.

E. LEGAL

- The HRA Attorney prepared the amendment.

IV. ALTERNATIVE RECOMMENDATION(S)

- Decide not to amend the Contract and require the home to be valued at the original value.

V. ATTACHMENTS

- Resolution
- Contract for Private Development Amendment
- Elevations

VI. PRINCIPAL PARTIES EXPECTED AT MEETING

- Dustin Endres, Endres Custom Homes

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF RICHFIELD, MINNESOTA**

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION APPROVING FIRST AMENDMENT TO CONTRACT FOR PRIVATE  
DEVELOPMENT WITH ENDRES CUSTOM HOMES, INC.**

WHEREAS, the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (the "Authority"), entered into a Contract for Private Development, dated July 18, 2016 (the "Contract"), with Endres Custom Homes, Inc. (the "Developer"), pursuant to which the Developer agreed to purchase certain real property located at 7333 Emerson Avenue South from the Authority and construct a single family home on the property; and

WHEREAS, an Amendment to Contract for Private Development (the "Amendment") has been presented to the Board of the Authority which amends the minimum market value required for the single family home to be constructed on the property; and

WHEREAS, the Board has reviewed the Amendment and finds that the execution thereof by the Authority and the performance of the Authority's obligations thereunder are in the best interest of the City and its residents; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota as follows:

1. The Amendment is hereby in all respects authorized, approved, and confirmed, and the Chairperson and the Executive Directed are hereby authorized and directed to execute the Amendment for and on behalf of the Authority in substantially the form now on file with the Community Development Director but with such modifications as shall be deemed necessary, desirable, or appropriate, the execution thereof o constitute conclusive evidence of their approval of any and all modifications therein.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 15<sup>th</sup> day of August, 2016.

\_\_\_\_\_  
Mary Supple, Chair

ATTEST:

\_\_\_\_\_  
Doris Rubenstein, Secretary

## AMENDMENT TO CONTRACT FOR PRIVATE DEVELOPMENT

This Amendment is made as of the \_\_\_\_ day of August, 2016, by and between the Housing and Redevelopment Authority in and for the City of Richfield, a public body corporate and politic under the laws of the State of Minnesota (the "HRA"), a public body corporate and politic under the laws of the State of Minnesota, and Endres Custom Homes, Inc. (the "Developer"), a Minnesota corporation.

### WITNESSETH:

**WHEREAS**, the HRA and the Developer entered into a Contract for Private Development, dated July 18, 2016 (the "Contract") pursuant to which the Developer agreed to purchase property from the Authority located at 7333 Emerson Avenue South and legally described as Lot 16, Block 9, Irwin Shores, recorded August 1, 2016 as Document No. A10339062 in the office of the Hennepin County Recorder; and

**WHEREAS**, the parties wish to amend the Contract as hereinafter set forth.

**NOW, THEREFORE**, in consideration of the premises and mutual obligations of the parties under the Agreement and this Amendment, the parties hereby agree that the Agreement is amended as follows:

1. Amendments to Section 1.1. The definition of Minimum Market Value in Section 1.1 is hereby deleted in its entirety and replaced with the following:

**Minimum Market Value**. \$442,150, which is the minimum market value for the land and Improvements as confirmed by the Hennepin County Assessor.

2. Confirmation of Contract. Except as specifically amended herein, the Contract is hereby ratified and confirmed, and remains in full force and effect.



**Signature Page for Builder**

Endres Custom Homes, Inc.

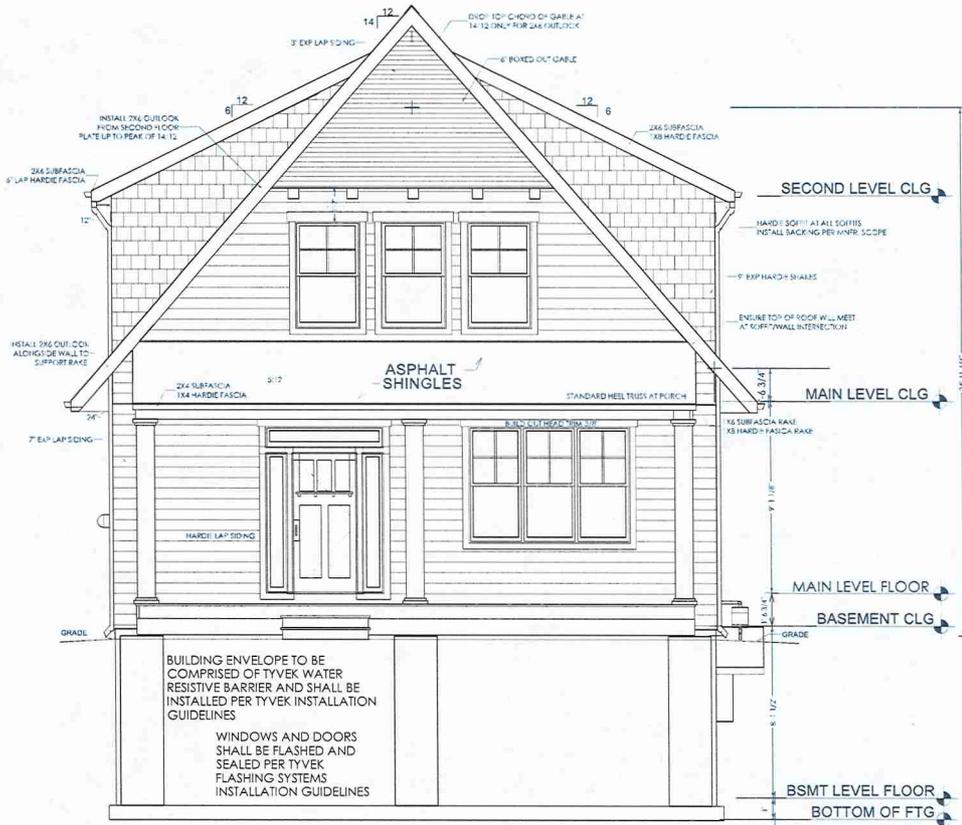
By \_\_\_\_\_  
Its Vice President

STATE OF MINNESOTA     )  
  )   SS  
COUNTY OF \_\_\_\_\_)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of August, 2016, by Dustin Endres, the President of Endres Custom Homes, Inc., a corporation organized under the laws of Minnesota, on behalf of the corporation.

\_\_\_\_\_  
Notary Public

7333 Emerson



1  
A1



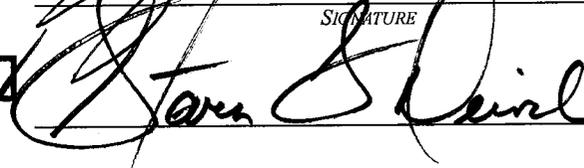
2  
A1

NO.	DESCRIPTION	BY	DATE
SHEET TITLE			
Wheat Ridge Villa 7333 Emerson Ave			
PROJECT DESCRIPTION:			
Emdres custom homes 15561 Dumborn Way, ACEW Valley, MN 55124			
DRAWINGS PROVIDED BY:			
DATE:			
7/17/2016			
SCALE:			
SHEET:			
A-1			



## STAFF REPORT

### HOUSING AND REDEVELOPMENT AUTHORITY MEETING AUGUST 15, 2016

REPORT PREPARED BY:	JULIE URBAN/KATE AITCHISON, HOUSING SPECIALIST <i>NAME, TITLE</i>
REPORT PRESENTER:	KAREN BARTON, ASSISTANT COMMUNITY DEVELOPMENT DIRECTOR <i>NAME, TITLE</i>
DEPARTMENT DIRECTOR REVIEW:	<input checked="" type="checkbox"/>  <i>SIGNATURE</i>
REVIEWED BY EXECUTIVE DIRECTOR:	<input checked="" type="checkbox"/>  <i>SIGNATURE</i>

**ITEM FOR HRA CONSIDERATION:**  
Consideration of an amendment to a Richfield Rediscovered Contract for Private Development for 7533 Dupont Avenue.

**I. RECOMMENDED ACTION:**  
**By Motion: Approve the amendment to the Contract for Private Development for 7533 Dupont Avenue.**

**II. EXECUTIVE SUMMARY**

On July 18, 2016 the Richfield Housing and Redevelopment Authority (HRA) approved a Contract for Private Development (Contract) with Endres Custom Homes (Builder) for the construction of a new single-family home at 7533 Dupont Avenue. The home will be built through the Richfield Rediscovered program.

Since that time, the end-buyer has made some changes to their house plans, resulting in a lowering of the overall value of the completed home. With the changes, the end value of the home will be \$400,000 instead of \$435,000.

The HRA must approve an amendment to the Contract to incorporate this new value into the project.

### III. BASIS OF RECOMMENDATION

#### A. BACKGROUND

- In June 2016 HRA staff awarded the development of 7533 Dupont Avenue to Endres Custom Homes for the construction of a new two-story home with five bedrooms, three baths, and a two-car detached attached garage. The completed home would have 2,108 square feet.
- The home was chosen for this lot primarily for its design, which compliments surrounding homes and provides adequate side-yard setbacks.
- The end value of the home was originally contracted to be at least \$435,000.
- After approval by the HRA on July 18th, the Builder contacted HRA staff with the proposed change to the home plan and end-price. The homeowner is not able to complete a finished basement at this time, but will have it prepared for future finishing, resulting in a new end-value of \$400,000.

#### B. POLICY

- The proposed project meets the policy objectives of the Richfield Rediscovered Program:
  - Removes substandard, functionally obsolete housing and eliminates its blighting influence.
  - Provides new, higher valued housing.
  - Alleviates shortage of housing choice for families.
- The project meets the Housing Design and Site Development Criteria, as defined in the Richfield Rediscovered Guidelines. Several features are incorporated to address the design criteria:
  - The appearance of the garage and garage door is minimized with the detached garage.
  - The height is minimized through the use of a front gable, so the house doesn't look like a full two stories.
  - The gable roof design is similar to that of neighboring houses, which will help it blend with the existing neighborhood.
- The Contract establishes a Minimum Market Value for the property based on construction estimates provided by the applicant.
- The Builder must construct the home in accordance with the program guidelines and construction plans to meet or exceed the Minimum Market Value, or be in default under the Contract

#### C. CRITICAL TIMING ISSUES

- Closing on the property is imminent, with construction beginning immediately after permits are issued.
- Construction needs to begin in order to complete the home before winter to avoid the need for an escrow to be deposited.

#### D. FINANCIAL

- The HRA acquired the 50-foot wide property and structure in 2016 for \$77,681.
- The appraised value of the vacant lot is \$60,000.
- Under the terms of the Contract the \$60,000 will be due at closing.
- Under the terms of the original Contract, the minimum market value of the house will be \$435,000.
- The Buyer has requested to amend the minimum market value to \$400,000 to account for changes to the house plans.
- Under the terms of the Contract, the Builder must submit a \$10,000 cash escrow to be held until construction is completed as provided in the Contract.

#### E. LEGAL

- The HRA Attorney prepared the amendment.

#### IV. ALTERNATIVE RECOMMENDATION(S)

- Decide not to amend the Contract and require the home to be valued at the original value.

#### V. ATTACHMENTS

- Resolution
- Contract for Private Development Amendment
- Elevations

#### VI. PRINCIPAL PARTIES EXPECTED AT MEETING

- Dustin Endres, Endres Custom Homes

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF RICHFIELD, MINNESOTA**

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION APPROVING FIRST AMENDMENT TO CONTRACT FOR PRIVATE  
DEVELOPMENT WITH ENDRES CUSTOM HOMES, INC.**

WHEREAS, the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (the "Authority"), entered into a Contract for Private Development, dated July 18, 2016 (the "Contract"), with Endres Custom Homes, Inc. (the "Developer"), pursuant to which the Developer agreed to purchase certain real property located at 7533 Dupont Avenue South from the Authority and construct a single family home on the property; and

WHEREAS, an Amendment to Contract for Private Development (the "Amendment") has been presented to the Board of the Authority which amends the minimum market value required for the single family home to be constructed on the property; and

WHEREAS, the Board has reviewed the Amendment and finds that the execution thereof by the Authority and the performance of the Authority's obligations thereunder are in the best interest of the City and its residents; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota as follows:

1. The Amendment is hereby in all respects authorized, approved, and confirmed, and the Chairperson and the Executive Directed are hereby authorized and directed to execute the Amendment for and on behalf of the Authority in substantially the form now on file with the Community Development Director but with such modifications as shall be deemed necessary, desirable, or appropriate, the execution thereof o constitute conclusive evidence of their approval of any and all modifications therein.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 15<sup>th</sup> day of August, 2016.

\_\_\_\_\_  
Mary Supple, Chair

ATTEST:

\_\_\_\_\_  
Doris Rubenstein, Secretary

## AMENDMENT TO CONTRACT FOR PRIVATE DEVELOPMENT

This Amendment is made as of the \_\_\_ day of August, 2016, by and between the Housing and Redevelopment Authority in and for the City of Richfield, a public body corporate and politic under the laws of the State of Minnesota (the "HRA"), a public body corporate and politic under the laws of the State of Minnesota, and Endres Custom Homes, Inc. (the "Developer"), a Minnesota corporation.

### WITNESSETH:

**WHEREAS**, the HRA and the Developer entered into a Contract for Private Development, dated July 18, 2016 (the "Contract") pursuant to which the Developer agreed to purchase property from the Authority located at 7533 Dupont Avenue South and legally described as Lot 16, Block 22, Irwin Shores, recorded August 1, 2016 as Document No. A10339061 in the office of the Hennepin County Recorder; and

**WHEREAS**, the parties wish to amend the Contract as hereinafter set forth.

**NOW, THEREFORE**, in consideration of the premises and mutual obligations of the parties under the Agreement and this Amendment, the parties hereby agree that the Agreement is amended as follows:

1. Amendments to Section 1.1. The definition of Minimum Market Value in Section 1.1 is hereby deleted in its entirety and replaced with the following:

**Minimum Market Value.** \$400,000, which is the minimum market value for the land and Improvements as confirmed by the Hennepin County Assessor.

2. Confirmation of Contract. Except as specifically amended herein, the Contract is hereby ratified and confirmed, and remains in full force and effect.

IN WITNESS WHEREOF, the parties hereto, by their authorized representatives, have hereunto set their hands as of the date and year first written above.

**THE HOUSING AND REDEVELOPMENT  
AUTHORITY IN AND FOR THE CITY OF  
RICHFIELD, MINNESOTA**

By \_\_\_\_\_  
Its Chairperson

By \_\_\_\_\_  
Its Executive Director

STATE OF MINNESOTA    )  
                                  )   SS  
COUNTY OF HENNEPIN    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of August, 2016, by Mary B. Supple, the Chairperson of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota, a public body corporate and politic under the laws of Minnesota, on behalf of the authority.

\_\_\_\_\_  
Notary Public

STATE OF MINNESOTA    )  
                                  )   SS  
COUNTY OF HENNEPIN    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of August, 2016, by Steven L. Devich, the Executive Director of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota, a public body corporate and politic under the laws of Minnesota, on behalf of the authority.

\_\_\_\_\_  
Notary Public

KENNEDY & GRAVEN, CHARTERED  
470 U.S. Bank Plaza  
200 South Sixth Street  
Minneapolis, Minnesota 55402  
Telephone: (612) 337-9300

**Signature Page for HRA**

**Signature Page for Builder**

Endres Custom Homes, Inc.

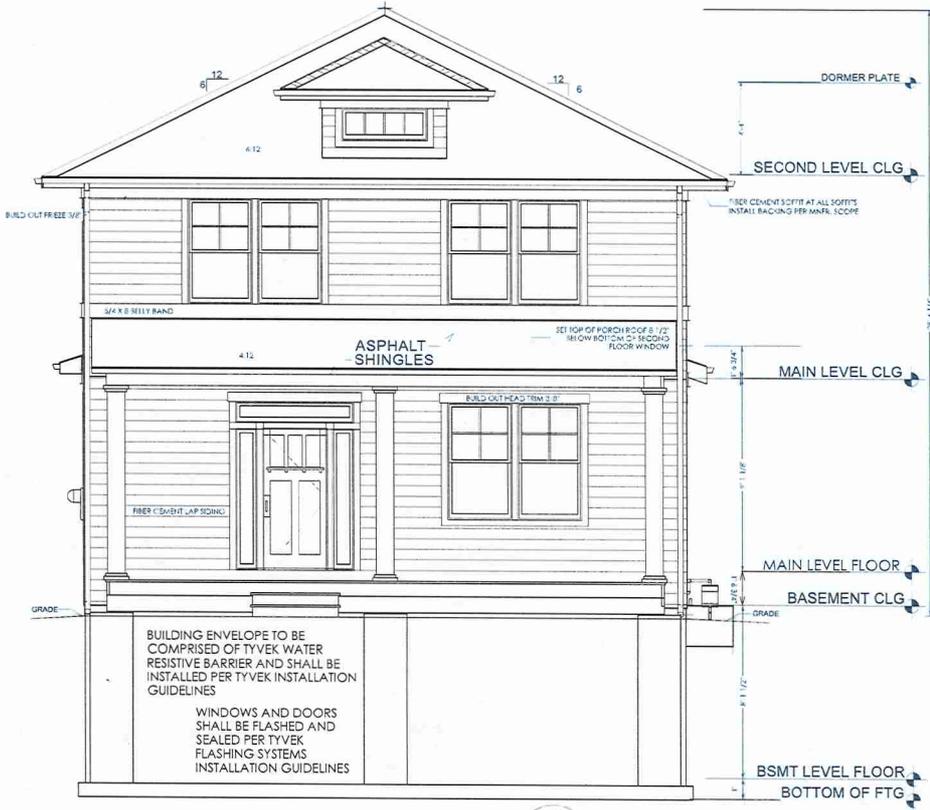
By \_\_\_\_\_  
Its Vice President

STATE OF MINNESOTA     )  
  )   SS  
COUNTY OF \_\_\_\_\_)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of August, 2016, by Dustin Endres, the President of Endres Custom Homes, Inc., a corporation organized under the laws of Minnesota, on behalf of the corporation.

\_\_\_\_\_  
Notary Public

7533 Dupont



FRONT ELEVATION

SCALE: 1/4" = 1' 0"

1  
A1

ALL DIMENSIONS TO OS SHEATHING

BUILDING TO BE CONSTRUCTED PER  
MN/IRC 2015 CODE W/ 2015 ENERGY CODE



2  
A1

REAR ELEVATION

SCALE: 1/4" = 1' 0"

NO.	DESCRIPTION	BY	DATE

SHEET TITLE:  
**Wheat Ridge Hipped Rear  
Porch 7533 Dupont Ave**

PROJECT DESCRIPTION:  
**Wheat Ridge Hipped Rear  
Porch 7533 Dupont Ave**

DRAWINGS PROVIDED BY:  
**Endres custom homes**  
1951 Dunbar Way, Appleton, WI 54912

DATE:

7/18/2016

SCALE:

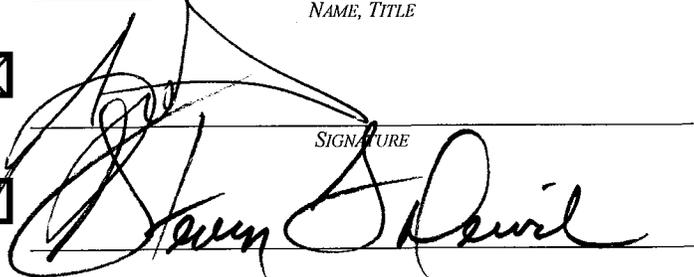
SHEET:

**A-1**



## STAFF REPORT

### HOUSING AND REDEVELOPMENT AUTHORITY MEETING AUGUST 15, 2016

REPORT PREPARED BY:	KAREN BARTON, COMMUNITY DEVELOPMENT ASSISTANT DIRECTOR <i>NAME, TITLE</i>
REPORT PRESENTER:	KAREN BARTON, COMMUNITY DEVELOPMENT ASSISTANT DIRECTOR <i>NAME, TITLE</i>
DEPARTMENT DIRECTOR REVIEW:	<input checked="" type="checkbox"/>
REVIEWED BY EXECUTIVE DIRECTOR:	<input checked="" type="checkbox"/>  <i>SIGNATURE</i>

**ITEM FOR HRA CONSIDERATION:**  
Consideration of a resolution approving the issuance of the Housing and Redevelopment Authority's Tax Increment Limited Revenue Note to Mesaba Capital Development, LLC.

**I. RECOMMENDED ACTION:**  
**By Motion: Adopt the resolution approving the issuance of, and providing the form, terms, covenants and directions for the issuance of the Housing and Redevelopment Authority's Tax Increment Limited Revenue Note, Series 2016 in an aggregate principal amount not to exceed \$2,176,055 to Mesaba Capital Development, LLC for the redevelopment of the former City Garage site.**

**II. EXECUTIVE SUMMARY**

The Richfield Housing and Redevelopment Authority (HRA) approved the establishment of Tax Increment Financing District No. 2014-1 in February 2014 for the financing of certain improvements within the former City Garage site redevelopment project. At that time, there was no developer or specific development project selected for the site.

In February 2016, the HRA entered into a Contract for Private Development (Contract) with Mesaba Capital Development, LLC (Developer) for redevelopment

of the former City Garage site with 88 units of senior housing. As part of the Contract, the HRA agreed to provide up to \$2,400,000 in Tax Increment Financing (TIF) assistance as warranted to facilitate the project development.

The Developer is preparing to close on the property, begin construction of the project, and have finalized the project cost and provided TIF qualified costs, allowing for issuance of the Tax Increment Limited Revenue Note.

### III. BASIS OF RECOMMENDATION

#### A. BACKGROUND

- TIF District 2014-1 was established in 2014 to facilitate the redevelopment of the former City Garage property, allowing for demolition and clearance of the site.
- The Developer has received all land-use approvals necessary for development of the property per the Contract with the HRA.
- At the time the Contract with Developer was approved, the principal amount of the TIF Note had not yet been established.

#### B. POLICY

- In order for private redevelopment with public assistance to occur, a developer must have an Agreement with the HRA.
- 2008 Comprehensive Plan:
  - *Maintain a housing supply that meets changing needs while sustaining the integrity of existing neighborhoods;*
  - *Maintaining a diversity of housing types and prices ranges.*

#### C. CRITICAL TIMING ISSUES

- The Developer is scheduled to close on the property on or before August 31, 2016.
- Construction must commence prior to November 1, 2016 and will be complete no later than December 31, 2017.

#### D. FINANCIAL

- The aggregate principal amount of the TIF Note will not exceed \$2,176,055.
- The Developer must provide qualified costs equal to or exceeding the amount of TIF requested/awarded.
- The proposed project would not happen but for the provision of financial assistance through tax increment financing.
- The Developer will pay the HRA \$975,000 for the property at closing and the remainder of the property's appraised value (an additional \$244,000) will be reimbursed with interest, with tax increment available after the TIF note to the Developer has been paid.

- The tax increment will be distributed “pay as you go”, meaning that payments will only be made subject to sufficient taxes being collected on the property to meet the payment obligations.
- Estimated project market-value of just under \$20,000,000.

E. LEGAL

- The HRA attorney drafted the resolution.

IV. ALTERNATIVE RECOMMENDATION(S)

- None

V. ATTACHMENTS

- Resolution

VI. PRINCIPAL PARTIES EXPECTED AT MEETING

- Representatives of Mesaba Capital Development

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION APPROVING THE ISSUANCE OF, AND PROVIDING THE FORM, TERMS, COVENANTS AND DIRECTIONS FOR THE ISSUANCE OF ITS TAX INCREMENT LIMITED REVENUE NOTE, SERIES 2016 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$2,176,055**

**BE IT RESOLVED BY** the Board of Commissioners (“Board”) of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (the “Authority”), as follows:

Section 1. Authorization; Award of Sale.

1.01. Authorization. The Authority has heretofore approved the establishment of Tax Increment Financing District No. 2014-1 Tax Increment Financing District (City Garage Site) (the “TIF District”) within the Richfield Redevelopment Project (“Redevelopment Project”), and has adopted a tax increment financing plan for the purpose of financing certain improvements within the Redevelopment Project.

Pursuant to Minnesota Statutes, Section 469.178, the Authority is authorized to issue and sell its bonds for the purpose of financing a portion of the public development costs of the Redevelopment District. Such bonds are payable from all or any portion of revenues derived from the TIF District and pledged to the payment of the bonds. The Authority hereby finds and determines that it is in the best interests of the Authority that it issue and sell its Tax Increment Limited Revenue Note, Series 2016 (the “TIF Note”), in the aggregate principal amount of up to \$2,176,055 for the purpose of financing certain public redevelopment costs of the Tax Increment Plan for the TIF District.

1.02. Issuance, Sale and Terms of the TIF Note. Pursuant to the Contract for Private Development between the Authority and the Owner (the “Agreement”), the TIF Note shall be sold to Mesaba Capital Development, LLC (the “Owner”). The TIF Note shall be dated as of the date of delivery and shall bear interest at the rate of 4.5% per annum to the earlier of maturity or prepayment. In exchange for the Authority’s issuance of the TIF Note to the Owner, the Owner shall pay certain public redevelopment costs related to the Minimum Improvements (as defined in the Agreement) pursuant to Section 3.3 of the Agreement. The TIF Note will be delivered in the principal amount of up to \$2,176,055 for reimbursement of public redevelopment costs in accordance with the terms of Section 3.4(a) of the Agreement.

Section 2. Form of TIF Note. The TIF Note shall be in substantially the form set forth in Schedule A attached hereto, with the blanks to be properly filled in and the principal amount and payment schedule adjusted as of the date of issue.

Section 3. Terms, Execution and Delivery.

3.01. Denomination, Payment. The TIF Note shall be issued as a single typewritten note numbered R-1.

The TIF Note shall be issuable only in fully registered form. Principal of and interest on the TIF Note shall be payable by check or draft issued by the Registrar described herein.

3.02. Dates; Interest Payment Dates. Principal of and interest on the TIF Note shall be payable by mail to the owner of record thereof as of the close of business on the fifteenth day of the month preceding the Payment Date, whether or not such day is a business day.

3.03. Registration. The Authority hereby appoints the Authority's Executive Director to perform the functions of registrar, transfer agent and paying agent (the "Registrar"). The effect of registration and the rights and duties of the Authority and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its office a bond register in which the Registrar shall provide for the registration of ownership of the TIF Note and the registration of transfers and exchanges of the TIF Note.

(b) Transfer of TIF Note. Upon surrender for transfer of the TIF Note, including any assignment or exchange thereof, duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form reasonably satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, and the payment by the Owner of any tax, fee, or governmental charge required to be paid by or to the Authority with respect to such transfer or exchange, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, a new Note of the same aggregate principal amount, bearing interest at the same rate and maturing on the same dates. Notwithstanding the foregoing, the TIF Note shall not be transferred to any person other than an affiliate, or other related entity, of the Owner unless the Authority has been provided with an investment letter in a form substantially similar to the investment letter submitted by the Owner or a certificate of the transferor, in a form satisfactory to the Authority, that such transfer is exempt from registration and prospectus delivery requirements of federal and applicable state securities laws. The Registrar may close the books for registration of any transfer after the fifteenth day of the month preceding each Payment Date and until such Payment Date.

The TIF Note shall not be transferred to any person other than an affiliate, or other related entity, of the Owner unless the Authority has been provided with an investment letter in a form substantially similar to the investment letter in EXHIBIT C of the Agreement or a certificate of the transferor, in a form satisfactory to the Executive Director of the Authority, that such transfer is exempt from registration and prospectus delivery requirements of federal and applicable state securities laws. The Registrar may close the books for registration of any transfer after the fifteenth day of the month preceding each Payment Date and until such Payment Date.

The Owner may assign the TIF Note to a lender that provides all or part of the financing for the acquisition of the Development Property or the construction of the Minimum Improvements. The Authority hereby consents to such assignment, conditioned upon receipt of an investment letter from such lender in substantially the form attached in the Agreement as EXHIBIT C, or other form reasonably acceptable to the Executive Director of the Authority. The Authority also agrees that future assignments of the TIF Note may be approved by the Executive Director of the Authority without action of the Authority's Board, upon the receipt of an investment letter in substantially the form of EXHIBIT C of the Agreement or other investment letter reasonably acceptable to the Authority from such assignees.

(c) Cancellation. The TIF Note surrendered upon any transfer shall be promptly cancelled by the Registrar and thereafter disposed of as directed by the Authority.

(d) Improper or Unauthorized Transfer. When a Note is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Note or separate instrument of transfer is legally authorized. The Registrar shall incur no liability for its refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(e) Persons Deemed Owners. The Authority and the Registrar may treat the person in whose name a Note is at any time registered in the bond register as the absolute owner of the TIF Note, whether the TIF Note shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of

and interest on such Note and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the Authority upon such Note to the extent of the sum or sums so paid.

(f) Taxes, Fees and Charges. For every transfer or exchange of a Note, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee, or other governmental charge required to be paid with respect to such transfer or exchange.

(g) Mutilated, Lost, Stolen or Destroyed Note. In case any Note shall become mutilated or be lost, stolen, or destroyed, the Registrar shall deliver a new Note of like amount, maturity dates and tenor in exchange and substitution for and upon cancellation of such mutilated Note or in lieu of and in substitution for such Note lost, stolen, or destroyed, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case the TIF Note lost, stolen, or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Note was lost, stolen, or destroyed, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance, and amount satisfactory to it, in which both the Authority and the Registrar shall be named as obligees. The TIF Note so surrendered to the Registrar shall be cancelled by it and evidence of such cancellation shall be given to the Authority. If the mutilated, lost, stolen, or destroyed Note has already matured or been called for redemption in accordance with its terms, it shall not be necessary to issue a new Note prior to payment.

3.04. Preparation and Delivery. The TIF Note shall be prepared under the direction of the Executive Director of the Authority and shall be executed on behalf of the Authority by the signatures of its Chair and its Executive Director. In case any officer whose signature shall appear on the TIF Note shall cease to be such officer before the delivery of the TIF Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. When the TIF Note has been so executed, the TIF Note shall be delivered by the Authority to the Owner following the delivery of the necessary items delineated in Section 3.3 of the Agreement.

#### Section 4. Security Provisions.

4.01. Pledge. The Authority hereby pledges to the payment of the principal of and interest on the TIF Note Available Tax Increment as defined in the TIF Note. Available Tax Increment shall be applied to payment of the principal of and interest on the TIF Note in accordance with Section 3.3 of the Agreement and the terms of the form of TIF Note set forth in Schedule A attached to this resolution.

4.02. Bond Fund. Until the date the TIF Note is no longer outstanding and no principal thereof or interest thereon (to the extent required to be paid pursuant to this resolution) remains unpaid, the Authority shall maintain a separate and special "Bond Fund" to be used for no purpose other than the payment of the principal of and interest on the TIF Note. The Authority irrevocably agrees to appropriate to the Bond Fund in each year Available Tax Increment. Any Available Tax Increment remaining in the Bond Fund shall be transferred to the Authority's account for TIF District No 2014-1 Tax Increment Financing District (City Garage Site) upon the payment of all principal and interest to be paid with respect to the TIF Note.

Section 5. Certification of Proceedings.

5.01. Certification of Proceedings. The officers of the Authority are hereby authorized and directed to prepare and furnish to the Owner of the TIF Note certified copies of all proceedings and records of the Authority, and such other affidavits, certificates, and information as may be required to show the facts relating to the legality and marketability of the TIF Note as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates, and affidavits, including any heretofore furnished, shall be deemed representations of the Authority as to the facts recited therein.

Section 6. Effective Date. This resolution shall be effective upon full execution of the Agreement.

Adopted by the Board of Commissioner the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota, this 15<sup>th</sup> day of August, 2016.

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Chair

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Executive Director

Schedule A

FORM OF TIF NOTE

UNITED STATE OF AMERICA  
STATE OF MINNESOTA  
COUNTIES OF HENNEPIN  
HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE  
CITY OF RICHFIELD

No. R-1

\$ \_\_\_\_\_

TAX INCREMENT LIMITED REVENUE NOTE  
SERIES 2016

Rate

Date  
of Original Issue

4.5%

August \_\_, 2016

The Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (the "Authority"), for value received, certifies that it is indebted and hereby promises to pay to Mesaba Capital Development, LLC, or registered assigns (the "Owner"), the principal sum of \$ \_\_\_\_\_ and to pay interest thereon at the rate of six and three quarters percent per annum, as and to the extent set forth herein.

1. Payments. Principal and interest ("Payments") shall be paid on \_\_\_\_\_, 20\_\_, and each \_\_\_\_\_ and \_\_\_\_\_ (each a "Payment Date") and thereafter to and including \_\_\_\_\_, 20\_\_, in the amounts and from the sources set forth in Section 3 herein. Payments shall be applied first to accrued interest, and then to unpaid principal.

Payments are payable by mail to the address of the Owner or such other address as the Owner may designate upon 30 days written notice to the Authority. Payments on this Note are payable in any coin or currency of the United States of America which, on the Payment Date, is legal tender for the payment of public and private debts.

2. Interest. Interest at the rate stated herein shall accrue on the unpaid principal, commencing on the date of original issue. Interest shall accrue on a simple basis and will not be added to principal. Interest shall be computed on the basis of a year of 360 days and charged for actual days principal is unpaid.

3. Available Tax Increment. Payments on this Note are payable on each Payment Date in the amount of and solely payable from "Available Tax Increment," which will mean, on each Payment Date, seventy-five percent (75%) of the Tax Increment (as defined in the Agreement) attributable to the Development Property (as defined in the Agreement) and paid to the Authority by Hennepin County in the six months preceding the Payment Date, all as the terms are defined in the Contract for Private Development between the Authority and Owner dated as of April 20, 2015 (the "Agreement"). The principal of and interest on this Note shall be payable each Payment Date solely from Available Tax Increment. Available Tax Increment will not include any Tax Increment if, as of any Payment Date, there is an uncured Event of Default under the Agreement.

The Authority shall have no obligation to pay principal of and interest on this Note on each Payment Date from any source other than Available Tax Increment, and the failure of the Authority to pay the entire amount of principal or interest on this Note on any Payment Date shall not constitute a default hereunder as long as the Authority pays principal and interest hereon to the extent of Available Tax Increment. The Authority shall have no obligation to pay unpaid balance of principal or accrued interest that may remain after the payment of Available Tax Increment from the last payment of Tax Increment the Authority is entitled to receive from Hennepin County with respect to the Development Property.

4. Optional Prepayment. The principal sum and all accrued interest payable under this Note is prepayable in whole or in part at any time by the Authority without premium or penalty. No partial prepayment shall affect the amount or timing of any other regular payment otherwise required to be made under this Note.

5. Termination. At the Authority's option, this Note shall terminate and the Authority's obligation to make any payments under this Note shall be discharged upon the occurrence of an Event of Default on the part of the Developer as defined in Section 9.1 of the Agreement, but only if the Event of Default has not been cured in accordance with Section 9.2 of the Agreement.

6. Nature of Obligation. This Note is issued to aid in financing certain public development costs and administrative costs of a Redevelopment Project undertaken by the Authority pursuant to Minnesota Statutes, Sections 469.001 through 469.047, as amended, and is issued pursuant to an authorizing resolution (the "Resolution") duly adopted by the Authority on August 15, 2016, and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Sections 469.174 to 469.1799, as amended. This Note is a limited obligation of the Authority which is payable solely from Available Tax Increment pledged to the payment hereof under the Resolution. This Note and the interest hereon shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the Authority. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on this Note or other costs incident hereto except out of Available Tax Increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on this Note or other costs incident hereto.

7. Estimated Tax Increment Payments. Any estimates of Tax Increment prepared by the Authority or its financial advisors in connection with the TIF District or the Agreement are for the benefit of the Authority, and are not intended as representations on which the Developer may rely.

THE AUTHORITY MAKES NO REPRESENTATION OR WARRANTY THAT THE AVAILABLE TAX INCREMENT WILL BE SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THIS NOTE.

8. Registration. This Note is issuable only as a fully registered note without coupons.

9. Transfer. As provided in the Resolution, and subject to certain limitations set forth therein, this Note is transferable upon the books of the Authority kept for that purpose at the principal office of the City Clerk of the City of Richfield. Upon surrender for transfer of the TIF Note, including any assignment or exchange thereof, duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form reasonably satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, and the payment by the Owner of any tax, fee, or governmental charge required to be paid by or to the Authority with respect to such transfer or exchange, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, a new

Note of the same aggregate principal amount, bearing interest at the same rate and maturing on the same dates.

Notwithstanding the foregoing, the TIF Note shall not be transferred to any person other than an affiliate, or other related entity, of the Owner unless the Authority has been provided with an investment letter in a form substantially similar to the investment letter in EXHIBIT C of the Agreement or a certificate of the transferor, in a form satisfactory to the Executive Director of the Authority, that such transfer is exempt from registration and prospectus delivery requirements of federal and applicable state securities laws. The Registrar may close the books for registration of any transfer after the fifteenth day of the month preceding each Payment Date and until such Payment Date.

The Owner may assign the TIF Note to a lender that provides all or part of the financing for the acquisition of the Development Property or the construction of the Minimum Improvements. The Authority hereby consents to such assignment, conditioned upon receipt of an investment letter from such lender in substantially the form attached in the Agreement as EXHIBIT C, or other form reasonably acceptable to the Executive Director of the Authority. The Authority also agrees that future assignments of the TIF Note may be approved by the Executive Director of the Authority without action of the Authority's Board, upon the receipt of an investment letter in substantially the form of EXHIBIT C of the Agreement or other investment letter reasonably acceptable to the Authority from such assignees.

This Note is issued pursuant to a resolution of the Board of the Authority and is entitled to the benefits thereof, which Resolution is incorporated herein by reference.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen, and to be performed in order to make this Note a valid and binding limited obligation of the Authority according to its terms, have been done, do exist, have happened, and have been performed in due form, time and manner as so required.

IN WITNESS WHEREOF, the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota, has caused this Note to be executed with the manual signatures of its Chair and Executive Director, all as of the Date of Original Issue specified above.

**HOUSING AND REDEVELOPMENT  
AUTHORITY IN AND FOR THE CITY OF  
RICHFIELD, MINNESOTA**

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Executive Director

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Chair

**REGISTRATION PROVISIONS**

The ownership of the unpaid balance of the within Note is registered in the bond register of the Authority's Executive Director, in the name of the person last listed below.

Date of Registration

Registered Owner

Signature of Executive Director

MESABA CAPITAL  
DEVELOPMENT, LLC.

Federal ID # \_\_\_\_\_

\_\_\_\_\_

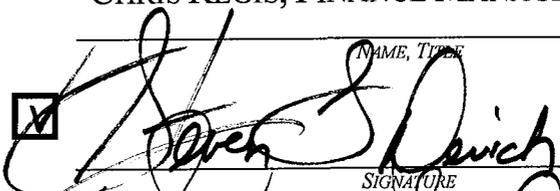
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[End of Form of TIF Note]



## STAFF REPORT

### HOUSING AND REDEVELOPMENT AUTHORITY MEETING AUGUST 15, 2016

REPORT PREPARED BY:	CHRIS REGIS, FINANCE MANAGER <small>NAME, TITLE</small>
REPORT PRESENTER:	CHRIS REGIS, FINANCE MANAGER <small>NAME, TITLE</small>
DEPARTMENT DIRECTOR REVIEW:	<input checked="" type="checkbox"/>  <small>SIGNATURE</small>
REVIEWED BY EXECUTIVE DIRECTOR:	<input checked="" type="checkbox"/>  <small>SIGNATURE</small>

**ITEM FOR HRA CONSIDERATION:**  
Consideration of the resolutions approving the proposed property tax levy for payable 2017 for certification to Hennepin County.

**I. RECOMMENDED ACTION:**  
**By Motion: Adopt the resolutions approving the 2017 Proposed Housing and Redevelopment Authority Budget and Tax Levy and 2016 Revised Housing and Redevelopment Authority Budget.**

**II. EXECUTIVE SUMMARY**

The bylaws of the Richfield Housing and Redevelopment Authority (HRA) require that an annual budget be submitted to the HRA Commissioners for approval. Accordingly, the 2017 Proposed Budget and Tax Levy and 2016 Revised Budget are presented for approval.

In addition, Minnesota State Statutes require adoption of a preliminary tax levy from each taxing authority. The proposed tax levy must be certified to the Hennepin County Auditor by September 15, 2016. Any amendments to the proposed budget, which would increase the property tax levy, must be made prior to September 15, 2016. No increases in the tax levy are permissible after that date, only reductions. Final certification of the HRA tax levy is part of the City's budget process.

The tax levy as proposed is the maximum levy established by law and represents a 4.51% increase from the previous year's levy.

### III. BASIS OF RECOMMENDATION

#### A. BACKGROUND

- N/A.

#### B. POLICY

- Minnesota Statutes require adoption of a preliminary levy from each taxing authority.
- The budget and accompanying proposed levy for 2017 are ready for consideration.
- Even though a public hearing for the HRA tax levy is not required by State Statute, this does not preclude the HRA from opening this item up for public discussion if the HRA desires to do so.

#### C. CRITICAL TIMING ISSUES

- As required by State Statutes, each taxing authority must certify its proposed tax levy for the payable year 2017 to the County Auditor on or before September 15, 2016.

#### D. FINANCIAL

- The Proposed 2017 HRA levy represents a 4.51% increase from the previous year's levy. This equates to a \$22,500 increase.
- The levy as proposed is for the maximum levy established by law of the .0185% of the City's total taxable market value net of the market value exclusion.

#### E. LEGAL

- N/A.

### IV. ALTERNATIVE RECOMMENDATION(S)

- The HRA could adopt a preliminary levy less than the one proposed herein. However, that would not provide for programs that are recommended in the 2017 Proposed/2016 Revised budget.

### V. ATTACHMENTS

- Resolution Approving Proposed 2017 Housing and Redevelopment Authority Budget and Certifying the 2017 Tax Levy
- Resolution Authorizing Revision of the 2016 Budget of the Housing and Redevelopment Authority of Richfield

### VI. PRINCIPAL PARTIES EXPECTED AT MEETING

- N/A.

**HRA RESOLUTION NO.**

**RESOLUTION APPROVING PROPOSED 2017 HOUSING AND REDEVELOPMENT  
AUTHORITY BUDGET AND CERTIFYING THE 2017 TAX LEVY**

**BE IT RESOLVED** by the Housing and Redevelopment Authority of the City of Richfield, Minnesota as follows:

Section 1. The budget for the Housing and Redevelopment Authority General Fund of Richfield for the year 2017 in the amount of \$594,780 is hereby ratified.

Section 2. The estimated gross revenue of the Housing and Redevelopment Authority General Fund of Richfield from all sources, including general ad valorem tax levies as hereinafter set forth for the year 2017, and as the same are more fully detailed in the Executive Director's official copy of the budget for the year 2017, in the amount of \$591,210 is hereby approved.

Section 3. There is hereby levied upon all taxable property in the City of Richfield an ad valorem tax in 2016, payable in 2017 for the following purposes:

Housing and Redevelopment Authority	\$531,723
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Section 4. A certified copy of this resolution shall be transmitted to the County Auditor.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 15th day of August, 2016.

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Mary Supple, Chair

ATTEST:

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Doris Rubenstein, Secretary

**HRA RESOLUTION NO.**

**RESOLUTION AUTHORIZING REVISION OF THE 2016 BUDGET OF THE HOUSING AND REDEVELOPMENT AUTHORITY OF RICHFIELD**

**WHEREAS**, Resolution No. 1207 appropriated funds for personal services and other expenses and capital outlay for the Housing and Redevelopment Authority for the year 2016, and

**WHEREAS**, The Executive Director has requested a revision of the 2016 budget as detailed in the 2017 budget document.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing and Redevelopment Authority of Richfield, Minnesota as follows:

Section 1. That the 2016 appropriation for the Housing and Redevelopment Authority General Fund is revised as follows:

\$235,300 increase

Section 2. Estimated 2016 gross revenue of the Housing and Redevelopment Authority General Fund from all sources, as the same is more fully detailed in the Executive Director's official copy of the 2017 budget document, are hereby revised as follows:

\$58,100 increase

Section 3. That the Executive Director bring into effect the provisions of this resolution.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 15th day of August, 2016.

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Mary Supple, Chair

ATTEST:

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Doris Rubenstein, Secretary