



**PLANNING COMMISSION MEETING
RICHFIELD MUNICIPAL CENTER, COUNCIL CHAMBERS
NOVEMBER 27, 2017
7:00 PM**

Call to Order

Approval of minutes of the (1) Special joint Planning Commission and Advisory Board of Health work session of October 23, 2017, and (2) regular Planning Commission meeting of October 23, 2017.

Agenda Approval

1. Approval of the Agenda

Opportunity for Citizens to Address the Commission on items not on the Agenda

Other Business

2. Election of Planning Commission Chairperson.

PC Letter #12

3. Consideration of a resolution finding that the the following are consistent with the Richfield Comprehensive Plan:
1) The modification to the Redevelopment Plan for the Richfield Redevelopment Project Area and the Tax Increment Plan for the Cedar Avenue Tax Increment Financing District;
2) The Tax Increment Financing Plan for the 2017-1 (Chamberlain) Tax Increment Financing District; and
3) The sale of property to Chamberlain Apartments LLC for construction of a 283 unit multi-family unit housing project (The Chamberlain).

PC Letter # 13

Public Hearings

4. Public hearing and consideration of a request for a variance to reduce setback requirements for a garage at 6400 Pillsbury Avenue.

17-VAR-09

5. Conduct a public hearing and consider revisions to the City's Zoning Ordinance related to construction standards to mitigate the impact of airport noise.

PC Letter #14

Liaison Reports

Community Services Advisory Commission
City Council
Housing and Redevelopment Authority (HRA)
Richfield School Board
Transportation Commission
Chamber of Commerce

Other

City Planner's Reports

6. City Planner's Report

7. Next Meeting Time and Location

November 28, 2017 at 5:45 p.m. in the Bartholomew Room.

8. 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.



Planning Commission Minutes

October 23, 2017 Work Session

MEMBERS PRESENT: Chairperson Erin Vrieze Daniels and Commissioners Sean Hayford Oleary, Gordon Vizecky, and Allysen Hoberg

BOARD OF HEALTH: Marco Lanz, Kristine Klos, and Taylor Croissant

STAFF: Melissa Poehlman, Asst. Community Development Director

ITEM #1

PC Memo No. 11 – Presentation by Public Health Law Center

Margaret Perez of Bloomington Public Health introduced Mary Marrow and Sadie Gannett of the Public Health Law Center. Ms. Marrow and Ms. Gannett presented preliminary findings of a recent policy review of Richfield's official controls related to healthy eating, biking, and walking.

The meeting was adjourned at **6:58 p.m.**

Planning Commission Secretary



Planning Commission Minutes

October 23, 2017

- MEMBERS PRESENT: Chairperson Erin Vrieze Daniels, Commissioners Sean Hayford Oleary, Allysen Hoberg, and Gordon Vizecky
- MEMBERS ABSENT: Commissioners Dan Kitzberger, Bryan Pynn, and Susan Rosenberg
- STAFF PRESENT: Melissa Poehlman, Assistant Community Development Director
Matt Brillhart, Associate Planner
- OTHERS PRESENT: Karl Schmidt, Lynn Robson, Brannin Gries, and Peter Coyle; Morrie's Automotive
Terry Straub, 7430 Portland Avenue

Chairperson Vrieze Daniels called the meeting to order at 7:00 p.m.

APPROVAL OF MINUTES

M/Vizecky, S/Vrieze Daniels to approve the minutes of the September 20, 2017 work session and September 25, 2017 meeting.

Motion carried: 4-0

ITEM #1 APPROVAL OF AGENDA

M/Vizecky, S/Hoberg to approve the agenda.

Motion carried: 4-0

OPEN FORUM

No members of the public spoke.

PUBLIC HEARING(S)

ITEM #2

17-APUD-05 – Consider an amendment to approved development plans at Cedar Point Commons. The proposal includes a day care facility on the vacant site at the southwest corner of Richfield Parkway and 65th Street.

Associate Planner Matt Brillhart presented the staff report.

M/Vizecky, S/Hayford Oleary to close the public hearing.

Motion carried: 4-0

M/Vizecky, S/Hoberg to recommend approval of the PUD amendment.

Motion carried: 4-0

ITEM #3

17-RZN-03, 17-PUD-03, 17-CUP-07, 17-FDP-03 – Consider a variety of land use approvals related to a proposal for construction of a new auto dealership at 1550 78th Street East.

Assistant Community Development Director Melissa Poehlman presented the staff report.

In response to a question from Commissioner Vizecky, project architect Brannin Gries stated that they could meet 13 of the 17 items identified in the staff report.

Peter Coyle made remarks on behalf of the applicant, stating that the Comprehensive Plan is a visionary document, not prescriptive. Mr. Coyle stated that the Regional Commercial designation supports large-scale retail, and that precedent for approval was set by the nearby Audi project.

October 23, 2017

Commissioner Hayford Oleary inquired what was innovative and creative about the proposal to warrant the Planned Unit Development designation, and how it would benefit area residents.

In response to a question from Commissioner Hoberg regarding a mix of uses, Lynn Robson stated that the low traffic counts on this part of 77th Street do not support retail uses.

Terry Straub, 7430 Portland Avenue, spoke in favor of the proposal.

M/Vizecky, S/Vrieze Daniels to close the public hearing.

Motion carried: 4-0

Commissioner Vizecky agreed that the location could not support retail uses and stated support for the proposal.

M/Vizecky to recommend approval of the planned unit development.

The motion was not seconded

M/Hayford Oleary, S/Vrieze Daniels to recommend denial of the planned unit development.

Motion carried: 3-1 (Vizecky opposed)

ITEM #4

17-ACUP-03, 17-VAR-10 – Cancel a public hearing to consider a conditional use permit amendment at 7700 Nicollet Avenue.

M/Vizecky, S/Vrieze Daniels to cancel the public hearing.

Motion carried: 4-0

OTHER BUSINESS

ITEM #5

PC Letter #11 – Consider a motion rescheduling the regular December Planning Commission meeting.

M/Vrieze Daniels, S/Vizecky to reschedule the meeting to December 11, 2017.

Motion carried: 4-0

LIAISON REPORTS

Community Services Advisory Commission: Chairperson Vrieze Daniels – No report

City Council: Commissioner Rosenberg – No report

HRA: Commissioner Hoberg – No report

Richfield School Board: Chairperson Vrieze Daniels – School Board election on 11/7

Transportation Commission: Commissioner Hayford Oleary – D Line bus rapid transit update

Chamber of Commerce: Commissioner Vizecky – No report

CITY PLANNER'S REPORT

Poehlman noted the upcoming work sessions on October 24 and November 20.

ADJOURNMENT

M/Vizecky, S/Vrieze Daniels to adjourn the meeting.

The meeting was adjourned by unanimous consent at **8:12 p.m.**

Planning Commission Secretary

AGENDA SECTION: Other Business
AGENDA ITEM # 2.
CASE NO.: PC Letter #12



PLANNING COMMISSION MEETING 11/27/2017

REPORT PREPARED BY: Matt Brillhart, Associate Planner

CITYPLANNER REVIEW: Melissa Poehlman, Asst. Community Development Director
11/2/2017

ITEM FOR COMMISSION CONSIDERATION: **Election of Planning Commission Chairperson.**

EXECUTIVE SUMMARY:

Former Planning Commission Chairperson Erin Vrieze Daniels was recently appointed to serve on the board of the Richfield Housing and Redevelopment Authority (HRA). Following this appointment, Erin was required to resign from the Planning Commission, as members of the HRA may not serve concurrently on any other city commission. In accordance with Planning Commission Bylaws, when an officer of the Commission resigns from office, a new officer shall be elected to the vacated position at the next regular meeting. The elected Chairperson will serve until the organizational meeting in February 2018, when new Planning Commission officers will be elected.

The Chairperson is responsible for conducting all Planning Commission meetings and public hearings. The Chairperson is also responsible for representing the Commission in dealing with the City Council and staff.

RECOMMENDED ACTION:

Elect a Planning Commission Chairperson.

BASIS OF RECOMMENDATION:

A. **HISTORICAL CONTEXT**

None

B. **POLICIES (resolutions, ordinances, regulations, statutes, etc):**

See Executive Summary.

C. **CRITICAL TIMING ISSUES:**

None

D. **FINANCIAL IMPACT:**

None

E. **LEGAL CONSIDERATION:**

None

ALTERNATIVE RECOMMENDATION(S):

None

PRINCIPAL PARTIES EXPECTED AT MEETING:

AGENDA SECTION:	Other Business
AGENDA ITEM #	3.
CASE NO.:	PC Letter # 13



PLANNING COMMISSION MEETING 11/27/2017

REPORT PREPARED BY: Melissa Poehlman, Asst. Community Development Director

CITYPLANNER REVIEW:

ITEM FOR COMMISSION CONSIDERATION:

Consideration of a resolution finding that the the following are consistent with the Richfield Comprehensive Plan:

- 1) The modification to the Redevelopment Plan for the Richfield Redevelopment Project Area and the Tax Increment Plan for the Cedar Avenue Tax Increment Financing District;
- 2) The Tax Increment Financing Plan for the 2017-1 (Chamberlain) Tax Increment Financing District; and
- 3) The sale of property to Chamberlain Apartments LLC for construction of a 283 unit multi-family unit housing project (The Chamberlain).

EXECUTIVE SUMMARY:

On September 26, 2017, the Council approved plans for The Chamberlain, a multi-family housing development on the city's east side that also includes a two-block extension of Richfield Parkway. The approved Contract for Private Development calls for the establishment of a new housing Tax Increment Financing (TIF) District that will help to fund the project, and the sale of land currently owned by the Housing and Redevelopment Authority (HRA) to the Developer. Minnesota State Statutes require that the Planning Commission consider whether the creation of any TIF District is consistent with the Richfield Comprehensive Plan. Statute requires the same consideration when a public body proposes to sell land.

In 2016, the city adopted an updated Cedar Corridor Master Plan which includes the following goals:

- To establish a renewed brand at a signature gateway to the city;
- To increase the diversity of housing options; and
- To encourage the rehabilitation and replacement of the lowest-quality housing stock.

The approved project is consistent with these goals.

The entirety of the area is guided "Mixed Use" (following the approval of a Comprehensive Plan Amendment for a one block area east of 18th Avenue). This designation allows for high-density residential use as a component of the mixed use corridor stretching from 66th to 76th Street. The proposed project is consistent with the guiding district.

This area is currently part of the Cedar Avenue TIF District which encompasses land north of 66th Street and was established in 2007. Given that ten years of potential increment have been lost and that the project includes affordable housing, it is recommended that the properties be removed from the Cedar Avenue TIF District and a new Housing TIF District be created.

RECOMMENDED ACTION:

By Motion: Approve a resolution finding that:

- 1) The modification to the Redevelopment Plan for the Richfield Redevelopment Project Area and the Tax Increment Plan for the Cedar Avenue Tax Increment Financing District is consistent with the Richfield Comprehensive Plan;
- 2) The Tax Increment Financing Plan for the 2017-1 (Chamberlain) Tax Increment Financing District is consistent with the Richfield Comprehensive Plan; and
- 3) That the sale of property to Chamberlain Apartments LLC for construction of a 283 unit multi-family unit housing project (The Chamberlain) is consistent with the Richfield Comprehensive Plan.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

Work to redevelop this area began in 2002, when the City began purchasing properties with structures that were deemed incompatible with the low-frequency noise that would be generated by airport operations.

B. POLICIES (resolutions, ordinances, regulations, statutes, etc):

- Chapter 469 of the Minnesota State Statutes requires that whenever the City adopts or modifies a Redevelopment Plan, the Planning Commission must review the plan for consistency with the City's Comprehensive Plan.
- Minnesota Statutes Section 462 requires the Planning Commission to make a finding whether or not land disposition conforms to the Comprehensive Plan.

C. CRITICAL TIMING ISSUES:

- Sale of the land to the developer was approved by the HRA on November 20, 2017.
- A public hearing to consider establishment of the TIF District is scheduled for November 28, 2017.

D. FINANCIAL IMPACT:

- The proposed project cannot move forward without the assistance of the tax increment that will be generated.
- The creation of a Housing TIF District insures the affordability of 20 percent of the housing units within the project.

E. LEGAL CONSIDERATION:

See Policy section above.

ALTERNATIVE RECOMMENDATION(S):

Reject the proposed resolution and find that the proposed TIF District and land sale are not consistent with the Comprehensive Plan.

PRINCIPAL PARTIES EXPECTED AT MEETING:

None

ATTACHMENTS:

Description	Type
☐ Resolution	Resolution Letter
☐ Resolution Exhibit A - Legal Descriptions	Resolution Letter
☐ Cedar Avenue Modification TIF Plan	Exhibit
☐ 2017-1 (Chamberlain) TIF Plan	Exhibit

**PLANNING COMMISSION
CITY OF RICHFIELD, MINNESOTA**

RESOLUTION NO. _____

RESOLUTION OF THE CITY OF RICHFIELD PLANNING COMMISSION FINDING THAT A MODIFICATION TO THE REDEVELOPMENT PLAN FOR THE RICHFIELD REDEVELOPMENT PROJECT AREA, A MODIFICATION TO THE TAX INCREMENT FINANCING PLAN FOR THE CEDAR AVENUE TAX INCREMENT FINANCING DISTRICT, A TAX INCREMENT FINANCING PLAN FOR THE 2017-1 TAX INCREMENT FINANCING DISTRICT (CHAMBERLAIN), AND THAT CERTAIN SALE OF REAL PROPERTY CONFORMS TO THE GENERAL PLANS FOR THE DEVELOPMENT AND REDEVELOPMENT OF THE CITY.

WHEREAS, the Richfield Housing and Redevelopment Authority (the "HRA") and the City of Richfield (the "City") have proposed to adopt a Modification to the Redevelopment Plan for the Richfield Redevelopment Project Area (the "Redevelopment Plan Modification"), a Modification to Tax Increment Financing Plan for the Cedar Avenue Tax Increment Financing District, and a Tax Increment Financing Plan for the 2017-1 Tax Increment Financing District (Chamberlain) therefor (the Redevelopment Plan Modification and the TIF Plans are referred to collectively herein as the "Plans") and have submitted the Plans to the City Planning Commission (the "Commission") pursuant to Minnesota Statutes, Section 469.175, Subd. 3, and

WHEREAS, the Commission has reviewed the Plans to determine their conformity with the general plans for the development and redevelopment of the City as described in the comprehensive plan for the City.

WHEREAS, the Richfield Housing and Redevelopment Authority owns the real property described in the attached Exhibit A; and

WHEREAS, the subject property is located within a redevelopment project area generally known as the Richfield Redevelopment Project Area; and

WHEREAS, the subject property previously received Planning Commission approval for regarding to Mixed Use, rezoning to Planned Multi-Family Residential and the issuance of a Final Development Plan; and

WHEREAS, the Housing and Redevelopment Authority proposes to convey the subject property to Chamberlain Apartments LLC; and

WHEREAS, the Housing and Redevelopment Authority (HRA) held a public hearing and approved conveyance of the subject property to Chamberlain Apartment LLC, on November 20, 2017.

NOW, THEREFORE, BE IT RESOLVED, by the Planning Commission of the City of Richfield that the Plans and the proposed conveyance by the Housing and Redevelopment Authority conform to the City's Comprehensive Plan and to the general plans for development and redevelopment in the City.

Dated: November 27, 2017

Richfield Planning Commission Chair

ATTEST:

Richfield Planning Commission Secretary

EXHIBIT A

HRA PROPERTY DESCRIPTION

HRA Property

Address	Parcel Identification No.	Legal Descriptions
6621 17 th Avenue South	26-028-24-41-0076	Lot 13, Block 2, Wexler's Addition
6627 17 th Avenue South	26-028-24-41-0075	Lot 12, Block 2, Wexler's Addition
6633 17 th Avenue South	26-028-24-41-0074	Lot 11, Block 2, Wexler's Addition
6639 17 th Avenue South	26-028-24-41-0073	Lot 10, Block 2, Wexler's Addition
6645 17 th Avenue South	26-028-24-41-0072	Lot 9, Block 2, Wexler's Addition
6626 18 th Avenue South	26-028-24-41-0068	Lot 5, Block 2, Wexler's Addition
6632 18 th Avenue South	26-028-24-41-0069	Lot 6, Block 2, Wexler's Addition
6638 18 th Avenue South	26-028-24-41-0070	Lot 7, Block 2, Wexler's Addition
6644 18 th Avenue South	26-028-24-41-0071	Lot 8, Block 2, Wexler's Addition
6700 18 th Avenue South	26-028-24-41-0080	Lot 1, Block 3, Wexler's Addition
6708 18 th Avenue South	26-028-24-41-0081	Lot 2, Block 3, Wexler's Addition
6714 18 th Avenue South	26-028-24-41-0082	Lot 3, Block 3, Wexler's Addition
6720 18 th Avenue South	26-028-24-41-0083	Lot 4, Block 3, Wexler's Addition
6726 18 th Avenue South	26-028-24-41-0084	Lot 5, Block 3, Wexler's Addition
6732 18 th Avenue South	26-028-24-41-0085	Lot 6, Block 3, Wexler's Addition
6738 18 th Avenue South	26-028-24-41-0086	Lot 7, Block 3, Wexler's Addition
6744 18 th Avenue South	26-028-24-41-0087	Lot 8, Block 3, Wexler's Addition
6701 18 th Avenue South	26-028-24-41-0107	Lot 16, Block 4, Wexler's Addition
6709 18 th Avenue South	26-028-24-41-0106	Lot 15, Block 4, Wexler's Addition
6721 18 th Avenue South	26-028-24-41-0104	Lot 13, Block 4, Wexler's Addition
6727 18 th Avenue South	26-028-24-41-0103	Lot 12, Block 4, Wexler's Addition
6733 18 th Avenue South	26-028-24-41-0102	Lot 11, Block 4, Wexler's Addition
6739 18 th Avenue South	26-028-24-41-0101	Lot 10, Block 4, Wexler's Addition
6745 18 th Avenue South	26-028-24-41-0100	Lot 9, Block 4, Wexler's Addition
6700 Cedar Avenue South	26-028-24-41-0096	Lots 1 and 2, Block 4, Wexler's Addition

HRA Remnant Parcels Created Following Construction of Roadway

Address	Parcel Identification No.	Legal Descriptions
6620 18 th Avenue South*	26-028-24-41-0067	Lot 4, Block 2, Wexler's Addition
6615 17 th Avenue South**	26-028-24-41-0077	Lot 14, Block 2, Wexler's Addition

**Portion of this HRA Remnant Parcel not used for roadway will become part of Platted Property.*

*** The Portion of this HRA Remnant Parcel south of the driveway will become part of Platted Property and the other portion of this HRA Remnant Parcel will be conveyed to City for a driveway and a small landscaped corner property. Developer will enter into maintenance agreement with City for the maintenance of the small landscaped corner property to the North of the driveway.*

[TO INSERT PLATTED PROPERTY DESCRIPTIONS PRIOR TO RECORDING]

*As of October 23, 2017
Draft for HRA*

**Modification to the
TAX INCREMENT FINANCING PLAN**

for the

**THE CEDAR AVENUE TAX INCREMENT FINANCING DISTRICT
(a redevelopment district)**

within

THE RICHFIELD REDEVELOPMENT PROJECT AREA

**RICHFIELD HOUSING AND REDEVELOPMENT AUTHORITY
CITY OF RICHFIELD
HENNEPIN COUNTY
STATE OF MINNESOTA**

Adopted: September 26, 2006
Modification No. 1 Public Hearing: November 28, 2017

Prepared by: EHLERS & ASSOCIATES, INC.
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(for reference purposes only)

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**SECTION I - TAX INCREMENT FINANCING PLAN
FOR THE CEDAR AVENUE TAX INCREMENT FINANCING DISTRICT**

Subsection 1-1. Foreword

The Richfield Housing and Redevelopment Authority (the "HRA"), the City of Richfield (the "City"), staff and consultants have prepared the following information to expedite the establishment of the Cedar Avenue Tax Increment Financing District (the "District"), a redevelopment tax increment financing district, located in the Richfield Redevelopment Project Area.

Subsection 1-2. Statutory Authority

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the HRA and City have certain statutory powers pursuant to *Minnesota Statutes ("M.S.")*, Sections 469.001 to 469.047, inclusive, as amended, and *M.S.*, Sections 469.174 to 469.1799, inclusive, as amended (the "Tax Increment Financing Act" or "TIF Act"), to assist in financing public costs related to this project. The HRA and City derive further statutory authority by virtue of *Laws of Minnesota 2005, Chapter 152, Article 2, Section 25*.

This section contains the Tax Increment Financing Plan (the "TIF Plan") for the District. Other relevant information is contained in the Modification to the Redevelopment Plan for the Richfield Redevelopment Project Area.

(AS MODIFIED NOVEMBER 28, 2017)

Pursuant to *Minnesota Laws 2017, First Special Session, Chapter 1, Article 6, Section 18* (the "Special Law"), the duration of the District is being extended an additional ten years. A copy of the Special Law can be found in Appendix I.

Subsection 1-3. Statement of Objectives

The District currently consists of 172 parcel(s) of land and adjacent and internal rights-of-way. The District is being created to facilitate construction of approximately 350,000 sq. ft. of retail development, 600,000 sq. ft. of office space and 600 housing units in the City of Richfield. Please see Appendix A for further project information. Contracts for this have not been entered into at the time of preparation of this TIF Plan, but development is likely to occur in 2007. This TIF Plan is expected to achieve many of the objectives outlined in the Redevelopment Plan for the Richfield Redevelopment Project Area.

The activities contemplated in the Modification to the Redevelopment Plan and the TIF Plan do not preclude the undertaking of other qualified development or redevelopment activities. These activities are anticipated to occur over the life of the Richfield Redevelopment Project Area and the District.

(AS MODIFIED NOVEMBER 28, 2017)

The District is being modified in order to remove 31 parcels for inclusion in Tax Increment Financing District No. 2017-1 (The Chamberlain) and to extend the duration of the District pursuant to the Special Law. Contracts for redevelopment have not been entered into at the time of preparation of this Modification, but development may occur in 2019. Please see Appendix A for further project information and background information on the District.

Subsection 1-4. Redevelopment Plan Overview

1. Property to be Acquired - Selected property located within the District may be acquired by the HRA or City and is further described in this TIF Plan.
2. Relocation - Relocation services, to the extent required by law, are available pursuant to *M.S., Chapter 117* and other relevant state and federal laws.
3. Upon approval of a developer's plan relating to the project and completion of the necessary legal requirements, the HRA or City may sell to a developer selected properties that it may acquire within the District or may lease land or facilities to a developer.
4. The HRA or City may perform or provide for some or all necessary acquisition, construction, relocation, demolition, and required utilities and public street work within the District.

Subsection 1-5. Description of Property in the District and Property To Be Acquired

The District encompasses all property and adjacent rights-of-way and abutting roadways identified by the parcel(s) listed below. See the map in Appendix B for further information on the location of the District.

Parcel Numbers

*See Appendix C

The HRA or City may acquire any parcel within the District including interior and adjacent street rights of way. Any properties identified for acquisition will be acquired by the HRA or City only in order to accomplish one or more of the following: storm sewer improvements; provide land for needed public streets, utilities and facilities; carry out land acquisition, site improvements, clearance and/or development to accomplish the uses and objectives set forth in this plan. The HRA or City may acquire property by gift, dedication, condemnation or direct purchase from willing sellers in order to achieve the objectives of this TIF Plan. Such acquisitions will be undertaken only when there is assurance of funding to finance the acquisition and related costs.

Subsection 1-6. Classification of the District

The HRA and City, in determining the need to create a tax increment financing district in accordance with *Laws of Minnesota 2005, Chapter 152, Article 2, Section 25*. Specifically, the enacted language is as follows:

Sec. 25. [CITY OF RICHFIELD; TAX INCREMENT FINANCING DISTRICT.]

Subdivision 1. [AUTHORIZATION.]

The City of Richfield may create a tax increment financing district consisting of an area lying west of Trunk Highway 77 extending: to 16th Avenue between Crosstown Highway 62 and 66th Street; to 17th Avenue between 66th and 69th Streets; and to 18th Avenue between 69th and 72nd Streets. The City or it's Housing and Redevelopment Authority may be the authority for the purposes of Minnesota Statutes, sections 469.174 to 469.179.

Subd. 2. [DISTRICT IS REDEVELOPMENT DISTRICT.]

The redevelopment tax increment district created pursuant to subdivision 1 is deemed to be a

redevelopment district and is subject to Minnesota Statutes, sections 469.174 to 469.179, except that:

(1) expenditures for activities as defined in Minnesota Statutes, section 469.1763, subdivision 1, paragraph (b), anywhere in the district are deemed to be the costs of correcting conditions that allow the designation of redevelopment districts pursuant to Minnesota Statutes, section 469.174, subdivision 10; and

(2) the five-year rule under Minnesota Statutes, section 469.1763, subdivision 3, does not apply.

[EFFECTIVE DATE.] This section received local approval by the City of Richfield on June 28, 2005 in compliance with Minnesota Statutes, section 645.021.

Pursuant to *M.S., Sections 469.176 Subd. 7*, the District does not contain any parcel or part of a parcel that qualified under the provisions of *M.S., Sections 273.111 or 273.112 or Chapter 473H* for taxes payable in any of the five calendar years before the filing of the request for certification of the District.

Subsection 1-7. Duration of the District

Pursuant to *M.S., Section 469.175, Subd. 1, and Section 469.176, Subd. 1*, the duration of the District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b*, the duration of the District will be 25 years after receipt of the first increment by the HRA or City (a total of 26 years of tax increment). The date of receipt by the City of the first tax increment is expected to be 2008. Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2033, or when the TIF Plan is satisfied. If increment is received in 2009, the term of the District will be 2034. The HRA or City reserves the right to decertify the District prior to the legally required date.

(AS MODIFIED NOVEMBER 28, 2017)

Pursuant to *M.S., Section 469.175, Subd. 1, and Section 469.176, Subd. 1*, the duration of the District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b*, the duration of the District will be 25 years after receipt of the first increment by the City (a total of 26 years of tax increment). Pursuant to the Special Law, the duration of District is being extended an addition ten years (for a total of 36 years of increment). The date of receipt by the City of the first increment was in 2008. Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after December 31, 2043, or when the TIF Plan is satisfied. The City reserves the right to decertify the District prior to the legally required date.

Subsection 1-8. Original Tax Capacity, Tax Rate and Estimated Captured Net Tax Capacity Value/Increment and Notification of Prior Planned Improvements

Pursuant to *M.S., Section 469.174, Subd. 7 and M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the assessor in 2006 for taxes payable 2007.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2008) the amount by which the original value has increased or decreased as a result of:

1. Change in tax exempt status of property;
2. Reduction or enlargement of the geographic boundaries of the district;
3. Change due to adjustments, negotiated or court-ordered abatements;
4. Change in the use of the property and classification;
5. Change in state law governing class rates; or
6. Change in previously issued building permits.

In any year in which the current Net Tax Capacity (NTC) value of the District declines below the ONTC, no value will be captured and no tax increment will be payable to the HRA or City.

The original local tax rate for the District will be the local tax rate for taxes payable 2007, assuming the request for certification is made before June 30, 2007. The ONTC and the Original Local Tax Rate for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. 4 and M.S., Section 469.177, Subd. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within the Richfield Redevelopment Project Area, upon completion of the project, will annually approximate tax increment revenues as shown in the following table. The HRA and City request 100 percent of the available increase in tax capacity for repayment of its obligations and current expenditures, beginning in the tax year payable 2008. The Project Tax Capacity (PTC) listed is an estimate of values when the project is completed.

WATERSHED DISTRICT NO. 0

Project Estimated Tax Capacity upon Completion (PTC)	\$4,159,167	
Original Estimated Net Tax Capacity (ONTC)	\$524,969	
Fiscal Disparities Reduction	\$862,825	
Estimated Captured Tax Capacity (CTC)	\$2,771,373	
Original Local Tax Rate	1.07715	Pay 2006
Estimated Annual Tax Increment (CTC x Local Tax Rate)	\$2,985,184	
Percent Retained by the HRA	100%	

WATERSHED DISTRICT NO. 3

Project Estimated Tax Capacity upon Completion (PTC)	\$831,833	
Original Estimated Net Tax Capacity (ONTC)	\$143,105	
Fiscal Disparities Reduction	\$163,557	
Estimated Captured Tax Capacity (CTC)	\$525,171	
Original Local Tax Rate	1.087870	Pay 2006
Estimated Annual Tax Increment (CTC x Local Tax Rate)	\$571,318	
Percent Retained by the HRA	100%	

Pursuant to *M.S., Section 469.177, Subd. 4*, the HRA shall, after a due and diligent search, accompany its request for certification to the County Auditor or its notice of the District enlargement pursuant to *M.S., Section 469.175, Subd. 4*, with a listing of all properties within the District or area of enlargement for which building permits have been issued during the eighteen (18) months immediately preceding approval of the TIF Plan by the municipality pursuant to *M.S., Section 469.175, Subd. 3*. The County Auditor shall increase the original net tax capacity of the District by the net tax capacity of improvements for which a building permit was issued.

The City has reviewed the area to be included in the District has found building permits that were issued in the past 18 months prior to the public hearing. Please see Appendix H for the building permits that were issued.

Subsection 1-9. Sources of Revenue/Bonded Indebtedness

Public improvement costs, acquisition, relocation, utilities, parking facilities, streets and sidewalks, and site preparation costs and other costs outlined in the Uses of Funds will be financed primarily through the annual collection of tax increments. The HRA or City reserves the right to use other sources of revenue legally applicable to the HRA or City and the TIF Plan, including, but not limited to, special assessments, general property taxes, state aid for road maintenance and construction, proceeds from the sale of land, other contributions from the developer and investment income, to pay for the estimated public costs.

The HRA or City reserves the right to incur bonded indebtedness or other indebtedness as a result of the TIF Plan. As presently proposed, the project will be financed by a bond issue/pay-as-you-go note/interfund loan/transfer. Additional indebtedness may be required to finance other authorized activities. The total principal amount of bonded indebtedness, including a general obligation (GO) TIF bond, or other indebtedness related to the use of tax increment financing will not exceed \$40,000,000 without a modification to the TIF Plan pursuant to applicable statutory requirements. It is estimated that \$200,000 in interfund loans will be financed with tax increment revenues. It is estimated that \$ 40,000,000 in bonded debt/loan proceeds will be financed with tax increment revenues.

This provision does not obligate the HRA or City to incur debt. The HRA or City will issue bonds or incur other debt only upon the determination that such action is in the best interest of the City. The HRA or City may also finance the activities to be undertaken pursuant to the TIF Plan through loans from funds of the HRA or City or to reimburse the developer on a "pay-as-you-go" basis for eligible costs paid for by a developer.

The estimated sources of funds for the District are contained in the table below.

SOURCES OF FUNDS	TOTAL
Tax Increment	\$88,000,000
PROJECT REVENUES	\$88,000,000
Interfund Loans	\$200,000
Bond Principal	\$10,000,000
TIF Note Principal	\$30,000,000

The other financing sources list above is included for purposes of OSA reporting for the TIF District. It is not intended to be cumulative. Transfers are included in case money is moved from one fund to another before an expenditure.

Subsection 1-10. Uses of Funds

Currently under consideration for the District is a proposal to facilitate construction of approximately 350,000 sq. ft. of retail development, 600,000 sq. ft. of office space and 600 housing units. The HRA and City have determined that it will be necessary to provide assistance to the project for certain costs. The HRA has studied the feasibility of the development or redevelopment of property in and around the District. To facilitate the establishment and development or redevelopment of the District, this TIF Plan authorizes the use of tax increment financing to pay for the cost of certain eligible expenses. The estimate of public costs and uses of funds associated with the District is outlined in the following table.

USES OF FUNDS	TOTAL
Land/Building Acquisition	\$21,940,000
Site Improvements/Preparation	\$3,640,000
Public Utilities	\$3,640,000
Public Parking Facilities	\$3,640,000
Streets and Sidewalks	\$3,640,000
Interest	\$42,700,000
Administrative Costs (up to 10%)	\$8,800,000
PROJECT COSTS TOTAL	\$88,000,000
Interfund Loans	\$200,000
Bond Principal	\$10,000,000
TIF Note Principal	\$30,000,000

The other financing uses listed above is included for purposes of OSA reporting for the TIF District. It is not intended to be cumulative. Transfers are included in case money is moved from one fund to another before an expenditure. TIF is expected to be used for the project costs listed above, which is a not-to-exceed budget

rather than an expected budget of costs.

Pursuant to *M.S., Section 469.175, Subd. 1 (5)*, it is estimated that the cost of improvements, including administrative expenses which will be paid or financed with tax increments, will equal \$88,000,000. For purposes of OSA reporting forms, it is estimated that the cost of improvements, including financing which will be paid for with tax increment will equal \$128,200,000 as is presented in the budget above.

Estimated costs associated with the District are subject to change among categories without a modification to this TIF Plan. The cost of all activities to be considered for tax increment financing will not exceed, without formal modification, the budget above pursuant to the applicable statutory requirements. Pursuant to *M.S., Section 469.1763, Subd. 2*, no more than 25 percent of the tax increment paid by property within the District will be spent on activities related to development or redevelopment outside of the District but within the boundaries of the Richfield Redevelopment Project Area, (including administrative costs, which are considered to be spent outside of the District) subject to the limitations as described in this TIF Plan.

Subsection 1-11. Fiscal Disparities Election

Pursuant to *M.S., Section 469.177, Subd. 3*, the HRA or City may elect one of two methods to calculate fiscal disparities. If the calculations pursuant to *M.S., Section 469.177, Subd. 3, clause b*, (within the District) are followed, the following method of computation shall apply:

- (1) The original net tax capacity shall be determined before the application of the fiscal disparity provisions of Chapter 276A or 473F. The current net tax capacity shall exclude any fiscal disparity commercial-industrial net tax capacity increase between the original year and the current year multiplied by the fiscal disparity ratio determined pursuant to M.S., Section 276A.06, subdivision 7 or M.S., Section 473F.08, subdivision 6. Where the original net tax capacity is equal to or greater than the current net tax capacity, there is no captured tax capacity and no tax increment determination. Where the original tax capacity is less than the current tax capacity, the difference between the original net tax capacity and the current net tax capacity is the captured net tax capacity. This amount less any portion thereof which the authority has designated, in its tax increment financing plan, to share with the local taxing districts is the retained captured net tax capacity of the authority.*
- (2) The county auditor shall exclude the retained captured net tax capacity of the authority from the net tax capacity of the local taxing districts in determining local taxing district tax rates. The local tax rates so determined are to be extended against the retained captured net tax capacity of the authority as well as the net tax capacity of the local taxing districts. The tax generated by the extension of the less of (A) the local taxing district tax rates or (B) the original local tax rate to the retained captured net tax capacity of the authority is the tax increment of the authority.*

The HRA will choose to calculate fiscal disparities by clause b.

According to *M.S., Section 469.177, Subd. 3*:

- (c) The method of computation of tax increment applied to a district pursuant to paragraph (a) or (b) shall remain the same for the duration of the district, except that the governing body may elect to change its election from the method of computation in paragraph (a) to the method in paragraph (b).*

Subsection 1-12. Business Subsidies

Pursuant to *M.S. Sections 116J.993, Subd. 3*, the following forms of financial assistance are not considered a business subsidy:

- (1) A business subsidy of less than \$25,000;
- (2) Assistance that is generally available to all businesses or to a general class of similar businesses, such as a line of business, size, location, or similar general criteria;
- (3) Public improvements to buildings or lands owned by the state or local government that serve a public purpose and do not principally benefit a single business or defined group of businesses at the time the improvements are made;
- (4) Redevelopment property polluted by contaminants as defined in *M.S., Section 116J.552, Subd. 3*;
- (5) Assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code and assistance provided for designated historic preservation districts, provided that the assistance is equal to or less than 50% of the total cost;
- (6) Assistance to provide job readiness and training services if the sole purpose of the assistance is to provide those services;
- (7) Assistance for housing;
- (8) Assistance for pollution control or abatement, including assistance for a tax increment financing hazardous substance subdistrict as defined under *M.S., Section 469.174, Subd. 23*;
- (9) Assistance for energy conservation;
- (10) Tax reductions resulting from conformity with federal tax law;
- (11) Workers' compensation and unemployment compensation;
- (12) Benefits derived from regulation;
- (13) Indirect benefits derived from assistance to educational institutions;
- (14) Funds from bonds allocated under chapter 474A, bonds issued to refund outstanding bonds, and bonds issued for the benefit of an organization described in section 501 (c) (3) of the Internal Revenue Code of 1986, as amended through December 31, 1999;
- (15) Assistance for a collaboration between a Minnesota higher education institution and a business;
- (16) Assistance for a tax increment financing soils condition district as defined under *M.S., Section 469.174, Subd. 19*;
- (17) Redevelopment when the recipient's investment in the purchase of the site and in site preparation is 70 percent or more of the assessor's current year's estimated market value;
- (18) General changes in tax increment financing law and other general tax law changes of a principally technical nature.
- (19) Federal assistance until the assistance has been repaid to, and reinvested by, the state or local government agency;
- (20) Funds from dock and wharf bonds issued by a seaway port authority;
- (21) Business loans and loan guarantees of \$75,000 or less; and
- (22) Federal loan funds provided through the United States Department of Commerce, Economic Development Administration.

The HRA will comply with *M.S., Section 116J.993 to 116J.995* to the extent the tax increment assistance under this TIF Plan does not fall under any of the above exemptions.

(AS MODIFIED NOVEMBER 28, 2017, TO INCLUDE LANGUAGE IN CURRENT LAW)

Pursuant to *M.S., Section 116J.993, Subd. 3*, the following two items related to what is considered a business subsidy were increased from \$75,000 to \$150,000:

- (1) A business subsidy of less than \$150,000;
- (21) Business loans and loan guarantees of \$150,000 or less;

In addition, an additional form of financial assistance is not considered a business subsidy:

- (23) Property tax abatements granted under *M.S., Section 469.1813* to property that is subject to valuation under Minnesota Rules, chapter 8100.

The HRA will comply with *M.S., Sections 116J.993 to 116J.995* to the extent the tax increment assistance under this TIF Plan does not fall under any of the above exemptions in this Subsection.

Subsection 1-13. County Road Costs

Pursuant to *M.S., Section 469.175, Subd. 1a*, the county board may require the HRA or City to pay for all or part of the cost of county road improvements if the proposed development to be assisted by tax increment will, in the judgement of the county, substantially increase the use of county roads requiring construction of road improvements or other road costs and if the road improvements are not scheduled within the next five years under a capital improvement plan or within five years under another county plan.

If the county elects to use increments to improve county roads, it must notify the HRA or City within forty-five days of receipt of this TIF Plan. The HRA and City are aware that the county could claim that tax increment should be used for county roads, even after the public hearing.

Subsection 1-14. Estimated Impact on Other Taxing Jurisdictions

The estimated impact on other taxing jurisdictions assumes that the redevelopment contemplated by the TIF Plan would occur without the creation of the District. However, the HRA or City has determined that such development or redevelopment would not occur "but for" tax increment financing and that, therefore, the fiscal impact on other taxing jurisdictions is \$0. The estimated fiscal impact of the District would be as follows if the "but for" test was not met:

IMPACT ON TAX BASE			
	<u>2005/2006 Total Net Tax Capacity</u>	<u>Estimated Captured Tax Capacity (CTC) Upon Completion</u>	<u>Percent of CTC to Entity Total</u>
Hennepin County	1,229,390,982	3,314,080	0.2696%
City of Richfield	26,793,818	3,314,080	12.3688%
ISD No. 280	32,426,328	3,314,080	10.2203%

WATERSHED DISTRICT NO. 0

IMPACT ON TAX RATES

	<u>2005/2006 Extension Rates</u>	<u>Percent of Total</u>	<u>CTC</u>	<u>Potential Taxes</u>
Hennepin County	0.410160	38.08%	2,771,373	1,136,706
City of Richfield	0.404970	37.60%	2,771,373	1,122,323
ISD No. 280	0.192040	17.83%	2,771,373	532,214
Other	<u>0.069980</u>	<u>6.50%</u>	<u>2,771,373</u>	<u>193,941</u>
Total	1.077150	100.00%		2,985,184

WATERSHED DISTRICT NO 3

IMPACT ON TAX RATES

	<u>2005/2006 Extension Rates</u>	<u>Percent of Total</u>	<u>CTC</u>	<u>Potential Taxes</u>
Hennepin County	0.410160	37.70%	525,171	215,404
City of Richfield	0.404970	37.23%	525,171	212,678
ISD No. 280	0.192040	17.65%	525,171	100,854
Other	<u>0.080700</u>	<u>7.42%</u>	<u>525,171</u>	<u>42,381</u>
Total	1.087870	100.00%		571,318

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the actual 2005/Pay 2006 rate. The total net capacity for the entities listed above are based on actual Pay 2006 figures. The District will be certified under the actual 2006/Pay 2007 rates, which were unavailable at the time this TIF Plan was prepared. The cashflows assume a 1% inflation rate.

Pursuant to *M.S. Section 469.175 Subd. 2(b)*:

- (1) Estimate of total tax increment. It is estimated that the total amount of tax increment that will be generated over the life of the District is \$88,000,000.
- (2) Probable impact of the District on city provided services and ability to issue debt. While, an impact on the District on police protection is expected, the degree of impact is uncertain. With new residents and businesses, police calls for service may increase. New development will increase vehicular traffic and additional overall demands to the call load. Even though call demand is expected to increase, the City does not expect that the proposed development, in and of itself, will necessitate new capital investment in equipment or require the City hire additional employees.

The probable impact of the District on fire protection should be negligible. An increase in service calls can be expected due to the increase in the density of development; however, new buildings typically generate few calls, if any, because of superior construction and fire sprinklers. None of the existing buildings, which will be eliminated by the new development, have fire sprinkler systems.

The impact of the District on Parks should be insignificant. Recreational Services has two costs associated with its operations: Program Costs and Capital Costs. Program costs are funded by user

fees. If more programs are added as a result of the District, the additional programs will be entirely funded by user fees. If Capital Costs are needed for new facilities, the District and developments within would be contributors. Therefore, it is anticipated that the District will have a negligible impact on the Department's existing infrastructure.

The District should benefit public infrastructure. There should be a net reduction in miles of public streets and a corresponding reduction in public street lighting. This reduces the maintenance costs for Public Works. Land parcels for development will generally be larger than existing land parcels. While new development will be at increased densities, the number of water and sanitary sewer lines will be reduced making for lower maintenance costs for the City. Also, the proposed development densities can be accommodated with existing capacity of the water and sanitary sewer infrastructure. The new development may require additional storm water treatment but this should be funded by the developer(s).

Traffic resulting from the new development will increase over existing traffic volumes. However, both East 66th Street and the Highway 77 interchange at 66th Street have been upgraded to accommodate increased traffic volumes. The District will require a new north-south road that extends from 67th Street south to 72nd Street to serve the new development. The new road will likely be located generally between the existing 17th and 18th Avenues, and will be designed as a parkway. Financing for the new road will be folded into financing for the new private redevelopment.

The probable impact of any debt issuance within the District on the main operating fund of the city is expected to be minimal. In addition, the ability of the City to issue future debt will not be affected by the creation of this TIF District.

- (3) Estimated amount of tax increment attributable to school district levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same is \$16,459,768;
- (4) Estimated amount of tax increment attributable to county levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same is \$35,154,860;
- (5) Additional information requested by the county or school district. The City is not aware of any standard questions in a county or school district written policy regarding tax increment districts and impact on county or school district services. The county or school district must request additional information pursuant to *M.S. Section 469.175 Subd. 2(b)* within 15 days after receipt of the tax increment financing plan.

No requests for additional information from the county or school district regarding the proposed development for the District have been received.

Subsection 1-15. Supporting Documentation

Pursuant to *M.S. Section 469.175 Subd 1, clause 7* the TIF Plan must contain identification and description of studies and analyses used to make the determination set forth in *M.S. Section 469.175 Subd 3, clause (b)(2)* and the findings are required in the resolution approving the District. Following is a list of reports and studies on file at the City that support the Authority's findings:

- Cedar Avenue Corridor Redevelopment Concept Master Plan, JLG Architects, September 2004
- Acoustical Construction - Baseline Measurements, Orfield Laboratories, Inc., December 30, 2004
- Acoustical Construction Criteria, Orfield Laboratories, Inc., January 13, 2005
- Acoustical Construction Criteria, Orfield Laboratories, Inc., May 18, 2005
- Roadway and Transit Assessment of Cedar Avenue Corridor Transit Oriented Development, WSB & Associates, Inc., January 10, 2005
- Legislative Summary 2005, John Choi, Kennedy & Graven, Chartered
- House Research Summary 2005, Joel Michael, House Research

Subsection 1-16. Definition of Tax Increment Revenues

Pursuant to *M.S., Section 469.174, Subd. 25*, tax increment revenues derived from a tax increment financing district include all of the following potential revenue sources:

1. Taxes paid by the captured net tax capacity, but excluding any excess taxes, as computed under *M.S., Section 469.177*;
2. The proceeds from the sale or lease of property, tangible or intangible, to the extent the property was purchased by the Authority with tax increments;
3. Principal and interest received on loans or other advances made by the Authority with tax increments;
4. Interest or other investment earnings on or from tax increments;
5. Repayments or return of tax increments made to the Authority under agreements for districts for which the request for certification was made after August 1, 1993; and
6. The market value homestead credit paid to the Authority under *M.S., Section 273.1384*.

Subsection 1-17. Modifications to the District

In accordance with *M.S., Section 469.175, Subd. 4*, any:

1. Reduction or enlargement of the geographic area of the District, if the reduction does not meet the requirements of *M.S., Section 469.175, Subd. 4(e)*;
2. Increase in amount of bonded indebtedness to be incurred;
3. A determination to capitalize interest on debt if that determination was not a part of the original TIF Plan;
4. Increase in the portion of the captured net tax capacity to be retained by the HRA or City;
5. Increase in the estimate of the cost of the project, including administrative expenses, that will be paid or financed with tax increment from the District; or
6. Designation of additional property to be acquired by the HRA or City,

shall be approved upon the notice and after the discussion, public hearing and findings required for approval of the original TIF Plan.

Pursuant to *M.S. Section 469.175 Subd. 4(f)*, the geographic area of the District may be reduced, but shall not be enlarged after five years following the date of certification of the original net tax capacity by the county auditor. If a redevelopment district is enlarged, the reasons and supporting facts for the determination that the addition to the district meets the criteria of *M.S., Section 469.174, Subd. 10*, paragraph (a), clauses (1) to (5), must be documented in writing and retained. The requirements of this paragraph do not apply if (1) the only modification is elimination of parcel(s) from the District and (2) (A) the current net tax capacity of the parcel(s) eliminated from the District equals or exceeds the net tax capacity of those parcel(s) in the District's original net tax capacity or (B) the HRA agrees that, notwithstanding *M.S., Section 469.177, Subd. 1*, the original net tax capacity will be reduced by no more than the current net tax capacity of the parcel(s)

eliminated from the District.

The HRA or City must notify the County Auditor of any modification that reduces or enlarges the geographic area of the District. Modifications to the District in the form of a budget modification or an expansion of the boundaries will be recorded in the TIF Plan.

Subsection 1-18. Administrative Expenses

In accordance with *M.S., Section 469.174, Subd. 14*, administrative expenses means all expenditures of the HRA or City, *other than*:

1. Amounts paid for the purchase of land;
2. Amounts paid to contractors or others providing materials and services, including architectural and engineering services, directly connected with the physical development of the real property in the project;
3. Relocation benefits paid to or services provided for persons residing or businesses located in the project; or
4. Amounts used to pay principal or interest on, fund a reserve for, or sell at a discount bonds issued pursuant to *M.S., Section 469.178*; or
5. Amounts used to pay other financial obligations to the extent those obligations were used to finance costs described in clauses (1) to (3).

For districts for which the request for certification were made before August 1, 1979, or after June 30, 1982, administrative expenses also include amounts paid for services provided by bond counsel, fiscal consultants, and planning or economic development consultants. Pursuant to *M.S., Section 469.176, Subd. 3*, tax increment may be used to pay any **authorized and documented** administrative expenses for the District up to but not to exceed 10 percent of the total estimated tax increment expenditures authorized by the TIF Plan or the total tax increments, as defined by *M.S., Section 469.174, Subd. 25, clause (1)*, from the District, whichever is less.

Pursuant to *M.S., Section 469.176, Subd. 4h*, tax increments may be used to pay for the County's actual administrative expenses incurred in connection with the District. The county may require payment of those expenses by February 15 of the year following the year the expenses were incurred.

Pursuant to *M.S., Section 469.177, Subd. 11*, the County Treasurer shall deduct an amount (currently .36 percent) of any increment distributed to the HRA or City and the County Treasurer shall pay the amount deducted to the State Treasurer for deposit in the state general fund to be appropriated to the State Auditor for the cost of financial reporting of tax increment financing information and the cost of examining and auditing authorities' use of tax increment financing. This amount may be adjusted annually by the Commissioner of Revenue.

Subsection 1-19. Limitation of Increment

The tax increment pledged to the payment of bonds and interest thereon may be discharged and the District may be terminated if sufficient funds have been irrevocably deposited in the debt service fund or other escrow account held in trust for all outstanding bonds to provide for the payment of the bonds at maturity or redemption date.

Pursuant to *M.S., Section 469.176, Subd. 6*:

if, after four years from the date of certification of the original net tax capacity of the tax increment financing district pursuant to M.S., Section 469.177, no demolition, rehabilitation or renovation of property or other site preparation, including qualified improvement of a street adjacent to a parcel but not installation of utility service including sewer or water systems, has been commenced on a parcel located within a tax increment financing district by the authority or by the owner of the parcel in accordance with the tax increment financing plan, no additional tax increment may be taken from that parcel and the original net tax capacity of that parcel shall be excluded from the original net tax capacity of the tax increment financing district. If the authority or the owner of the parcel subsequently commences demolition, rehabilitation or renovation or other site preparation on that parcel including qualified improvement of a street adjacent to that parcel, in accordance with the tax increment financing plan, the authority shall certify to the county auditor that the activity has commenced and the county auditor shall certify the net tax capacity thereof as most recently certified by the commissioner of revenue and add it to the original net tax capacity of the tax increment financing district. The county auditor must enforce the provisions of this subdivision. The authority must submit to the county auditor evidence that the required activity has taken place for each parcel in the district. The evidence for a parcel must be submitted by February 1 of the fifth year following the year in which the parcel was certified as included in the district. For purposes of this subdivision, qualified improvements of a street are limited to (1) construction or opening of a new street, (2) relocation of a street, and (3) substantial reconstruction or rebuilding of an existing street.

The HRA or City or a property owner must improve parcels within the District by approximately September, 2010 and report such actions to the County Auditor.

(AS MODIFIED NOVEMBER 28, 2017, TO INCLUDE LANGUAGE IN CURRENT LAW)

In 2009 M.S., Section 469.176, Subd. 6 was amended to include Subd 6(b) which reads:

For districts which were certified on or after January 1, 2005, and before April 20, 2009, the four-year period under paragraph (a) is increased to six years.

This District was certified on May 21, 2007. Since it meets the requirement of the updated language in the law, the new date by which qualifying activities must take place on or adjacent to any parcel in the District is May 2013.

Subsection 1-20. Use of Tax Increment

The HRA or City hereby determines that it will use 100 percent of the captured net tax capacity of taxable property located in the District for the following purposes:

1. To pay the principal of and interest on bonds issued to finance a project;
2. To finance, or otherwise pay public redevelopment costs of the Richfield Redevelopment Project Area pursuant to the M.S., Sections 469.001 to 469.047;
3. To pay for project costs as identified in the budget set forth in the TIF Plan;
4. To finance, or otherwise pay for other purposes as provided in M.S., Section 469.176, Subd. 4;
5. To pay principal and interest on any loans, advances or other payments made to or on behalf of the HRA or City or for the benefit of the Richfield Redevelopment Project Area by a developer;
6. To finance or otherwise pay premiums and other costs for insurance or other security guaranteeing the payment when due of principal of and interest on bonds pursuant to the TIF Plan or pursuant to M.S., Chapter 462C. M.S., Sections 469.152 through 469.165, and/or M.S., Sections 469.178; and
7. To accumulate or maintain a reserve securing the payment when due of the principal and interest on

the tax increment bonds or bonds issued pursuant to *M.S., Chapter 462C, M.S., Sections 469.152 through 469.165*, and/or *M.S., Sections 469.178*.

These revenues shall not be used to circumvent any levy limitations applicable to the City nor for other purposes prohibited by *M.S., Section 469.176, Subd. 4*.

Tax increments generated in the District will be paid by Hennepin County to the HRA for the Tax Increment Fund of said District. The HRA or City will pay to the developer(s) annually an amount not to exceed an amount as specified in a developer's agreement to reimburse the costs of land acquisition, public improvements, demolition and relocation, site preparation, and administration. Remaining increment funds will be used for HRA or City administration (up to 10 percent) and the costs of public improvement activities outside the District.

Subsection 1-21. Excess Increments

Excess increments, as defined in *M.S., Section 469.176, Subd. 2*, shall be used only to do one or more of the following:

1. Prepay any outstanding bonds;
2. Discharge the pledge of tax increment for any outstanding bonds;
3. Pay into an escrow account dedicated to the payment of any outstanding bonds; or
4. Return the excess to the County Auditor for redistribution to the respective taxing jurisdictions in proportion to their local tax rates.

The HRA or City must spend or return the excess increments under paragraph (c) within nine months after the end of the year. In addition, the HRA or City may, subject to the limitations set forth herein, choose to modify the TIF Plan in order to finance additional public costs in the Richfield Redevelopment Project Area or the District.

Subsection 1-22. Requirements for Agreements with the Developer

The HRA or City will review any proposal for private development to determine its conformance with the Redevelopment Plan and with applicable municipal ordinances and codes. To facilitate this effort, the following documents may be requested for review and approval: site plan, construction, mechanical, and electrical system drawings, landscaping plan, grading and storm drainage plan, signage system plan, and any other drawings or narrative deemed necessary by the HRA or City to demonstrate the conformance of the development with City plans and ordinances. The HRA or City may also use the Agreements to address other issues related to the development.

Pursuant to *M.S., Section 469.176, Subd. 5*, no more than 25 percent, by acreage, of the property to be acquired in the District as set forth in the TIF Plan shall at any time be owned by the HRA or City as a result of acquisition with the proceeds of bonds issued pursuant to *M.S., Section 469.178* to which tax increments from property acquired is pledged, unless prior to acquisition in excess of 25 percent of the acreage, the HRA or City concluded an agreement for the development or redevelopment of the property acquired and which provides recourse for the HRA or City should the development or redevelopment not be completed.

Subsection 1-23. Assessment Agreements

Pursuant to *M.S., Section 469.177, Subd. 8*, the HRA or City may enter into a written assessment agreement in recordable form with the developer of property within the District which establishes a minimum market

value of the land and completed improvements for the duration of the District. The assessment agreement shall be presented to the County Assessor who shall review the plans and specifications for the improvements to be constructed, review the market value previously assigned to the land upon which the improvements are to be constructed and, so long as the minimum market value contained in the assessment agreement appears, in the judgment of the assessor, to be a reasonable estimate, the County Assessor shall also certify the minimum market value agreement.

Subsection 1-24. Administration of the District

Administration of the District will be handled by the Community Development Director.

Subsection 1-25. Annual Disclosure Requirements

Pursuant to *M.S., Section 469.175, Subd. 5, 6, and 6b* the HRA or City must undertake financial reporting for all tax increment financing districts to the Office of the State Auditor, County Board and County Auditor on or before August 1 of each year. *M.S., Section 469.175, Subd. 5* also provides that an annual statement shall be published in a newspaper of general circulation in the City on or before August 15.

If the City fails to make a disclosure or submit a report containing the information required by *M.S., Section 469.175 Subd. 5 and Subd. 6*, the OSA will direct the County Auditor to withhold the distribution of tax increment from the District.

Subsection 1-26. Reasonable Expectations

As required by the TIF Act, in establishing the District, the determination has been made that the anticipated development would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the TIF Plan. In making said determination, reliance has been placed upon written representation made by the developer to such effects and upon HRA and City staff awareness of the feasibility of developing the project site. A comparative analysis of estimated market values both with and without establishment of the District and the use of tax increments has been performed as described above. Such analysis is included with the cashflow in Appendix D, and indicates that the increase in estimated market value of the proposed development (less the indicated subtractions) exceeds the estimated market value of the site absent the establishment of the District and the use of tax increments.

Subsection 1-27. Other Limitations on the Use of Tax Increment

1. General Limitations. All revenue derived from tax increment shall be used in accordance with the TIF Plan. The revenues shall be used to finance, or otherwise pay public redevelopment costs of the Richfield Redevelopment Project Area pursuant to the *M.S., Sections 469.001 to 469.047*. Tax increments may not be used to circumvent existing levy limit law. No tax increment may be used for the acquisition, construction, renovation, operation, or maintenance of a building to be used primarily and regularly for conducting the business of a municipality, county, school district, or any other local unit of government or the state or federal government. This provision does not prohibit the use of revenues derived from tax increments for the construction or renovation of a parking structure.
2. Pooling Limitations. At least 75 percent of tax increments from the District must be expended on

activities in the District or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities within said district or to pay, or secure payment of, debt service on credit enhanced bonds. Not more than 25 percent of said tax increments may be expended, through a development fund or otherwise, on activities outside of the District except to pay, or secure payment of, debt service on credit enhanced bonds. For purposes of applying this restriction, all administrative expenses must be treated as if they were solely for activities outside of the District.

3. Five Year Limitation on Commitment of Tax Increments. Pursuant to *Laws of Minnesota 2005, Chapter 152, Article 2, Section 25 Subd 2*:

(2) the five-year rule under Minnesota Statutes, section 469.1763, subdivision 3, does not apply.

4. Redevelopment District. Pursuant to *Laws of Minnesota 2005, Chapter 152, Article 2, Section 25 Subd 2*:

(1) expenditures for activities as defined in Minnesota Statutes, section 469.1763, subdivision 1, paragraph (b), anywhere in the district are deemed to be the costs of correcting conditions that allow the designation of redevelopment districts pursuant to Minnesota Statutes, section 469.174, subdivision 10;

Subsection 1-28. Summary

The Richfield Housing and Redevelopment Authority is establishing the District to preserve and enhance the tax base, redevelop substandard areas, and provide employment opportunities in the City. The TIF Plan for the District was prepared by Ehlers & Associates, Inc., 3060 Centre Pointe Drive, Roseville, Minnesota 55113, telephone (651) 697-8500.

APPENDIX A PROJECT DESCRIPTION

In 1996, the Minnesota State Legislature made a decision that the Minneapolis-St. Paul International airport (MSP) would remain and expand at its current location. Expansion included the construction of a new North/South Runway, and independent studies confirmed that the noise from this runway - believed to be the closest that any similar runway has been built to an existing residential area in the country - would be incompatible with the adjacent predominantly residential land uses. Based on decibel level studies, the City identified a redevelopment area which essentially included land bounded by Highway 62 to the north, Interstate 494 to the south, Highway 77 to the east, and 16th Avenue to the west. In 1999, a redevelopment plan was created. (See Subsection 2-15).

Since that time, additional sound studies completed in 2000 revised the noise impact area to include land bounded by Highway 62 to the north, 72nd Street to the south, Highway 77 to the east, and a jogged profile from approximately 16th Avenue at the north end of the site to 18th Avenue at the south end. (See Subsection 2-15).

Expansion work at the Minneapolis-St. Paul Airport has presented tremendous challenges and opportunities for the City of Richfield. The construction of a new north-south runway at the westernmost area of the airport site and its resulting low-frequency noise levels have made it essential for the City to revision its eastern edge. The existing land-use, essentially single family residential, is no longer an appropriate neighbor for the airport. These challenges have given rise to opportunities for development that serve the future of the City of Richfield and help to mitigate the problems caused by the airport expansion.

JLG Architects was contracted in 2004 to prepare a new land-use master plan based on these new parameters. In 2005 WSB & Associates, Inc. prepared a Roadway and Transit Assessment that suggests the overall proposed redevelopment is anticipated to consist of the following primary components:

- Approximately 350,000 square feet of new retail development
- Approximately 600,000 square feet of new office space
- Approximately 600 new housing units

After completing various financial feasibility models it was determined that Tax Increment Financing was needed to make the project feasible.

Also in 2005 the City of Richfield requested and received special Tax Increment Financing legislation for this area. (See Subsection 2-6).

(AS MODIFIED NOVEMBER 28, 2017)

In 2006, the City and HRA established the Cedar Avenue TIF District as a result of decisions made by the Minnesota State Legislature to keep the MSP airport in its current location, and as an effort of the City to be proactive with its redevelopment efforts. The TIF District was established to encourage new commercial and housing development instead of capital and people moving to newer developing communities.

The Financial Crisis of 2007-2008 marked the start of a recession that continued into 2009. During this period and for several years following, development slowed or halted, and the type of development contemplated for the area changed.

The Cedar Avenue TIF District received inflationary increment in the first year starting the term of the District. Market values then declined and increment was not generated over the past eight years.

During this time the City and HRA considered multiple development proposals; however, for a variety of reasons, none of the projects moved forward. In 2013, the City issued General Obligation Improvement Bonds to acquire properties and construct Richfield Parkway (Series 2013A Bonds) in the north portion of the District.

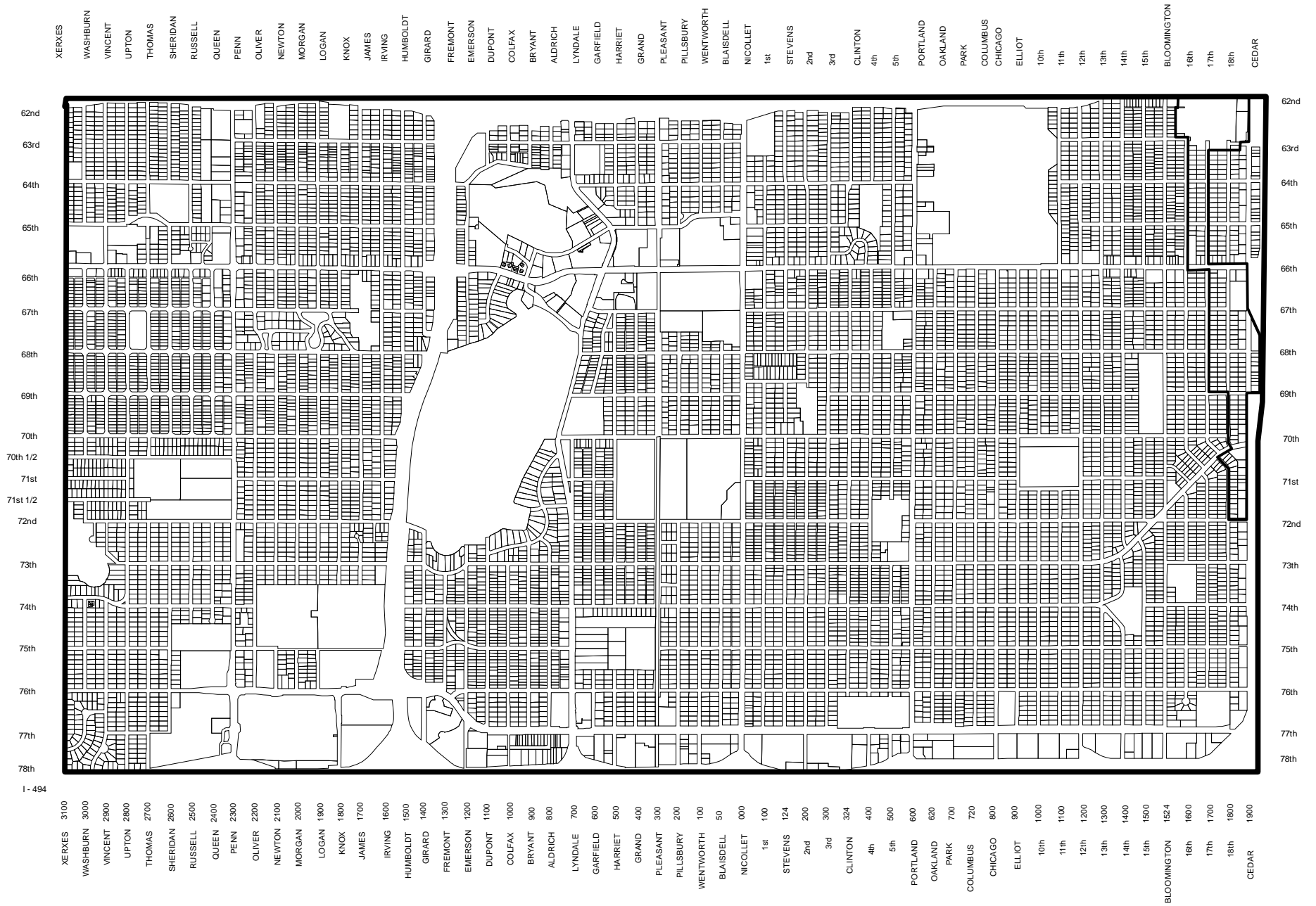
In 2017 the City of Richfield received special legislation to extend the term of the Cedar Avenue TIF District (see Appendix I). The City and HRA have not entered into an agreement, but anticipate housing and retail development in the District. It is anticipated that development may occur in 2019.

APPENDIX B

MAP(S) OF THE RICHFIELD REDEVELOPMENT PROJECT AREA AND THE DISTRICT

RICHFIELD REDEVELOPMENT PROJECT AREA

Cedar Corridor Tax Increment Financing District



Cedar Corridor Tax Increment Financing District

Redevelopment Project Area

0 1,150 2,300 4,600 6,900 9,200
Feet

07/13/06

APPENDIX C

DESCRIPTION OF PROPERTY TO BE INCLUDED IN THE DISTRICT

The District encompasses all property and adjacent rights-of-way and abutting roadways identified by the parcels listed below.

PARCEL	ADDRESS
2502824320001	6733 CEDAR AVE S
2502824330054	6841 CEDAR AVE S
2502824330055	6839 CEDAR AVE S
2502824330056	6833 CEDAR AVE S
2502824330057	6829 CEDAR AVE S
2502824330058	6825 CEDAR AVE S
2502824330059	6821 CEDAR AVE S
2502824330060	6813 CEDAR AVE S
2502824330061	6809 CEDAR AVE S
2502824330062	6801 CEDAR AVE S
2602824110002	6300 18TH AVE S
2602824110033	6309 16TH AVE S
2602824110034	6315 16TH AVE S
2602824110035	6321 16TH AVE S
2602824110036	6327 16TH AVE S
2602824110037	6333 16TH AVE S
2602824110038	6339 16TH AVE S
2602824110039	6345 16TH AVE S
2602824110040	6344 17TH AVE S
2602824110041	6338 17TH AVE S
2602824110042	6332 17TH AVE S
2602824110043	6326 17TH AVE S
2602824110044	6320 17TH AVE S
2602824110045	6314 17TH AVE S
2602824110062	6309 18TH AVE S
2602824140001	6541 16TH AVE S
2602824140002	6509 16TH AVE S
2602824140003	6501 16TH AVE S
2602824140004	6401 16TH AVE S
2602824140005	6409 16TH AVE S
2602824140006	6415 16TH AVE S
2602824140007	6421 16TH AVE S
2602824140008	6427 16TH AVE S
2602824140009	6433 16TH AVE S
2602824140010	6439 16TH AVE S
2602824140011	6445 16TH AVE S
2602824140012	6444 17TH AVE S
2602824140013	6438 17TH AVE S
2602824140014	6432 17TH AVE S
2602824140015	6426 17TH AVE S
2602824140016	6420 17TH AVE S
2602824140017	6414 17TH AVE S

2602824140018	6408 17TH AVE S
2602824140019	6400 17TH AVE S
2602824140020	6500 17TH AVE S
2602824140021	6508 17TH AVE S
2602824140022	6514 17TH AVE S
2602824140023	6520 17TH AVE S
2602824140024	6526 17TH AVE S
2602824140025	6532 17TH AVE S
2602824140122	1620 66TH ST E
2602824140123	1614 66TH ST E
2602824410001	6607 18TH AVE S
2602824410002	660 CEDAR AVE S
2602824410063	6636 CEDAR AVE S
2602824410066	6614 18TH AVE S
2602824410067	6620 18TH AVE S
2602824410068	6626 18TH AVE S
2602824410069	6632 18TH AVE S
2602824410070	6638 18TH AVE S
2602824410071	6644 18TH AVE S
2602824410072	6645 17TH AVE S
2602824410073	6639 17TH AVE S
2602824410074	6633 17TH AVE S
2602824410075	6627 17TH AVE S
2602824410076	6621 17TH AVE S
2602824410077	6615 17TH AVE S
2602824410078	6609 17TH AVE S
2602824410079	6601 17TH AVE S
2602824410080	6700 18TH AVE S
2602824410081	6708 18TH AVE S
2602824410082	6714 18TH AVE S
2602824410083	6720 18TH AVE S
2602824410084	6726 18TH AVE S
2602824410085	6732 18TH AVE S
2602824410086	6738 18TH AVE S
2602824410087	6744 18TH AVE S
2602824410088	6745 17TH AVE S
2602824410089	6739 17TH AVE S
2602824410090	6733 17TH AVE S
2602824410091	6727 17TH AVE S
2602824410092	6721 17TH AVE S
2602824410093	6715 17TH AVE S
2602824410094	6709 17TH AVE S
2602824410095	6701 17TH AVE S
2602824410096	6700 CEDAR AVE S
2602824410097	6720 CEDAR AVE S
2602824410098	6730 CEDAR AVE S
2602824410099	6744 CEDAR AVE S
2602824410100	6745 18TH AVE S
2602824410101	6739 18TH AVE S
2602824410102	6733 18TH AVE S

2602824410103	6727 18TH AVE S
2602824410104	6721 18TH AVE S
2602824410105	6715 18TH AVE S
2602824410106	6709 18TH AVE S
2602824410107	6701 18TH AVE S
2602824410108	1717 66TH ST E
2602824440001	6800 CEDAR AVE S
2602824440002	6808 CEDAR AVE S
2602824440003	6814 CEDAR AVE S
2602824440004	6820 CEDAR AVE S
2602824440005	6826 CEDAR AVE S
2602824440006	6832 CEDAR AVE S
2602824440007	6838 CEDAR AVE S
2602824440008	6844 CEDAR AVE S
2602824440009	6845 18TH AVE S
2602824440010	6839 18TH AVE S
2602824440011	6833 18TH AVE S
2602824440012	6827 18TH AVE S
2602824440013	6821 18TH AVE S
2602824440014	6815 18TH AVE S
2602824440015	6809 18TH AVE S
2602824440016	6801 18TH AVE S
2602824440017	6800 18TH AVE S
2602824440018	6808 18TH AVE S
2602824440019	6814 18TH AVE S
2602824440020	6820 18TH AVE S
2602824440021	6826 18TH AVE S
2602824440022	6832 18TH AVE S
2602824440023	6838 18TH AVE S
2602824440024	6844 18TH AVE S
2602824440025	6845 17TH AVE S
2602824440026	6839 17TH AVE S
2602824440027	6833 17TH AVE S
2602824440028	6827 17TH AVE S
2602824440029	6821 17TH AVE S
2602824440030	6815 17TH AVE S
2602824440031	6809 17TH AVE S
2602824440032	6801 17TH AVE S
2602824440065	6900 CEDAR AVE S
2602824440066	6908 CEDAR AVE S
2602824440067	6914 CEDAR AVE S
2602824440068	6920 CEDAR AVE S
2602824440069	6924 CEDAR AVE S
2602824440070	6932 CEDAR AVE S
2602824440073	6945 18TH AVE S
2602824440074	6939 18TH AVE S
2602824440075	6933 18TH AVE S
2602824440076	6927 18TH AVE S
2602824440077	6921 18TH AVE S
2602824440078	6915 18TH AVE S

2602824440079	6909 18TH AVE S
2602824440080	6901 18TH AVE S
2602824440129	6938 CEDAR AVE S
3502824110001	6958 CEDAR AVE S
3502824110002	7001 18TH AVE S
3502824110003	7005 18TH AVE S
3502824110009	7000 CEDAR AVE S
3502824110010	7034 CEDAR AVE S
3502824110011	7040 CEDAR AVE S
3502824110012	7048 CEDAR AVE S
3502824110013	7100 CEDAR AVE S
3502824110014	7108 CEDAR AVE S
3502824110015	7116 CEDAR AVE S
3502824110016	7121 18TH AVE S
3502824110017	7115 18TH AVE S
3502824110018	7111 18TH AVE S
3502824110019	7105 18TH AVE S
3502824110020	7101 18TH AVE S
3502824110021	7049 18TH AVE S
3502824110022	7045 18TH AVE S
3502824110023	7039 18TH AVE S
3502824110024	7035 18TH AVE S
3502824110025	7033 18TH AVE S
3502824110026	7029 18TH AVE S
3502824110027	7025 18TH AVE S
3502824110123	7134 CEDAR AVE S
3502824110124	7145 18TH AVE S
3502824110125	7137 18TH AVE S
3502824110126	7131 18TH AVE S
3502824110127	7127 18TH AVE S

(AS MODIFIED NOVEMBER 28, 2017)

The following parcels are being removed from the District for inclusion in Tax Increment Financing District No. 2017-1 (The Chamberlain):

<u>Parcel Numbers</u>	<u>Address</u>	<u>Owner</u>
26-028-24-41-0067	6620 18 th Ave S	HRA
26-028-24-41-0068	6626 18 th Ave S	HRA
26-028-24-41-0069	6632 18 th Ave S	HRA
26-028-24-41-0070	6638 18 th Ave S	HRA
26-028-24-41-0071	6644 18 th Ave S	HRA
26-028-24-41-0072	6645 17 th Ave S	HRA
26-028-24-41-0073	6639 17 th Ave S	HRA
26-028-24-41-0074	6633 17 th Ave S	HRA
26-028-24-41-0075	6627 17 th Ave S	HRA
26-028-24-41-0076	6621 17 th Ave S	HRA
26-028-24-41-0077	6615 17 th Ave S	HRA
26-028-24-41-0080	6700 18 th Ave S	HRA
26-028-24-41-0081	6708 18 th Ave S	HRA
26-028-24-41-0082	6714 18 th Ave S	HRA
26-028-24-41-0083	6720 18 th Ave S	HRA
26-028-24-41-0084	6726 18 th Ave S	HRA
26-028-24-41-0085	6732 18 th Ave S	HRA
26-028-24-41-0086	6738 18 th Ave S	HRA
26-028-24-41-0087	6744 18 th Ave S	HRA
26-028-24-41-0096	6700 Cedar Ave S	HRA
26-028-24-41-0097	6720 Cedar Ave S	Cedar South Pointe LLC
26-028-24-41-0098	6730 Cedar Ave S	Cedar South Pointe LLC
26-028-24-41-0099	6744 Cedar Ave S	Cedar South Pointe LLC
26-028-24-41-0100	6745 18 th Ave S	HRA
26-028-24-41-0101	6739 18 th Ave S	HRA

26-028-24-41-0102	6733 18 th Ave S	HRA
26-028-24-41-0103	6727 18 th Ave S	HRA
26-028-24-41-0104	6721 18 th Ave S	HRA
26-028-24-41-0105	6715 18 th Ave S	Richfield Apartments LLC
26-028-24-41-0106	6709 18 th Ave S	HRA
26-028-24-41-0107	6701 18 th Ave S	HRA

The following are the parcels remaining in the District:

2502824320001	2502824330054	2502824330055	2502824330056	2502824330057
2502824330058	2502824330059	2502824330060	2502824330061	2502824330062
2602824110002	2602824110033	2602824110034	2602824110035	2602824110036
2602824110037	2602824110038	2602824110039	2602824110040	2602824110041
2602824110042	2602824110043	2602824110044	2602824110045	2602824110062
2602824140001	2602824140002	2602824140003	2602824140004	2602824140005
2602824140006	2602824140007	2602824140008	2602824140009	2602824140010
2602824140011	2602824140012	2602824140013	2602824140014	2602824140015
2602824140016	2602824140017	2602824140018	2602824140019	2602824140137
2602824140138	2602824140140	2602824140141	2602824410001	2602824410002
2602824410063	2602824410066	2602824410088	2602824410089	2602824410090
2602824410091	2602824410092	2602824410093	2602824410094	2602824410095
2602824410108	2602824440001	2602824440002	2602824440003	2602824440004
2602824440005	2602824440006	2602824440007	2602824440008	2602824440009
2602824440010	2602824440011	2602824440012	2602824440013	2602824440014
2602824440015	2602824440016	2602824440017	2602824440018	2602824440019
2602824440020	2602824440021	2602824440022	2602824440023	2602824440024
2602824440025	2602824440026	2602824440027	2602824440028	2602824440029
2602824440030	2602824440031	2602824440032	2602824440065	2602824440066
2602824440067	2602824440068	2602824440069	2602824440071	2602824440073
2602824440074	2602824440075	2602824440076	2602824440077	2602824440078

2602824440079	2602824440080	2602824440129	3502824110001	3502824110002
3502824110003	3502824110009	3502824110010	3502824110011	3502824110012
3502824110013	3502824110014	3502824110015	3502824110016	3502824110017
3502824110018	3502824110019	3502824110020	3502824110021	3502824110022
3502824110023	3502824110024	3502824110025	3502824110026	3502824110027
3502824110123	3502824110124	3502824110125	3502824110126	3502824110127

APPENDIX D
ESTIMATED CASH FLOW FOR THE DISTRICT



**CEDAR AVE TAX INCREMENT DISTRICT
CITY OF RICHFIELD**

SUMMARY

T.I.F. CASH FLOW ASSUMPTIONS			
District	New Redevelopment District		
County District #			
Inflation Rate - Every _ Years	1.00%		
Pay-As-You-Go Interest Rate:	6.50%		
City Internal Loan Rate	4.00%		
Note Issued Date (Present Value Date):	01-Feb-06		
Local Tax Rate - Frozen	113.5680%		Pay 2006
Fiscal Disparities Election	Inside		
Year District was certified	2006		
Assumes First Tax Increment For District	2008		
Year District was Modified	N/A		
Development located in modified area	N/A		
Assumes First Tax Increment For Dev	2009		
Years of Tax Increment	26		
Assumes Last Year of Tax Increment	2033		
Fiscal Disparities Ratio	33.6177%		Pay 2006
Fiscal Disparities Metro Wide Tax Rate	121.8020%		Pay 2006
Local Tax Rate - Current	107.7150%		Pay 2006
State Wide Property Tax Rate (Used for total taxes)	50.8270%		Pay 2006
Market Value Tax Rate (used for total taxes)	N/A		Pay 2006
Commercial Industrial Class Rate	1.5%-2.0%		Pay 2006
First 150,000	1.50%		
Over 150,000	2.00%		
Rental Class Rate	1.25%		Pay 2006
Residential Class Ra - Under \$500,000	1.00%		
Over \$500,000	1.25%		

Note:

1. Tax estimates are based upon market value, construction costs and taxes per sq/ft.
2. Apartments/residential do not pay State-wide property tax or Fiscal Disparities
3. Assumes Fiscal Disparities is paid inside the district



CEDAR AVE TAX INCREMENT DISTRICT
CITY OF RICHFIELD
SUMMARY

TAX INCREMENT CASH FLOW													PAYMENT DATE			
PERIOD	BEGINNING	Base	Project	Fiscal	Captured	Semi-Annual	State	Admin.	Housing	Semi-Annual	Semi-Annual		PERIOD	ENDING		
Yrs.	Mth.	Yr.	Capacity	Capacity	Disparities	Gross Tax	Auditor	10.00%	15.00%	Net Tax	Present		Yrs.	Mth.	Yr.	
				Reduction	Tax	Increment	0.36%			Increment	Value					
Present Value Date						01-Feb-06										
0.0	1-Aug	2006	668,074	668,074			0						0.0	1-Feb	2006	
0.0	1-Feb	2007	668,074	668,074	0	0	0	0	0	0	0	0	0.0	1-Aug	2006	
0.0	1-Aug	2007	668,074	668,074	0	0	0	0	0	0	0	0	0.0	1-Feb	2007	
0.0	1-Feb	2008	668,074	668,074	0	0	0	0	0	0	0	0	0.5	1-Aug	2007	
0.5	1-Aug	2008	668,074	668,074	0	0	0	0	0	0	0	0	1.0	1-Feb	2008	
1.0	1-Feb	2009	668,074	974,938	(78,342)	228,522	123,076	(443)	(12,263)	(18,395)	91,975	78,383	1.5	1-Aug	2008	
1.5	1-Aug	2009	668,074	974,938	(78,342)	228,522	123,076	(443)	(12,263)	(18,395)	91,975	154,298	2.0	1-Feb	2009	
2.0	1-Feb	2010	668,074	1,806,772	(290,749)	847,948	456,684	(1,644)	(45,504)	(68,256)	341,280	427,120	2.5	1-Aug	2009	
2.5	1-Aug	2010	668,074	1,806,772	(290,749)	847,948	456,684	(1,644)	(45,504)	(68,256)	341,280	691,355	3.0	1-Feb	2010	
3.0	1-Feb	2011	668,074	2,638,605	(503,157)	1,467,373	790,291	(2,845)	(78,745)	(118,117)	590,584	1,134,220	3.5	1-Aug	2010	
3.5	1-Aug	2011	668,074	2,638,605	(503,157)	1,467,373	790,291	(2,845)	(78,745)	(118,117)	590,584	1,563,145	4.0	1-Feb	2011	
4.0	1-Feb	2012	668,074	3,470,438	(715,565)	2,086,799	1,123,898	(4,046)	(111,985)	(167,978)	839,889	2,153,932	4.5	1-Aug	2011	
4.5	1-Aug	2012	668,074	3,470,438	(715,565)	2,086,799	1,123,898	(4,046)	(111,985)	(167,978)	839,889	2,726,123	5.0	1-Feb	2012	
5.0	1-Feb	2013	668,074	4,302,272	(927,973)	2,706,224	1,457,505	(5,247)	(145,226)	(217,839)	1,089,193	3,444,801	5.5	1-Aug	2012	
5.5	1-Aug	2013	668,074	4,302,272	(927,973)	2,706,224	1,457,505	(5,247)	(145,226)	(217,839)	1,089,193	4,140,857	6.0	1-Feb	2013	
6.0	1-Feb	2014	668,074	4,991,000	(1,103,879)	3,219,047	1,736,447	(6,251)	(173,020)	(259,529)	1,297,647	4,944,023	6.5	1-Aug	2013	
6.5	1-Aug	2014	668,074	4,991,000	(1,103,879)	3,219,047	1,736,447	(6,251)	(173,020)	(259,529)	1,297,647	5,721,909	7.0	1-Feb	2014	
7.0	1-Feb	2015	668,074	5,040,910	(1,116,623)	3,256,213	1,756,497	(6,323)	(175,017)	(262,526)	1,312,630	6,484,007	7.5	1-Aug	2014	
7.5	1-Aug	2015	668,074	5,040,910	(1,116,623)	3,256,213	1,756,497	(6,323)	(175,017)	(262,526)	1,312,630	7,222,118	8.0	1-Feb	2015	
8.0	1-Feb	2016	668,074	5,091,319	(1,129,495)	3,293,750	1,776,747	(6,396)	(177,035)	(265,553)	1,327,763	7,945,236	8.5	1-Aug	2015	
8.5	1-Aug	2016	668,074	5,091,319	(1,129,495)	3,293,750	1,776,747	(6,396)	(177,035)	(265,553)	1,327,763	8,645,593	9.0	1-Feb	2016	
9.0	1-Feb	2017	668,074	5,142,232	(1,142,496)	3,331,662	1,797,199	(6,470)	(179,073)	(268,609)	1,343,047	9,331,712	9.5	1-Aug	2016	
9.5	1-Aug	2017	668,074	5,142,232	(1,142,496)	3,331,662	1,797,199	(6,470)	(179,073)	(268,609)	1,343,047	9,996,235	10.0	1-Feb	2017	
10.0	1-Feb	2018	668,074	5,193,655	(1,155,626)	3,369,954	1,817,857	(6,544)	(181,131)	(271,697)	1,358,484	10,617,239	10.5	1-Aug	2017	
10.5	1-Aug	2018	668,074	5,193,655	(1,155,626)	3,369,954	1,817,857	(6,544)	(181,131)	(271,697)	1,358,484	11,277,750	11.0	1-Feb	2018	
11.0	1-Feb	2019	668,074	5,245,591	(1,168,888)	3,408,629	1,838,720	(6,619)	(183,210)	(274,815)	1,374,076	11,895,424	11.5	1-Aug	2018	
11.5	1-Aug	2019	668,074	5,245,591	(1,168,888)	3,408,629	1,838,720	(6,619)	(183,210)	(274,815)	1,374,076	12,493,655	12.0	1-Feb	2019	
12.0	1-Feb	2020	668,074	5,298,047	(1,182,283)	3,447,690	1,859,793	(6,695)	(185,310)	(277,965)	1,389,823	13,079,696	12.5	1-Aug	2019	
12.5	1-Aug	2020	668,074	5,298,047	(1,182,283)	3,447,690	1,859,793	(6,695)	(185,310)	(277,965)	1,389,823	13,647,290	13.0	1-Feb	2020	
13.0	1-Feb	2021	668,074	5,351,028	(1,195,811)	3,487,142	1,881,076	(6,772)	(187,430)	(281,146)	1,405,728	14,203,309	13.5	1-Aug	2020	
13.5	1-Aug	2021	668,074	5,351,028	(1,195,811)	3,487,142	1,881,076	(6,772)	(187,430)	(281,146)	1,405,728	14,741,826	14.0	1-Feb	2021	
14.0	1-Feb	2022	668,074	5,404,538	(1,209,475)	3,526,988	1,902,572	(6,849)	(189,572)	(284,358)	1,421,792	15,269,352	14.5	1-Aug	2021	
14.5	1-Aug	2022	668,074	5,404,538	(1,209,475)	3,526,988	1,902,572	(6,849)	(189,572)	(284,358)	1,421,792	15,780,274	15.0	1-Feb	2022	
15.0	1-Feb	2023	668,074	5,458,583	(1,223,276)	3,567,233	1,924,282	(6,927)	(191,736)	(287,603)	1,438,016	16,280,760	15.5	1-Aug	2022	
15.5	1-Aug	2023	668,074	5,458,583	(1,223,276)	3,567,233	1,924,282	(6,927)	(191,736)	(287,603)	1,438,016	16,765,492	16.0	1-Feb	2023	
16.0	1-Feb	2024	668,074	5,513,169	(1,237,214)	3,607,881	1,946,210	(7,006)	(193,920)	(290,881)	1,454,403	17,240,316	16.5	1-Aug	2023	
16.5	1-Aug	2024	668,074	5,513,169	(1,237,214)	3,607,881	1,946,210	(7,006)	(193,920)	(290,881)	1,454,403	17,700,194	17.0	1-Feb	2024	
17.0	1-Feb	2025	668,074	5,568,301	(1,251,292)	3,648,935	1,968,358	(7,086)	(196,127)	(294,191)	1,470,954	18,150,665	17.5	1-Aug	2024	
17.5	1-Aug	2025	668,074	5,568,301	(1,251,292)	3,648,935	1,968,358	(7,086)	(196,127)	(294,191)	1,470,954	18,586,956	18.0	1-Feb	2025	
18.0	1-Feb	2026	668,074	5,623,984	(1,265,511)	3,690,399	1,990,726	(7,167)	(198,356)	(297,534)	1,487,670	19,014,316	18.5	1-Aug	2025	
18.5	1-Aug	2026	668,074	5,623,984	(1,265,511)	3,690,399	1,990,726	(7,167)	(198,356)	(297,534)	1,487,670	19,428,225	19.0	1-Feb	2026	
19.0	1-Feb	2027	668,074	5,680,224	(1,279,871)	3,732,278	2,013,319	(7,248)	(200,607)	(300,911)	1,504,553	19,833,654	19.5	1-Aug	2026	
19.5	1-Aug	2027	668,074	5,680,224	(1,279,871)	3,732,278	2,013,319	(7,248)	(200,607)	(300,911)	1,504,553	20,226,321	20.0	1-Feb	2027	
20.0	1-Feb	2028	668,074	5,737,026	(1,294,376)	3,774,576	2,036,137	(7,330)	(202,881)	(304,321)	1,521,605	20,610,939	20.5	1-Aug	2027	
20.5	1-Aug	2028	668,074	5,737,026	(1,294,376)	3,774,576	2,036,137	(7,330)	(202,881)	(304,321)	1,521,605	20,983,451	21.0	1-Feb	2028	
21.0	1-Feb	2029	668,074	5,794,396	(1,309,025)	3,817,297	2,059,184	(7,413)	(205,177)	(307,766)	1,538,828	21,348,320	21.5	1-Aug	2028	
21.5	1-Aug	2029	668,074	5,794,396	(1,309,025)	3,817,297	2,059,184	(7,413)	(205,177)	(307,766)	1,538,828	21,701,704	22.0	1-Feb	2029	
22.0	1-Feb	2030	668,074	5,852,340	(1,323,821)	3,860,445	2,082,461	(7,497)	(207,496)	(311,245)	1,556,223	22,047,834	22.5	1-Aug	2029	
22.5	1-Aug	2030	668,074	5,852,340	(1,323,821)	3,860,445	2,082,461	(7,497)	(207,496)	(311,245)	1,556,223	22,383,069	23.0	1-Feb	2030	
23.0	1-Feb	2031	668,074	5,910,863	(1,338,765)	3,904,024	2,105,971	(7,581)	(209,839)	(314,758)	1,573,792	22,711,417	23.5	1-Aug	2030	
23.5	1-Aug	2031	668,074	5,910,863	(1,338,765)	3,904,024	2,105,971	(7,581)	(209,839)	(314,758)	1,573,792	23,029,429	24.0	1-Feb	2031	
24.0	1-Feb	2032	668,074	5,969,972	(1,353,858)	3,948,040	2,129,715	(7,667)	(212,205)	(318,307)	1,591,536	23,340,904	24.5	1-Aug	2031	
24.5	1-Aug	2032	668,074	5,969,972	(1,353,858)	3,948,040	2,129,715	(7,667)	(212,205)	(318,307)	1,591,536	23,642,575	25.0	1-Feb	2032	
25.0	1-Feb	2033	668,074	6,029,672	(1,369,103)	3,992,495	2,153,698	(7,753)	(214,594)	(321,892)	1,609,458	23,938,041	25.5	1-Aug	2032	
25.5	1-Aug	2033	668,074	6,029,672	(1,369,103)	3,992,495	2,153,698	(7,753)	(214,594)	(321,892)	1,609,458	24,224,206	26.0	1-Feb	2033	
			Totals		(54,332,949)		85,495,591	(307,645)	(6,514,920)	(12,772,380)	63,861,898					
Present Value							45,943,843	(165,398)	(6,624,506)	(6,866,767)		24,224,206				

NOTES:

1. State Auditor payment is based upon 1st half, pay 2006 actual and may increase over term of district
2. TIF run does not reflect potential reduction in Market Value Homestead Credit
3. Amount of increment will vary depending upon market value, tax rates, class rates, construction schedule and inflation on Market Value.
4. Inflation on tax rates cannot be captured.
5. TIF does not capture state wide property taxes or market value property taxes



**CEDAR AVE TAX INCREMENT DISTRICT
CITY OF RICHFIELD**

RETAIL

T.I.F. CASH FLOW ASSUMPTIONS			
District	New Redevelopment District		
County District #			
Inflation Rate - Every _ Years		1.00%	
Pay-As-You-Go Interest Rate:		6.50%	
City Internal Loan Rate		4.00%	
Note Issued Date (Present Value Date):		01-Feb-06	
Local Tax Rate - Frozen	107.71500%		Pay 2006
Fiscal Disparities Election		Inside	
Year District was certified		2006	
Assumes First Tax Increment For District		2008	
Year District was Modified		N/A	
Development located in modified area		N/A	
Assumes First Tax Increment For Dev		2009	
Years of Tax Increment		26	
Assumes Last Year of Tax Increment		2033	
Fiscal Disparities Ratio		33.6177%	Pay 2006
Fiscal Disparities Metro Wide Tax Rate		121.8020%	Pay 2006
Local Tax Rate - Current		107.7150%	Pay 2006
State Wide Property Tax Rate (Used for total taxes)		50.8270%	Pay 2006
Market Value Tax Rate (used for total taxes)		N/A	Pay 2006
Commercial Industrial Class Rate		1.5%-2.0%	Pay 2006
First 150,000		1.50%	
Over 150,000		2.00%	
Rental Class Rate		1.25%	Pay 2006
Residential Class Ra - Under \$500,000		1.00%	
Over \$500,000		1.25%	

BASE VALUE INFORMATION					
Watershed			Market Value	Tax Capacity	
0			32,594,600	396,759	
Comm Retail	158,333,333	61.29%	19,977,335	1.5%-2.0%	398,797
Housing	100,000,000	38.71%	12,617,265	1.00%	126,173
Total	258,333,333	100.00%	32,594,600		524,969

PROJECT INFORMATION									
PHASE	Use	Total Sq. Ft./Units	Market Value Sq. Ft./Units	Market Value	Class Rate	New Tax Capacity	Date Completed	Date Asses	Date Payable
1	Retail	58,333	200.00	11,666,667	1.5%-2.0%	232,583	2007	2008	2009
	Office	100,000	200.00	20,000,000	1.5%-2.0%	399,250	2007	2008	2009
	Housing	100	200,000.00	20,000,000	1.00%	200,000	2007	2008	2009
2	Retail	58,333	200.00	11,666,667	1.5%-2.0%	232,583	2008	2009	2010
	Office	100,000	200.00	20,000,000	1.5%-2.0%	399,250	2008	2009	2010
	Housing	100	200,000.00	20,000,000	1.00%	200,000	2008	2009	2010
3	Retail	58,333	200.00	11,666,667	1.5%-2.0%	232,583	2009	2010	2011
	Office	100,000	200.00	20,000,000	1.5%-2.0%	399,250	2009	2010	2011
	Housing	100	200,000.00	20,000,000	1.00%	200,000	2009	2010	2011
4	Retail	58,333	200.00	11,666,667	1.5%-2.0%	232,583	2010	2011	2012
	Office	100,000	200.00	20,000,000	1.5%-2.0%	399,250	2010	2011	2012
	Housing	100	200,000.00	20,000,000	1.00%	200,000	2010	2011	2012
5	Retail	58,333	200.00	11,666,667	1.5%-2.0%	232,583	2011	2012	2013
	Office	100,000	200.00	20,000,000	1.5%-2.0%	399,250	2011	2012	2013
	Housing	100	200,000.00	20,000,000	1.00%	200,000	2011	2012	2013
TOTAL		792,167		258,333,333		4,159,167			

Note:

1. Tax estimates are based upon market value, construction costs and taxes per sq/ft.
2. Apartments/residential do not pay State-wide property tax or Fiscal Disparities
3. Assumes Fiscal Disparities is paid inside the district



CEDAR AVE TAX INCREMENT DISTRICT
CITY OF RICHFIELD
RETAIL

TAX INCREMENT CASH FLOW													PAYMENT DATE			
PERIOD	BEGINNING	Base	Project	Fiscal	Captured	Semi-Annual	State	Admin.	Housing	Semi-Annual	Semi-Annual	PERIOD	ENDING			
Yrs.	Mth.	Yr.	Capacity	Disparities	Tax	Gross Tax	Auditor	10.00%	15.00%	Net Tax	Present	Yrs.	Mth.	Yr.		
				Reduction	Capacity	Increment	0.36%			Increment	Value					
					Present Value Date		01-Feb-06									
0.0	1-Aug	2006	524,969		524,969							0.0	1-Feb	2006		
0.0	1-Feb	2007	524,969		524,969	0	0	0	0	0	0	0.0	1-Aug	2006		
0.0	1-Aug	2007	524,969		524,969	0	0	0	0	0	0	0.0	1-Feb	2007		
0.0	1-Feb	2008	524,969		524,969	0	0	0	0	0	0	0.5	1-Aug	2007		
0.5	1-Aug	2008	524,969		524,969	0	0	0	0	0	0	1.0	1-Feb	2008		
1.0	1-Feb	2009	524,969		831,833	(78,342)	228,522	(443)	(12,263)	(18,395)	91,975	1.5	1-Aug	2008		
1.5	1-Aug	2009	524,969		831,833	(78,342)	228,522	(443)	(12,263)	(18,395)	91,975	2.0	1-Feb	2009		
2.0	1-Feb	2010	524,969		1,663,667	(290,749)	847,948	(1,644)	(45,504)	(68,256)	341,280	2.5	1-Aug	2009		
2.5	1-Aug	2010	524,969		1,663,667	(290,749)	847,948	(1,644)	(45,504)	(68,256)	341,280	3.0	1-Feb	2010		
3.0	1-Feb	2011	524,969		2,495,500	(503,157)	1,467,373	(2,845)	(78,745)	(118,117)	590,584	3.5	1-Aug	2010		
3.5	1-Aug	2011	524,969		2,495,500	(503,157)	1,467,373	(2,845)	(78,745)	(118,117)	590,584	4.0	1-Feb	2011		
4.0	1-Feb	2012	524,969		3,327,333	(715,565)	2,086,799	(4,046)	(111,985)	(167,978)	839,889	4.5	1-Aug	2011		
4.5	1-Aug	2012	524,969		3,327,333	(715,565)	2,086,799	(4,046)	(111,985)	(167,978)	839,889	5.0	1-Feb	2012		
5.0	1-Feb	2013	524,969		4,159,167	(927,973)	2,706,224	(5,247)	(145,226)	(217,839)	1,089,193	5.5	1-Aug	2012		
5.5	1-Aug	2013	524,969		4,159,167	(927,973)	2,706,224	(5,247)	(145,226)	(217,839)	1,089,193	6.0	1-Feb	2013		
6.0	1-Feb	2014	524,969		4,159,167	(927,973)	2,706,224	(5,247)	(145,226)	(217,839)	1,089,193	6.5	1-Aug	2013		
6.5	1-Aug	2014	524,969		4,159,167	(927,973)	2,706,224	(5,247)	(145,226)	(217,839)	1,089,193	7.0	1-Feb	2014		
7.0	1-Feb	2015	524,969		4,200,758	(938,593)	2,737,196	(5,307)	(146,888)	(220,332)	1,101,659	7.5	1-Aug	2014		
7.5	1-Aug	2015	524,969		4,200,758	(938,593)	2,737,196	(5,307)	(146,888)	(220,332)	1,101,659	8.0	1-Feb	2015		
8.0	1-Feb	2016	524,969		4,242,766	(949,320)	2,768,477	(5,368)	(148,566)	(222,850)	1,114,248	8.5	1-Aug	2015		
8.5	1-Aug	2016	524,969		4,242,766	(949,320)	2,768,477	(5,368)	(148,566)	(222,850)	1,114,248	9.0	1-Feb	2016		
9.0	1-Feb	2017	524,969		4,285,194	(960,154)	2,800,070	(5,429)	(150,262)	(225,393)	1,126,964	9.5	1-Aug	2016		
9.5	1-Aug	2017	524,969		4,285,194	(960,154)	2,800,070	(5,429)	(150,262)	(225,393)	1,126,964	10.0	1-Feb	2017		
10.0	1-Feb	2018	524,969		4,328,046	(971,096)	2,831,980	(5,491)	(151,974)	(227,961)	1,139,807	10.5	1-Aug	2017		
10.5	1-Aug	2018	524,969		4,328,046	(971,096)	2,831,980	(5,491)	(151,974)	(227,961)	1,139,807	11.0	1-Feb	2018		
11.0	1-Feb	2019	524,969		4,371,326	(982,148)	2,864,209	(5,553)	(153,704)	(230,556)	1,152,779	11.5	1-Aug	2018		
11.5	1-Aug	2019	524,969		4,371,326	(982,148)	2,864,209	(5,553)	(153,704)	(230,556)	1,152,779	12.0	1-Feb	2019		
12.0	1-Feb	2020	524,969		4,415,039	(993,310)	2,896,760	(5,616)	(155,451)	(233,176)	1,165,880	12.5	1-Aug	2019		
12.5	1-Aug	2020	524,969		4,415,039	(993,310)	2,896,760	(5,616)	(155,451)	(233,176)	1,165,880	13.0	1-Feb	2020		
13.0	1-Feb	2021	524,969		4,459,190	(1,004,583)	2,929,637	(5,680)	(157,215)	(235,822)	1,179,112	13.5	1-Aug	2020		
13.5	1-Aug	2021	524,969		4,459,190	(1,004,583)	2,929,637	(5,680)	(157,215)	(235,822)	1,179,112	14.0	1-Feb	2021		
14.0	1-Feb	2022	524,969		4,503,782	(1,015,970)	2,962,842	(5,745)	(158,997)	(238,495)	1,192,476	14.5	1-Aug	2021		
14.5	1-Aug	2022	524,969		4,503,782	(1,015,970)	2,962,842	(5,745)	(158,997)	(238,495)	1,192,476	15.0	1-Feb	2022		
15.0	1-Feb	2023	524,969		4,548,819	(1,027,470)	2,996,380	(5,810)	(160,797)	(241,195)	1,205,974	15.5	1-Aug	2022		
15.5	1-Aug	2023	524,969		4,548,819	(1,027,470)	2,996,380	(5,810)	(160,797)	(241,195)	1,205,974	16.0	1-Feb	2023		
16.0	1-Feb	2024	524,969		4,594,308	(1,039,086)	3,030,252	(5,875)	(162,614)	(243,921)	1,219,607	16.5	1-Aug	2023		
16.5	1-Aug	2024	524,969		4,594,308	(1,039,086)	3,030,252	(5,875)	(162,614)	(243,921)	1,219,607	17.0	1-Feb	2024		
17.0	1-Feb	2025	524,969		4,640,251	(1,050,817)	3,064,464	(5,942)	(164,450)	(246,675)	1,233,377	17.5	1-Aug	2024		
17.5	1-Aug	2025	524,969		4,640,251	(1,050,817)	3,064,464	(5,942)	(164,450)	(246,675)	1,233,377	18.0	1-Feb	2025		
18.0	1-Feb	2026	524,969		4,686,653	(1,062,666)	3,099,018	(6,009)	(166,304)	(249,457)	1,247,284	18.5	1-Aug	2025		
18.5	1-Aug	2026	524,969		4,686,653	(1,062,666)	3,099,018	(6,009)	(166,304)	(249,457)	1,247,284	19.0	1-Feb	2026		
19.0	1-Feb	2027	524,969		4,733,520	(1,074,633)	3,133,917	(6,076)	(168,177)	(252,266)	1,261,330	19.5	1-Aug	2026		
19.5	1-Aug	2027	524,969		4,733,520	(1,074,633)	3,133,917	(6,076)	(168,177)	(252,266)	1,261,330	20.0	1-Feb	2027		
20.0	1-Feb	2028	524,969		4,780,855	(1,086,720)	3,169,165	(6,145)	(170,069)	(255,103)	1,275,516	20.5	1-Aug	2027		
20.5	1-Aug	2028	524,969		4,780,855	(1,086,720)	3,169,165	(6,145)	(170,069)	(255,103)	1,275,516	21.0	1-Feb	2028		
21.0	1-Feb	2029	524,969		4,828,663	(1,098,928)	3,204,766	(6,214)	(171,979)	(257,969)	1,289,845	21.5	1-Aug	2028		
21.5	1-Aug	2029	524,969		4,828,663	(1,098,928)	3,204,766	(6,214)	(171,979)	(257,969)	1,289,845	22.0	1-Feb	2029		
22.0	1-Feb	2030	524,969		4,876,950	(1,111,258)	3,240,722	(6,283)	(173,909)	(260,863)	1,304,317	22.5	1-Aug	2029		
22.5	1-Aug	2030	524,969		4,876,950	(1,111,258)	3,240,722	(6,283)	(173,909)	(260,863)	1,304,317	23.0	1-Feb	2030		
23.0	1-Feb	2031	524,969		4,925,720	(1,123,711)	3,277,039	(6,354)	(175,858)	(263,787)	1,318,933	23.5	1-Aug	2030		
23.5	1-Aug	2031	524,969		4,925,720	(1,123,711)	3,277,039	(6,354)	(175,858)	(263,787)	1,318,933	24.0	1-Feb	2031		
24.0	1-Feb	2032	524,969		4,974,977	(1,136,289)	3,313,718	(6,425)	(177,826)	(266,739)	1,333,696	24.5	1-Aug	2031		
24.5	1-Aug	2032	524,969		4,974,977	(1,136,289)	3,313,718	(6,425)	(177,826)	(266,739)	1,333,696	25.0	1-Feb	2032		
25.0	1-Feb	2033	524,969		5,024,726	(1,148,993)	3,350,764	(6,497)	(179,814)	(269,721)	1,348,606	25.5	1-Aug	2032		
25.5	1-Aug	2033	524,969		5,024,726	(1,148,993)	3,350,764	(6,497)	(179,814)	(269,721)	1,348,606	26.0	1-Feb	2033		
				Totals	(46,439,011)		72,977,389	(262,579)	(7,267,606)	(10,901,409)	54,507,045					
Present Value							39,555,053	(142,398)	(5,762,797)	(5,911,898)	20,985,680					

- NOTES:**
1. State Auditor payment is based upon 1st half, pay 2006 actual and may increase over term of district
 2. TIF run does not reflect potential reduction in Market Value Homestead Credit
 3. Amount of increment will vary depending upon market value, tax rates, class rates, construction schedule and inflation on Market Value.
 4. Inflation on tax rates cannot be captured.
 5. TIF does not capture state wide property taxes or market value property taxes



**CEDAR AVE TAX INCREMENT DISTRICT
CITY OF RICHFIELD**

RETAIL

T.I.F. CASH FLOW ASSUMPTIONS			
District	New Redevelopment District		
County District #			
Inflation Rate - Every _ Years		1.00%	
Pay-As-You-Go Interest Rate:		6.50%	
City Internal Loan Rate		4.00%	
Note Issued Date (Present Value Date):		01-Feb-06	
Local Tax Rate - Frozen	108.7870%		Pay 2006
Fiscal Disparities Election		Inside	
Year District was certified		2006	
Assumes First Tax Increment For District		2008	
Year District was Modified		N/A	
Development located in modified area		N/A	
Assumes First Tax Increment For Dev		2009	
Years of Tax Increment		26	
Assumes Last Year of Tax Increment		2033	
Fiscal Disparities Ratio		33.6177%	Pay 2006
Fiscal Disparities Metro Wide Tax Rate		121.8020%	Pay 2006
Local Tax Rate - Current		107.7150%	Pay 2006
State Wide Property Tax Rate (Used for total taxes)		50.8270%	Pay 2006
Market Value Tax Rate (used for total taxes)		N/A	Pay 2006
Commercial Industrial Class Rate		1.5%-2.0%	Pay 2006
First 150,000		1.50%	
Over 150,000		2.00%	
Rental Class Rate		1.25%	Pay 2006
Residential Class Ra - Under \$500,000		1.00%	
Over \$500,000		1.25%	

BASE VALUE INFORMATION					
Watershed			Market Value	Tax Capacity	
3			8,919,000	108,761	
Comm Retail	31,666,667	61.29%	5,466,484	1.5%-2.0%	108,580
Housing	20,000,000	38.71%	3,452,516	1.00%	34,525
Total	51,666,667	100.00%	8,919,000		143,105

PROJECT INFORMATION									
PHASE	Use	Total Sq. Ft./Units	Market Value Sq. Ft./Units	Market Value	Class Rate	New Tax Capacity	Date Completed	Date Asses	Date Payable
6	Retail	58,333	200.00	11,666,667	1.5%-2.0%	232,583	2012	2013	2014
	Office	100,000	200.00	20,000,000	1.5%-2.0%	399,250	2012	2013	2014
	Housing	100	200,000.00	20,000,000	1.00%	200,000	2012	2013	2014
TOTAL		158,433		51,666,667		831,833			

Note:

1. Tax estimates are based upon market value, construction costs and taxes per sq/ft.
2. Apartments/residential do not pay State-wide property tax or Fiscal Disparities
3. Assumes Fiscal Disparities is paid inside the district



CEDAR AVE TAX INCREMENT DISTRICT
CITY OF RICHFIELD
RETAIL

TAX INCREMENT CASH FLOW													PAYMENT DATE			
PERIOD	BEGINNING	Base	Project	Fiscal	Captured	Semi-Annual	State	Admin.	Housing	Semi-Annual	Semi-Annual					
Yrs.	Mth.	Yr.	Tax Capacity	Disparities Reduction	Tax Capacity	Gross Tax Increment	Auditor 0.36%	10.00%	15.00%	Net Tax Increment	Present Value	Yrs.	Mth.	Yr.		
Present Value Date						01-Feb-06										
0.0	1-Aug	2006	143,105		143,105							0.0	1-Feb	2006		
0.0	1-Feb	2007	143,105		143,105							0.0	1-Aug	2006		
0.0	1-Aug	2007	143,105		143,105							0.0	1-Feb	2007		
0.0	1-Feb	2008	143,105		143,105							0.5	1-Aug	2007		
0.5	1-Aug	2008	143,105		143,105							1.0	1-Feb	2008		
1.0	1-Feb	2009	143,105		143,105							1.5	1-Aug	2008		
1.5	1-Aug	2009	143,105		143,105							2.0	1-Feb	2009		
2.0	1-Feb	2010	143,105		143,105							2.5	1-Aug	2009		
2.5	1-Aug	2010	143,105		143,105							3.0	1-Feb	2010		
3.0	1-Feb	2011	143,105		143,105							3.5	1-Aug	2010		
3.5	1-Aug	2011	143,105		143,105							4.0	1-Feb	2011		
4.0	1-Feb	2012	143,105		143,105							4.5	1-Aug	2011		
4.5	1-Aug	2012	143,105		143,105							5.0	1-Feb	2012		
5.0	1-Feb	2013	143,105		143,105							5.5	1-Aug	2012		
5.5	1-Aug	2013	143,105		143,105							6.0	1-Feb	2013		
6.0	1-Feb	2014	143,105		831,833	(175,906)	512,823	278,942	(1,004)	(27,794)	(41,691)	208,453	129,020	6.5	1-Aug	2013
6.5	1-Aug	2014	143,105		831,833	(175,906)	512,823	278,942	(1,004)	(27,794)	(41,691)	208,453	253,980	7.0	1-Feb	2014
7.0	1-Feb	2015	143,105		840,152	(178,030)	519,017	282,311	(1,016)	(28,130)	(42,194)	210,971	376,467	7.5	1-Aug	2014
7.5	1-Aug	2015	143,105		840,152	(178,030)	519,017	282,311	(1,016)	(28,130)	(42,194)	210,971	495,099	8.0	1-Feb	2015
8.0	1-Feb	2016	143,105		848,553	(180,175)	525,273	285,714	(1,029)	(28,469)	(42,703)	213,514	611,382	8.5	1-Aug	2015
8.5	1-Aug	2016	143,105		848,553	(180,175)	525,273	285,714	(1,029)	(28,469)	(42,703)	213,514	724,005	9.0	1-Feb	2016
9.0	1-Feb	2017	143,105		857,039	(182,342)	531,592	289,151	(1,041)	(28,811)	(43,217)	216,083	834,395	9.5	1-Aug	2016
9.5	1-Aug	2017	143,105		857,039	(182,342)	531,592	289,151	(1,041)	(28,811)	(43,217)	216,083	941,310	10.0	1-Feb	2017
10.0	1-Feb	2018	143,105		865,609	(184,530)	537,974	292,623	(1,053)	(29,157)	(43,735)	218,677	1,046,103	10.5	1-Aug	2017
10.5	1-Aug	2018	143,105		865,609	(184,530)	537,974	292,623	(1,053)	(29,157)	(43,735)	218,677	1,147,597	11.0	1-Feb	2018
11.0	1-Feb	2019	143,105		874,265	(186,741)	544,420	296,129	(1,066)	(29,506)	(44,259)	221,297	1,247,074	11.5	1-Aug	2018
11.5	1-Aug	2019	143,105		874,265	(186,741)	544,420	296,129	(1,066)	(29,506)	(44,259)	221,297	1,343,421	12.0	1-Feb	2019
12.0	1-Feb	2020	143,105		883,008	(188,973)	550,930	299,670	(1,079)	(29,859)	(44,789)	223,943	1,437,850	12.5	1-Aug	2019
12.5	1-Aug	2020	143,105		883,008	(188,973)	550,930	299,670	(1,079)	(29,859)	(44,789)	223,943	1,529,307	13.0	1-Feb	2020
13.0	1-Feb	2021	143,105		891,838	(191,228)	557,505	303,247	(1,092)	(30,215)	(45,323)	226,616	1,618,942	13.5	1-Aug	2020
13.5	1-Aug	2021	143,105		891,838	(191,228)	557,505	303,247	(1,092)	(30,215)	(45,323)	226,616	1,705,756	14.0	1-Feb	2021
14.0	1-Feb	2022	143,105		900,756	(193,505)	564,146	306,859	(1,105)	(30,575)	(45,863)	229,316	1,790,839	14.5	1-Aug	2021
14.5	1-Aug	2022	143,105		900,756	(193,505)	564,146	306,859	(1,105)	(30,575)	(45,863)	229,316	1,873,243	15.0	1-Feb	2022
15.0	1-Feb	2023	143,105		909,764	(195,805)	570,854	310,507	(1,118)	(30,939)	(46,408)	232,042	1,954,003	15.5	1-Aug	2022
15.5	1-Aug	2023	143,105		909,764	(195,805)	570,854	310,507	(1,118)	(30,939)	(46,408)	232,042	2,032,221	16.0	1-Feb	2023
16.0	1-Feb	2024	143,105		918,862	(198,128)	577,628	314,192	(1,131)	(31,306)	(46,959)	234,796	2,108,875	16.5	1-Aug	2023
16.5	1-Aug	2024	143,105		918,862	(198,128)	577,628	314,192	(1,131)	(31,306)	(46,959)	234,796	2,183,117	17.0	1-Feb	2024
17.0	1-Feb	2025	143,105		928,050	(200,475)	584,471	317,914	(1,144)	(31,677)	(47,515)	237,577	2,255,874	17.5	1-Aug	2024
17.5	1-Aug	2025	143,105		928,050	(200,475)	584,471	317,914	(1,144)	(31,677)	(47,515)	237,577	2,326,340	18.0	1-Feb	2025
18.0	1-Feb	2026	143,105		937,331	(202,844)	591,381	321,673	(1,158)	(32,051)	(48,077)	240,386	2,395,396	18.5	1-Aug	2025
18.5	1-Aug	2026	143,105		937,331	(202,844)	591,381	321,673	(1,158)	(32,051)	(48,077)	240,386	2,462,277	19.0	1-Feb	2026
19.0	1-Feb	2027	143,105		946,704	(205,238)	598,361	325,470	(1,172)	(32,430)	(48,645)	243,223	2,527,818	19.5	1-Aug	2026
19.5	1-Aug	2027	143,105		946,704	(205,238)	598,361	325,470	(1,172)	(32,430)	(48,645)	243,223	2,591,296	20.0	1-Feb	2027
20.0	1-Feb	2028	143,105		956,171	(207,655)	605,411	329,304	(1,185)	(32,812)	(49,218)	246,089	2,653,500	20.5	1-Aug	2027
20.5	1-Aug	2028	143,105		956,171	(207,655)	605,411	329,304	(1,185)	(32,812)	(49,218)	246,089	2,713,746	21.0	1-Feb	2028
21.0	1-Feb	2029	143,105		965,733	(210,097)	612,531	333,177	(1,199)	(33,198)	(49,797)	248,983	2,772,783	21.5	1-Aug	2028
21.5	1-Aug	2029	143,105		965,733	(210,097)	612,531	333,177	(1,199)	(33,198)	(49,797)	248,983	2,829,960	22.0	1-Feb	2029
22.0	1-Feb	2030	143,105		975,390	(212,563)	619,722	337,089	(1,214)	(33,588)	(50,381)	251,906	2,885,988	22.5	1-Aug	2029
22.5	1-Aug	2030	143,105		975,390	(212,563)	619,722	337,089	(1,214)	(33,588)	(50,381)	251,906	2,940,253	23.0	1-Feb	2030
23.0	1-Feb	2031	143,105		985,144	(215,054)	626,986	341,039	(1,228)	(33,981)	(50,972)	254,859	2,993,425	23.5	1-Aug	2030
23.5	1-Aug	2031	143,105		985,144	(215,054)	626,986	341,039	(1,228)	(33,981)	(50,972)	254,859	3,044,924	24.0	1-Feb	2031
24.0	1-Feb	2032	143,105		994,995	(217,569)	634,321	345,030	(1,242)	(34,379)	(51,568)	257,841	3,095,385	24.5	1-Aug	2031
24.5	1-Aug	2032	143,105		994,995	(217,569)	634,321	345,030	(1,242)	(34,379)	(51,568)	257,841	3,144,258	25.0	1-Feb	2032
25.0	1-Feb	2033	143,105		1,004,945	(220,110)	641,731	349,060	(1,257)	(34,780)	(52,170)	260,852	3,192,146	25.5	1-Aug	2032
25.5	1-Aug	2033	143,105		1,004,945	(220,110)	641,731	349,060	(1,257)	(34,780)	(52,170)	260,852	3,238,526	26.0	1-Feb	2033
				Totals	(7,893,938)		12,556,951	(45,066)	(1,247,314)	(1,870,971)	9,354,853					
Present Value							6,388,790	(23,000)	(861,709)	(954,869)	3,238,526					

NOTES:

1. State Auditor payment is based upon 1st half, pay 2006 actual and may increase over term of district
2. TIF run does not reflect potential reduction in Market Value Homestead Credit
3. Amount of increment will vary depending upon market value, tax rates, class rates, construction schedule and inflation on Market Value.
4. Inflation on tax rates cannot be captured.
5. TIF does not capture state wide property taxes or market value property taxes

APPENDIX E

MINNESOTA BUSINESS ASSISTANCE FORM
(MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT)

APPENDIX F

FINDINGS AND BUT/FOR QUALIFICATIONS

But-For Analysis	
Current Market Value	41,513,600
New Market Value - Estimate	310,000,000
Difference	268,486,400
Present Value of Tax Increment	45,943,843
Difference	222,542,557
Value Likely to Occur Without TIF is Less Than:	222,542,557

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan (TIF Plan) for the Cedar Avenue Tax Increment Financing District (District), as required pursuant to Minnesota Statutes, Section 469.175, Subdivision 3 are as follows:

1. *Finding that the Cedar Avenue Tax Increment Financing District is a redevelopment district as defined in the Laws of Minnesota 2005, Chapter 152, Article 2, Section 25.*

Sec. 25. [CITY OF RICHFIELD; TAX INCREMENT FINANCING DISTRICT.]

Subdivision 1. [AUTHORIZATION.]

The City of Richfield may create a tax increment financing district consisting of an area lying west of Trunk Highway 77 extending: to 16th Avenue between Crosstown Highway 62 and 66th Street; to 17th Avenue between 66th and 69th Streets; and to 18th Avenue between 69th and 72nd Streets. The City or its Housing and Redevelopment Authority may be the authority for the purposes of Minnesota Statutes, sections 469.174 to 469.179.

Subd. 2. [DISTRICT IS REDEVELOPMENT DISTRICT.]

The redevelopment tax increment district created pursuant to subdivision 1 is deemed to be a redevelopment district and is subject to Minnesota Statutes, sections 469.174 to 469.179, except that:

(1) expenditures for activities as defined in Minnesota Statutes, section 469.1763, subdivision 1, paragraph (b), anywhere in the district are deemed to be the costs of correcting conditions that allow the designation of redevelopment districts pursuant to Minnesota Statutes, section 469.174, subdivision 10; and

(2) the five-year rule under Minnesota Statutes, section 469.1763, subdivision 3, does not apply.

[EFFECTIVE DATE.] This section received local approval by the City of Richfield on June 28, 2005 in

compliance with Minnesota Statutes, section 645.021.

2. *Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the TIF Plan.*

The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future: This finding is supported by the fact that the redevelopment proposed in the TIF Plan meets the City's objectives for redevelopment. Due to the high cost of redevelopment on the parcels because of their location in a noise impacted area, and the cost of financing the proposed improvements, this project is feasible only through assistance, in part, from tax increment financing.

The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the TIF Plan: This finding is justified on the grounds that the cost of site improvements and utilities add to the total redevelopment cost. Historically, due to the extra cost of sound mitigation and site improvements costs in this area have made redevelopment infeasible without tax increment assistance. This is also the basis for the Special TIF Statute by the State for this TIF District. Therefore, the City reasonably determines that no other redevelopment of similar scope is anticipated on this site without substantially similar assistance being provided to the development.

A comparative analysis of estimated market values both with and without establishment of the District and the use of tax increments has been performed as described above. If all development which is proposed to be assisted with tax increment were to occur in the District, the total increase in market value would be up to \$268,486,400. The present value of tax increments from the District is estimated to be \$47,049,903. It is the Council's finding that no development with a market value of greater than \$221,436,497 would occur without tax increment assistance in this district within 25 years. This finding is based upon evidence from general past experience with the high cost of acquisition and public improvements in the general area of the District. (See Cashflow in Appendix D of the TIF Plan.)

3. *Finding that the TIF Plan for the District conforms to the general plan for the development or redevelopment of the municipality as a whole.*

The Planning Commission reviewed the TIF Plan and found that the TIF Plan conforms to the general development plan of the City.

4. *Finding that the TIF Plan for the District will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of the Richfield Redevelopment Project Area by private enterprise.*

The project to be assisted by the District will result in increased employment in the City and the State of Minnesota, the renovation of substandard properties, increased tax base of the State and add a high quality development to the City.

APPENDIX G
PRIOR IMPROVEMENTS

APPENDIX H

Laws of Minnesota 2005, Chapter 152, Article 2, Section 25

Sec. 25. [CITY OF RICHFIELD; TAX INCREMENT FINANCING DISTRICT.]

Subdivision 1. [AUTHORIZATION.] The city of Richfield may create a tax increment financing district consisting of an area lying west of Trunk Highway 77 extending: to 16th Avenue between Crosstown Highway 62 and 66th Street; to 17th Avenue between 66th and 69th Streets; and to 18th Avenue between 69th and 72nd Streets. The city or its housing and redevelopment authority may be the authority for the purposes of Minnesota Statutes, sections 469.174 to 469.179.

Subd. 2. [DISTRICT IS REDEVELOPMENT DISTRICT.] The redevelopment tax increment district created pursuant to subdivision 1 is deemed to be a redevelopment district and is subject to Minnesota Statutes, sections 469.174 to 469.179, except that:

(1) expenditures for activities as defined in Minnesota Statutes, section 469.1763, subdivision 1, paragraph (b), anywhere in the district are deemed to be the costs of correcting conditions that allow the designation of redevelopment districts pursuant to Minnesota Statutes, section 469.174, subdivision 10; and

(2) the five-year rule under Minnesota Statutes, section 469.1763, subdivision 3, does not apply.

[EFFECTIVE DATE.] This section is effective upon local approval by the city of Richfield in compliance with Minnesota Statutes, section 645.021.

APPENDIX I

2017 SPECIAL LEGISLATION

Minnesota Laws 2017, First Special Session, Chapter 1, Article 6, Section 18 is as follows:

Sec. 18. CITY OF RICHFIELD; EXTENSION OF CEDAR AVENUE TIF DISTRICT.

Notwithstanding Minnesota Statutes, section 469.176, subdivision 1b, or any other law to the contrary, the city of Richfield and the Housing and Redevelopment Authority in and for the city of Richfield may elect to extend the duration limit of the redevelopment tax increment financing district known as the Cedar Avenue Tax Increment Financing District established by Laws 2005, chapter 152, article 2, section 25, by ten years.

EFFECTIVE DATE. This section is effective upon compliance by the governing bodies of the city of Richfield, Hennepin County and Independent School District No. 280 with the requirements of Minnesota Statutes, sections 469.1782, subdivision 2; and 645.021, subdivisions 2 and 3.



*As of November 14, 2017
Draft for HRA*

**Modification to the Redevelopment Plan
for the Richfield Redevelopment Project Area**

and the

Tax Increment Financing Plan

for the establishment of

**Tax Increment Financing District No. 2017-1 (The Chamberlain)
(a housing district)**

within

the Richfield Redevelopment Project Area

Richfield Housing and Redevelopment Authority
City of Richfield
Hennepin County
State of Minnesota

Public Hearing: November 28, 2017
Adopted:



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(for reference purposes only)

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***Section 1 - Modification to the Redevelopment Plan
for the Richfield Redevelopment Project Area***

Foreword

The following text represents a Modification to the Redevelopment Plan for the Richfield Redevelopment Project Area. This modification represents a continuation of the goals and objectives set forth in the Redevelopment Plan for the Richfield Redevelopment Project Area. Generally, the substantive changes include the establishment of Tax Increment Financing District No. 2017-1 (The Chamberlain).

For further information, a review of the Redevelopment Plan for the Richfield Redevelopment Project Area is recommended. It is available from the Community Development Director at the City of Richfield. Other relevant information is contained in the Tax Increment Financing Plans for the Tax Increment Financing Districts located within the Richfield Redevelopment Project Area.

Section 2 - Tax Increment Financing Plan for Tax Increment Financing District No. 2017-1 (The Chamberlain)

Subsection 2-1. Foreword

The Richfield Housing and Redevelopment Authority (the "HRA"), the City of Richfield (the "City"), staff and consultants have prepared the following information to expedite the establishment of Tax Increment Financing District No. 2017-1 (The Chamberlain) (the "District"), a housing tax increment financing district, located in the Richfield Redevelopment Project Area.

Subsection 2-2. Statutory Authority

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the HRA and City have certain statutory powers pursuant to *Minnesota Statutes ("M.S."), Sections 469.001 to 469.047*, inclusive, as amended, and *M.S., Sections 469.174 to 469.1794*, inclusive, as amended (the "Tax Increment Financing Act" or "TIF Act"), to assist in financing public costs related to this project.

This section contains the Tax Increment Financing Plan (the "TIF Plan") for the District. Other relevant information is contained in the Modification to the Redevelopment Plan for the Richfield Redevelopment Project Area.

Subsection 2-3. Statement of Objectives

The District currently consists of 31 parcels of land and adjacent and internal rights-of-way. The District is being created to facilitate the construction of 316 mixed-income apartments in the City, which includes rehabilitating 33 existing apartments and constructing 183 new apartments. The development will reserve 20 percent of the units (63 units) to be affordable to households with incomes at or below 50 percent of area median income. Please see Appendix A for further District information. The HRA approved a development agreement with Chamberlain Apartments, LLC on August 29th, 2017. Development is anticipated to begin in the first quarter of 2018 and be complete by the end of 2020. This TIF Plan is expected to achieve many of the objectives outlined in the Redevelopment Plan for the Richfield Redevelopment Project Area.

The activities contemplated in the Modification to the Redevelopment Plan and the TIF Plan do not preclude the undertaking of other qualified development or redevelopment activities. These activities are anticipated to occur over the life of the Richfield Redevelopment Project Area and the District.

Subsection 2-4. Redevelopment Plan Overview

1. Property to be Acquired - The HRA or City currently owns 27 parcels of property within the District. The remaining property located within the District may be acquired by the HRA or City and is further described in this TIF Plan.
2. Relocation - Relocation services, to the extent required by law, are available pursuant to *M.S., Chapter 117* and other relevant state and federal laws.
3. Upon approval of a developer's plan relating to the project and completion of the necessary legal requirements, the HRA or City may sell to a developer selected properties that it may acquire within the District or may lease land or facilities to a developer.

4. The HRA or City may perform or provide for some or all necessary acquisition, construction, relocation, demolition, and required utilities and public street work within the District.

Subsection 2-5. Description of Property in the District and Property To Be Acquired

The District encompasses all property and adjacent rights-of-way and abutting roadways identified by the parcels listed in Appendix C of this TIF Plan. Please also see the map in Appendix B for further information on the location of the District.

The HRA or City may acquire any parcel within the District including interior and adjacent street rights of way. Any properties identified for acquisition will be acquired by the HRA or City only in order to accomplish one or more of the following: storm sewer improvements; provide land for needed public streets, utilities and facilities; carry out land acquisition, site improvements, clearance and/or development to accomplish the uses and objectives set forth in this plan. The HRA or City may acquire property by gift, dedication, condemnation or direct purchase from willing sellers in order to achieve the objectives of this TIF Plan. Such acquisitions will be undertaken only when there is assurance of funding to finance the acquisition and related costs.

Subsection 2-6. Classification of the District

The HRA and City, in determining the need to create a tax increment financing district in accordance with *M.S., Sections 469.174 to 469.1799*, as amended, inclusive, find that the District, to be established, is a housing district pursuant to *M.S., Section 469.174, Subd. 11 and M.S., Section 469.1761* as defined below:

M.S., Section 469.174, Subd.11:

"Housing district" means a type of tax increment financing district which consists of a project, or a portion of a project, intended for occupancy, in part, by persons or families of low and moderate income, as defined in chapter 462A, Title II of the National Housing Act of 1934, the National Housing Act of 1959, the United States Housing Act of 1937, as amended, Title V of the Housing Act of 1949, as amended, any other similar present or future federal, state, or municipal legislation, or the regulations promulgated under any of those acts, and that satisfies the requirements of M.S., Section 469.1761. Housing project means a project, or portion of a project, that meets all the qualifications of a housing district under this subdivision, whether or not actually established as a housing district.

M.S., Section 469.1761:

Subd. 1. Requirement imposed.

(a) In order for a tax increment financing district to qualify as a housing district:

(1) the income limitations provided in this section must be satisfied; and

(2) no more than 20 percent of the square footage of buildings that receive assistance from tax increments may consist of commercial, retail, or other nonresidential uses.

(b) The requirements imposed by this section apply to property receiving assistance financed with tax increments, including interest reduction, land transfers at less than the authority's cost of acquisition, utility service or connections, roads, parking facilities, or other subsidies. The provisions of this section do not apply to districts located within a targeted area as defined in

Section 462C.02 Subd 9, clause (e).

© *For purposes of the requirements of paragraph (a), the authority may elect to treat an addition to an existing structure as a separate building if:*

(1) construction of the addition begins more than three years after construction of the existing structure was completed; and

(2) for an addition that does not meet the requirements of paragraph (a), clause (2), if it is treated as a separate building, the addition was not contemplated by the tax increment financing plan which includes the existing structure.

Subd. 2. Owner occupied housing.

For owner occupied residential property, 95 percent of the housing units must be initially purchased and occupied by individuals whose family income is less than or equal to the income requirements for qualified mortgage bond projects under section 143(f) of the Internal Revenue Code.

Subd. 3. Rental property.

For residential rental property, the property must satisfy the income requirements for a qualified residential rental project as defined in section 142(d) of the Internal Revenue Code. The requirements of this subdivision apply for the duration of the tax increment financing district.

Subd. 4. Noncompliance; enforcement.

Failure to comply with the requirements of this section is subject to M.S., Section 469.1771.

In meeting the statutory criteria the HRA and City rely on the following facts and findings:

- The District consists of 31 parcels.
- The development will consist of 316 units of multi-family rental housing.
- 20% of the units will be occupied by person with incomes less than 50% of median income.

Pursuant to *M.S., Section 469.176, Subd. 7*, the District does not contain any parcel or part of a parcel that qualified under the provisions of *M.S., Sections 273.111, 273.112, or 273.114* or *Chapter 473H* for taxes payable in any of the five calendar years before the filing of the request for certification of the District.

Subsection 2-7. Duration and First Year of Tax Increment of the District

Pursuant to *M.S., Section 469.175, Subd. 1, and Section 469.176, Subd. 1*, the duration and first year of tax increment of the District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b.*, the duration of the District will be 25 years after receipt of the first increment by the HRA or City (a total of 26 years of tax increment). The HRA or City elects to receive the first tax increment in 2020, which is no later than four years following the year of approval of the District. Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2045, or when the TIF Plan is satisfied. The HRA or City reserves the right to decertify the District prior to the legally required date.

Subsection 2-8. Original Tax Capacity, Tax Rate and Estimated Captured Net Tax Capacity Value/Increment and Notification of Prior Planned Improvements

Pursuant to *M.S., Section 469.174, Subd. 7 and M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the assessor in 2017 for taxes payable 2018.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2020) the amount by which the original value has increased or decreased as a result of:

1. Change in tax exempt status of property;
2. Reduction or enlargement of the geographic boundaries of the district;
3. Change due to adjustments, negotiated or court-ordered abatements;
4. Change in the use of the property and classification;
5. Change in state law governing class rates; or
6. Change in previously issued building permits.

In any year in which the current Net Tax Capacity (NTC) value of the District declines below the ONTC, no value will be captured and no tax increment will be payable to the HRA or City.

The original local tax rate for the District will be the local tax rate for taxes payable 2018, assuming the request for certification is made before June 30, 2018. The ONTC and the Original Local Tax Rate for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. 4 and M.S., Section 469.177, Subd. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within the Richfield Redevelopment Project Area, upon completion of the projects within the District, will annually approximate tax increment revenues as shown in the table below. The HRA and City request 100 percent of the available increase in tax capacity for repayment of its obligations and current expenditures, beginning in the tax year payable 2020. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

Project Estimated Tax Capacity upon Completion (PTC)	\$1,103,790	
Original Estimated Net Tax Capacity (ONTC)	\$63,988	
Estimated Captured Tax Capacity (CTC)	\$1,039,802	
Original Local Tax Rate	1.40604	Pay 2017
Estimated Annual Tax Increment (CTC x Local Tax Rate)	\$1,462,003	
Percent Retained by the HRA	100%	

Tax capacity includes a 3% inflation factor for the duration of the District. The tax capacity included in this chart is the estimated tax capacity of the District in year 25. The tax capacity of the District in year one is estimated to be \$192,913.

Pursuant to *M.S., Section 469.177, Subd. 4*, the HRA shall, after a due and diligent search, accompany its request for certification to the County Auditor or its notice of the District enlargement pursuant to *M.S., Section 469.175, Subd. 4*, with a listing of all properties within the District or area of enlargement for which building permits have been issued during the eighteen (18) months immediately preceding approval of the

TIF Plan by the municipality pursuant to *M.S., Section 469.175, Subd. 3*. The County Auditor shall increase the original net tax capacity of the District by the net tax capacity of improvements for which a building permit was issued.

The City has reviewed the area to be included in the District and found no parcels for which building permits have been issued during the 18 months immediately preceding approval of the TIF Plan by the City.

Subsection 2-9. Sources of Revenue/Bonds to be Issued

The costs outlined in the Uses of Funds will be financed primarily through the annual collection of tax increments. The HRA or City reserves the right to incur bonds or other indebtedness as a result of the TIF Plan. As presently proposed, the projects within the District will be financed by a pay-as-you-go note and interfund loan but reserves the right to issue bonds in any form as authorized under the TIF Act. Any refunding amounts will be deemed a budgeted cost without a formal TIF Plan Modification. This provision does not obligate the HRA or City to incur debt. The HRA or City will issue bonds or incur other debt only upon the determination that such action is in the best interest of the City.

The total estimated tax increment revenues for the District are shown in the table below:

<u>SOURCES OF FUNDS</u>	<u>TOTAL</u>
Tax Increment	\$25,586,527
<u>Interest</u>	<u>\$2,558,653</u>
TOTAL	\$28,145,180

The HRA or City may issue bonds (as defined in the TIF Act) secured in whole or in part with tax increments from the District in a maximum principal amount of \$17,920,685. Such bonds may be in the form of pay-as-you-go notes, revenue bonds or notes, general obligation bonds, or interfund loans. This estimate of total bonded indebtedness is a cumulative statement of authority under this TIF Plan as of the date of approval.

Subsection 2-10. Uses of Funds

Currently under consideration for the District is a proposal to facilitate the construction of 316 mixed-income apartments. The HRA and City have determined that it will be necessary to provide assistance to the project(s) for certain District costs, as described. The HRA has studied the feasibility of the development or redevelopment of property in and around the District. To facilitate the establishment and development or redevelopment of the District, this TIF Plan authorizes the use of tax increment financing to pay for the cost of certain eligible expenses. The estimate of public costs and uses of funds associated with the District is outlined in the table on the following page.

<u>USES OF TAX INCREMENT FUNDS</u>	<u>TOTAL</u>
Land/Building Acquisition	\$5,100,000
Site Improvements/Preparation	\$750,000
Utilities	\$750,000
Affordable Housing	\$8,250,000
Other Qualifying Improvements	\$512,032
<u>Administrative Costs (up to 10%)</u>	<u>\$2,558,653</u>
PROJECT COST TOTAL	\$17,920,685
<u>Interest</u>	<u>\$10,224,495</u>
PROJECT AND INTEREST COSTS TOTAL	\$28,145,180

The total project cost, including financing costs (interest) listed in the table above does not exceed the total projected tax increments for the District as shown in Subsection 2-9.

Estimated costs associated with the District are subject to change among categories without a modification to this TIF Plan. The cost of all activities to be considered for tax increment financing will not exceed, without formal modification, the budget above pursuant to the applicable statutory requirements. The HRA may expend funds for qualified housing activities outside of the District boundaries.

Subsection 2-11. Fiscal Disparities Election

Pursuant to *M.S., Section 469.177, Subd. 3*, the City may elect one of two methods to calculate fiscal disparities. If the calculations pursuant to *M.S., Section 469.177, Subd. 3, clause b*, (inside the District) are followed, the following method of computation shall apply:

- (1) *The original net tax capacity shall be determined before the application of the fiscal disparity provisions of Chapter 276A or 473F. The current net tax capacity shall exclude any fiscal disparity commercial-industrial net tax capacity increase between the original year and the current year multiplied by the fiscal disparity ratio determined pursuant to M.S., Section 276A.06, subdivision 7 or M.S., Section 473F.08, subdivision 6. Where the original net tax capacity is equal to or greater than the current net tax capacity, there is no captured tax capacity and no tax increment determination. Where the original tax capacity is less than the current tax capacity, the difference between the original net tax capacity and the current net tax capacity is the captured net tax capacity. This amount less any portion thereof which the authority has designated, in its tax increment financing plan, to share with the local taxing districts is the retained captured net tax capacity of the authority.*
- (2) *The county auditor shall exclude the retained captured net tax capacity of the authority from the net tax capacity of the local taxing districts in determining local taxing district tax rates. The local tax rates so determined are to be extended against the retained captured net tax capacity of the authority as well as the net tax capacity of the local taxing districts. The tax generated by the extension of the less of (A) the local taxing district tax rates or (B) the original local tax rate to the retained captured net tax capacity of the authority is the tax increment of the authority.*

The HRA will choose to calculate fiscal disparities by clause b. It is not anticipated that the District will contain commercial/industrial property. As a result, there should be no impact due to the fiscal disparities provision on the District.

According to *Section 469.177, Subd. 3* of the TIF Act:

(c) The method of computation of tax increment applied to a district pursuant to paragraph (a) or (b) shall remain the same for the duration of the district, except that the governing body may elect to change its election from the method of computation in paragraph (a) to the method in paragraph (b).

Subsection 2-12. Business Subsidies

Pursuant to *M.S., Section 116J.993, Subd. 3*, the following forms of financial assistance are not considered a business subsidy:

- (1) A business subsidy of less than \$150,000;
- (2) Assistance that is generally available to all businesses or to a general class of similar businesses, such as a line of business, size, location, or similar general criteria;
- (3) Public improvements to buildings or lands owned by the state or local government that serve a public purpose and do not principally benefit a single business or defined group of businesses at the time the improvements are made;
- (4) Redevelopment property polluted by contaminants as defined in *M.S., Section 116J.552, Subd. 3*;
- (5) Assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code and assistance provided for designated historic preservation districts, provided that the assistance is equal to or less than 50% of the total cost;
- (6) Assistance to provide job readiness and training services if the sole purpose of the assistance is to provide those services;
- (7) Assistance for housing;
- (8) Assistance for pollution control or abatement, including assistance for a tax increment financing hazardous substance subdistrict as defined under *M.S., Section 469.174, Subd. 23*;
- (9) Assistance for energy conservation;
- (10) Tax reductions resulting from conformity with federal tax law;
- (11) Workers' compensation and unemployment compensation;
- (12) Benefits derived from regulation;
- (13) Indirect benefits derived from assistance to educational institutions;
- (14) Funds from bonds allocated under chapter 474A, bonds issued to refund outstanding bonds, and bonds issued for the benefit of an organization described in section 501 © (3) of the Internal Revenue Code of 1986, as amended through December 31, 1999;
- (15) Assistance for a collaboration between a Minnesota higher education institution and a business;
- (16) Assistance for a tax increment financing soils condition district as defined under *M.S., Section 469.174, Subd. 19*;
- (17) Redevelopment when the recipient's investment in the purchase of the site and in site preparation is 70 percent or more of the assessor's current year's estimated market value;
- (18) General changes in tax increment financing law and other general tax law changes of a principally technical nature;
- (19) Federal assistance until the assistance has been repaid to, and reinvested by, the state or local government agency;
- (20) Funds from dock and wharf bonds issued by a seaway port authority;
- (21) Business loans and loan guarantees of \$150,000 or less;

- (22) Federal loan funds provided through the United States Department of Commerce, Economic Development Administration; and
- (23) Property tax abatements granted under *M.S., Section 469.1813* to property that is subject to valuation under Minnesota Rules, chapter 8100.

The HRA will comply with *M.S., Sections 116J.993 to 116J.995* to the extent the tax increment assistance under this TIF Plan does not fall under any of the above exemptions.

Subsection 2-13. County Road Costs

Pursuant to *M.S., Section 469.175, Subd. 1a*, the county board may require the HRA or City to pay for all or part of the cost of county road improvements if the proposed development to be assisted by tax increment will, in the judgment of the county, substantially increase the use of county roads requiring construction of road improvements or other road costs and if the road improvements are not scheduled within the next five years under a capital improvement plan or within five years under another county plan.

If the county elects to use increments to improve county roads, it must notify the HRA or City within forty-five days of receipt of this TIF Plan. In the opinion of the HRA and City and consultants, the proposed development outlined in this TIF Plan will have little or no impact upon county roads, therefore the TIF Plan was not forwarded to the county 45 days prior to the public hearing. The HRA and City are aware that the county could claim that tax increment should be used for county roads, even after the public hearing.

Subsection 2-14. Estimated Impact on Other Taxing Jurisdictions

The estimated impact on other taxing jurisdictions assumes that the redevelopment contemplated by the TIF Plan would occur without the creation of the District. However, the HRA or City has determined that such development or redevelopment would not occur "but for" tax increment financing and that, therefore, the fiscal impact on other taxing jurisdictions is \$0. The estimated fiscal impact of the District would be as follows if the "but for" test was not met:

IMPACT ON TAX BASE			
	Estimated 2017/Pay 2018 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) Upon Completion	Percent of CTC to Entity Total
Hennepin County	1,691,017,124	1,039,802	0.0615%
City of Richfield	30,179,862	1,039,802	3.4454%
Richfield Public ISD No. 280	43,840,919	1,039,802	2.3718%

IMPACT ON TAX RATES

	<u>Pay 2017 Extension Rates</u>	<u>Percent of Total</u>	<u>CTC</u>	<u>Potential Taxes</u>
Hennepin County	0.440870	31.36%	1,039,802	458,418
City of Richfield	0.584060	41.54%	1,039,802	607,307
Richfield Public ISD No. 280	0.270540	19.24%	1,039,802	281,308
Other	<u>0.110570</u>	<u>7.86%</u>	<u>1,039,802</u>	<u>114,971</u>
Total	1.406040	100.00%		1,462,003

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the actual Pay 2017 rate. The total net capacity for the entities listed above are based on estimated Pay 2018 figures. The District will be certified under the actual Pay 2018 rates and figures, which were unavailable at the time this TIF Plan was prepared.

Pursuant to *M.S. Section 469.175 Subd. 2(b)*:

- (1) Estimate of total tax increment. It is estimated that the total amount of tax increment that will be generated over the life of the District is \$25,586,527;
- (2) Probable impact of the District on city provided services and ability to issue debt. A minimal impact of the District on police protection is expected. The City does track all calls for service including property-type calls and crimes. With any addition of new residents or businesses, police calls for service will be increased. New developments add an increase in traffic, and additional overall demands to the call load. The City believes there is a slight possibility that the proposed development, in and of itself, will necessitate new capital investment in vehicles.

The probable impact of the District on fire protection is not expected to be significant. Typically new buildings generate few calls, if any, and are of superior construction. The existing buildings are several non-sprinkled single family homes that are being replaced by three fully sprinkled multi-family homes.

The impact of the District on public infrastructure is expected to be minimal. The development is not expected to significantly impact any traffic movements in the area. The current infrastructure for sanitary sewer, storm sewer and water will be able to handle the additional volume generated from the proposed development. Based on the development plans, there are no additional costs associated with street maintenance, sweeping, plowing, lighting and sidewalks. The development in the District is expected to contribute an estimated \$705,740 in sanitary sewer (SAC) and water (WAC) connection fees.

The probable impact of any District general obligation tax increment bonds on the ability to issue debt for general fund purposes is expected to be minimal. It is not anticipated that there will be any general obligation debt issued in relation to this project, therefore there will be no impact on the City's ability to issue future debt or on the City's debt limit.

- (3) Estimated amount of tax increment attributable to school district levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is \$4,922,848;
- (4) Estimated amount of tax increment attributable to county levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same, is \$8,023,935;
- (5) Additional information requested by the county or school district. The City is not aware of any standard questions in a county or school district written policy regarding tax increment districts and impact on county or school district services. The county or school district must request additional information pursuant to *M.S. Section 469.175 Subd. 2(b)* within 15 days after receipt of the tax increment financing plan.

No requests for additional information from the county or school district regarding the proposed development for the District have been received.

Subsection 2-15. Supporting Documentation

Pursuant to *M.S. Section 469.175, Subd. 1 (a), clause 7* the TIF Plan must contain identification and description of studies and analyses used to make the determination set forth in *M.S. Section 469.175, Subd. 3, clause (b)(2)* and the findings are required in the resolution approving the District. Following is a list of reports and studies on file at the City that support the HRA and City's findings:

- Cedar Avenue Corridor Master Plan (2016)
- City of Richfield Comprehensive Plan (2007)
- Cedar Avenue Corridor Redevelopment Concept Master Plan (2004)

Subsection 2-16. Definition of Tax Increment Revenues

Pursuant to *M.S., Section 469.174, Subd. 25*, tax increment revenues derived from a tax increment financing district include all of the following potential revenue sources:

1. Taxes paid by the captured net tax capacity, but excluding any excess taxes, as computed under *M.S., Section 469.177*;
2. The proceeds from the sale or lease of property, tangible or intangible, to the extent the property was purchased by the authority with tax increments;
3. Principal and interest received on loans or other advances made by the authority with tax increments;
4. Interest or other investment earnings on or from tax increments;
5. Repayments or return of tax increments made to the Authority under agreements for districts for which the request for certification was made after August 1, 1993; and
6. The market value homestead credit paid to the Authority under *M.S., Section 273.1384*.

Subsection 2-17. Modifications to the District

In accordance with *M.S., Section 469.175, Subd. 4*, any:

1. Reduction or enlargement of the geographic area of the District, if the reduction does not meet the requirements of *M.S., Section 469.175, Subd. 4(e)*;

2. Increase in amount of bonded indebtedness to be incurred;
3. A determination to capitalize interest on debt if that determination was not a part of the original TIF Plan;
4. Increase in the portion of the captured net tax capacity to be retained by the HRA or City;
5. Increase in the estimate of the cost of the District, including administrative expenses, that will be paid or financed with tax increment from the District; or
6. Designation of additional property to be acquired by the HRA or City,

shall be approved upon the notice and after the discussion, public hearing and findings required for approval of the original TIF Plan.

Pursuant to *M.S. Section 469.175 Subd. 4(f)*, the geographic area of the District may be reduced, but shall not be enlarged after five years following the date of certification of the original net tax capacity by the county auditor. If a housing district is enlarged, the reasons and supporting facts for the determination that the addition to the district meets the criteria of *M.S., Section 469.174, Subd. 11* must be documented. The requirements of this paragraph do not apply if (1) the only modification is elimination of parcel(s) from the District and (2) (A) the current net tax capacity of the parcel(s) eliminated from the District equals or exceeds the net tax capacity of those parcel(s) in the District's original net tax capacity or (B) the HRA agrees that, notwithstanding *M.S., Section 469.177, Subd. 1*, the original net tax capacity will be reduced by no more than the current net tax capacity of the parcel(s) eliminated from the District.

The HRA or City must notify the County Auditor of any modification to the District. Modifications to the District in the form of a budget modification or an expansion of the boundaries will be recorded in the TIF Plan.

Subsection 2-18. Administrative Expenses

In accordance with *M.S., Section 469.174, Subd. 14*, administrative expenses means all expenditures of the HRA or City, *other than*:

1. Amounts paid for the purchase of land;
2. Amounts paid to contractors or others providing materials and services, including architectural and engineering services, directly connected with the physical development of the real property in the District;
3. Relocation benefits paid to or services provided for persons residing or businesses located in the District;
4. Amounts used to pay principal or interest on, fund a reserve for, or sell at a discount bonds issued pursuant to *M.S., Section 469.178*; or
5. Amounts used to pay other financial obligations to the extent those obligations were used to finance costs described in clauses (1) to (3).

For districts for which the request for certification were made before August 1, 1979, or after June 30, 1982, and before August 1, 2001, administrative expenses also include amounts paid for services provided by bond counsel, fiscal consultants, and planning or economic development consultants. Pursuant to *M.S., Section 469.176, Subd. 3*, tax increment may be used to pay any **authorized and documented** administrative expenses for the District up to but not to exceed 10 percent of the total estimated tax increment expenditures authorized by the TIF Plan or the total tax increments, as defined by *M.S., Section 469.174, Subd. 25, clause (1)*, from the District, whichever is less.

For districts for which certification was requested after July 31, 2001, no tax increment may be used to pay

any administrative expenses for District costs which exceed ten percent of total estimated tax increment expenditures authorized by the TIF Plan or the total tax increments, as defined in *M.S., Section 469.174, Subd. 25, clause (1)*, from the District, whichever is less.

Pursuant to *M.S., Section 469.176, Subd. 4h*, tax increments may be used to pay for the County's actual administrative expenses incurred in connection with the District and are not subject to the percentage limits of *M.S., Section 469.176, Subd. 3*. The county may require payment of those expenses by February 15 of the year following the year the expenses were incurred.

Pursuant to *M.S., Section 469.177, Subd. 11*, the County Treasurer shall deduct an amount (currently .36 percent) of any increment distributed to the HRA or City and the County Treasurer shall pay the amount deducted to the State Commissioner of Management and Budget for deposit in the state general fund to be appropriated to the State Auditor for the cost of financial reporting of tax increment financing information and the cost of examining and auditing authorities' use of tax increment financing. This amount may be adjusted annually by the Commissioner of Revenue.

Subsection 2-19. Limitation of Increment

The tax increment pledged to the payment of bonds and interest thereon may be discharged and the District may be terminated if sufficient funds have been irrevocably deposited in the debt service fund or other escrow account held in trust for all outstanding bonds to provide for the payment of the bonds at maturity or redemption date.

Pursuant to *M.S., Section 469.176, Subd. 6*:

if, after four years from the date of certification of the original net tax capacity of the tax increment financing district pursuant to M.S., Section 469.177, no demolition, rehabilitation or renovation of property or other site preparation, including qualified improvement of a street adjacent to a parcel but not installation of utility service including sewer or water systems, has been commenced on a parcel located within a tax increment financing district by the authority or by the owner of the parcel in accordance with the tax increment financing plan, no additional tax increment may be taken from that parcel, and the original net tax capacity of that parcel shall be excluded from the original net tax capacity of the tax increment financing district. If the authority or the owner of the parcel subsequently commences demolition, rehabilitation or renovation or other site preparation on that parcel including qualified improvement of a street adjacent to that parcel, in accordance with the tax increment financing plan, the authority shall certify to the county auditor that the activity has commenced and the county auditor shall certify the net tax capacity thereof as most recently certified by the commissioner of revenue and add it to the original net tax capacity of the tax increment financing district. The county auditor must enforce the provisions of this subdivision. The authority must submit to the county auditor evidence that the required activity has taken place for each parcel in the district. The evidence for a parcel must be submitted by February 1 of the fifth year following the year in which the parcel was certified as included in the district. For purposes of this subdivision, qualified improvements of a street are limited to (1) construction or opening of a new street, (2) relocation of a street, and (3) substantial reconstruction or rebuilding of an existing street.

The HRA or City or a property owner must improve parcels within the District by approximately November 2021 and report such actions to the County Auditor.

Subsection 2-20. Use of Tax Increment

The HRA or City hereby determines that it will use 100 percent of the captured net tax capacity of taxable property located in the District for the following purposes:

1. To pay the principal of and interest on bonds issued to finance a project;
2. To finance, or otherwise pay public redevelopment costs of the Richfield Redevelopment Project Area pursuant to *M.S., Sections 469.001 to 469.047*;
3. To pay for project costs as identified in the budget set forth in the TIF Plan;
4. To finance, or otherwise pay for other purposes as provided in *M.S., Section 469.176, Subd. 4*;
5. To pay principal and interest on any loans, advances or other payments made to or on behalf of the HRA or City or for the benefit of the Richfield Redevelopment Project Area by a developer;
6. To finance or otherwise pay premiums and other costs for insurance or other security guaranteeing the payment when due of principal of and interest on bonds pursuant to the TIF Plan or pursuant to *M.S., Chapter 462C, M.S., Sections 469.152 through 469.165*, and/or *M.S., Sections 469.178*; and
7. To accumulate or maintain a reserve securing the payment when due of the principal and interest on the tax increment bonds or bonds issued pursuant to *M.S., Chapter 462C, M.S., Sections 469.152 through 469.165*, and/or *M.S., Sections 469.178*.

Revenues derived from tax increment from a housing district must be used solely to finance the cost of housing projects as defined in *M.S., Sections 469.174, Subd. 11 and 469.1761*. The cost of public improvements directly related to the housing projects and the allocated administrative expenses of the HRA or City may be included in the cost of a housing project.

These revenues shall not be used to circumvent any levy limitations applicable to the City nor for other purposes prohibited by *M.S., Section 469.176, Subd. 4*.

Tax increments generated in the District will be paid by Hennepin County to the HRA for the Tax Increment Fund of said District. The HRA or City will pay to the developer(s) annually an amount not to exceed an amount as specified in a developer's agreement to reimburse the costs of land acquisition, public improvements, demolition and relocation, site preparation, and administration. Remaining increment funds will be used for HRA or City administration (up to 10 percent) and for the costs of public improvement activities outside the District.

Subsection 2-21. Excess Increments

Excess increments, as defined in *M.S., Section 469.176, Subd. 2*, shall be used only to do one or more of the following:

1. Prepay any outstanding bonds;
2. Discharge the pledge of tax increment for any outstanding bonds;
3. Pay into an escrow account dedicated to the payment of any outstanding bonds; or
4. Return the excess to the County Auditor for redistribution to the respective taxing jurisdictions in proportion to their local tax rates.

The HRA or City must spend or return the excess increments under paragraph © within nine months after the end of the year. In addition, the HRA or City may, subject to the limitations set forth herein, choose to modify the TIF Plan in order to finance additional public costs in the Richfield Redevelopment Project Area or the District.

Subsection 2-22. Requirements for Agreements with the Developer

The HRA or City will review any proposal for private development to determine its conformance with the Redevelopment Plan and with applicable municipal ordinances and codes. To facilitate this effort, the following documents may be requested for review and approval: site plan, construction, mechanical, and electrical system drawings, landscaping plan, grading and storm drainage plan, signage system plan, and any other drawings or narrative deemed necessary by the HRA or City to demonstrate the conformance of the development with City plans and ordinances. The HRA or City may also use the Agreements to address other issues related to the development.

Pursuant to *M.S., Section 469.176, Subd. 5*, no more than 10 percent, by acreage, of the property to be acquired in the District as set forth in the TIF Plan shall at any time be owned by the HRA or City as a result of acquisition with the proceeds of bonds issued pursuant to *M.S., Section 469.178* to which tax increments from property acquired is pledged, unless prior to acquisition in excess of 10 percent of the acreage, the HRA or City concluded an agreement for the development of the property acquired and which provides recourse for the HRA or City should the development not be completed.

Subsection 2-23. Assessment Agreements

Pursuant to *M.S., Section 469.177, Subd. 8*, the HRA or City may enter into a written assessment agreement in recordable form with the developer of property within the District which establishes a minimum market value of the land and completed improvements for the duration of the District. The assessment agreement shall be presented to the County Assessor who shall review the plans and specifications for the improvements to be constructed, review the market value previously assigned to the land upon which the improvements are to be constructed and, so long as the minimum market value contained in the assessment agreement appears, in the judgment of the assessor, to be a reasonable estimate, the County Assessor shall also certify the minimum market value agreement.

Subsection 2-24. Administration of the District

Administration of the District will be handled by the Community Development Director.

Subsection 2-25. Annual Disclosure Requirements

Pursuant to *M.S., Section 469.175, Subds. 5, 6, and 6b* the HRA or City must undertake financial reporting for all tax increment financing districts to the Office of the State Auditor, County Board and County Auditor on or before August 1 of each year. *M.S., Section 469.175, Subd. 5* also provides that an annual statement shall be published in a newspaper of general circulation in the City on or before August 15.

If the City fails to make a disclosure or submit a report containing the information required by *M.S., Section 469.175 Subd. 5 and Subd. 6*, the Office of the State Auditor will direct the County Auditor to withhold the distribution of tax increment from the District.

Subsection 2-26. Reasonable Expectations

As required by the TIF Act, in establishing the District, the determination has been made that the anticipated development would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax

increments for the maximum duration of the District permitted by the TIF Plan. In making said determination, reliance has been placed upon written representation made by the developer to such effects and upon HRA and City staff awareness of the feasibility of developing the project site(s) within the District. A comparative analysis of estimated market values both with and without establishment of the District and the use of tax increments has been performed as described above. Such analysis is included with the cashflow in Appendix D, and indicates that the increase in estimated market value of the proposed development (less the indicated subtractions) exceeds the estimated market value of the site absent the establishment of the District and the use of tax increments.

Subsection 2-27. Other Limitations on the Use of Tax Increment

1. General Limitations. All revenue derived from tax increment shall be used in accordance with the TIF Plan. The revenues shall be used to finance, or otherwise pay public redevelopment costs of the Richfield Redevelopment Project Area pursuant to *M.S., Sections 469.001 to 469.047*. Tax increments may not be used to circumvent existing levy limit law. No tax increment may be used for the acquisition, construction, renovation, operation, or maintenance of a building to be used primarily and regularly for conducting the business of a municipality, county, school district, or any other local unit of government or the state or federal government. This provision does not prohibit the use of revenues derived from tax increments for the construction or renovation of a parking structure.
2. Housing District Exceptions to Restriction on Pooling; Five Year Limit. Pursuant to *M.S., Section 469.1763*, (1) At least 80% of revenues derived from tax increments paid by properties in the District must be expended on Public Costs incurred within said district, and up to 20% of said tax increments may be spent on public costs incurred outside of the District but within the Richfield Redevelopment Project Area; provided that in the case of a housing district, a housing project, as defined in *M.S., Section 469.174, Subd. 11*, is deemed to be an activity in the District, even if the expenditure occurred after five years.

Subsection 2-28. Summary

The Richfield Housing and Redevelopment Authority is establishing the District to provide an impetus for residential development and provide safe and decent life cycle housing in the City. The TIF Plan for the District was prepared by Ehlers & Associates, Inc., 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, telephone (651) 697-8500.

Appendix A

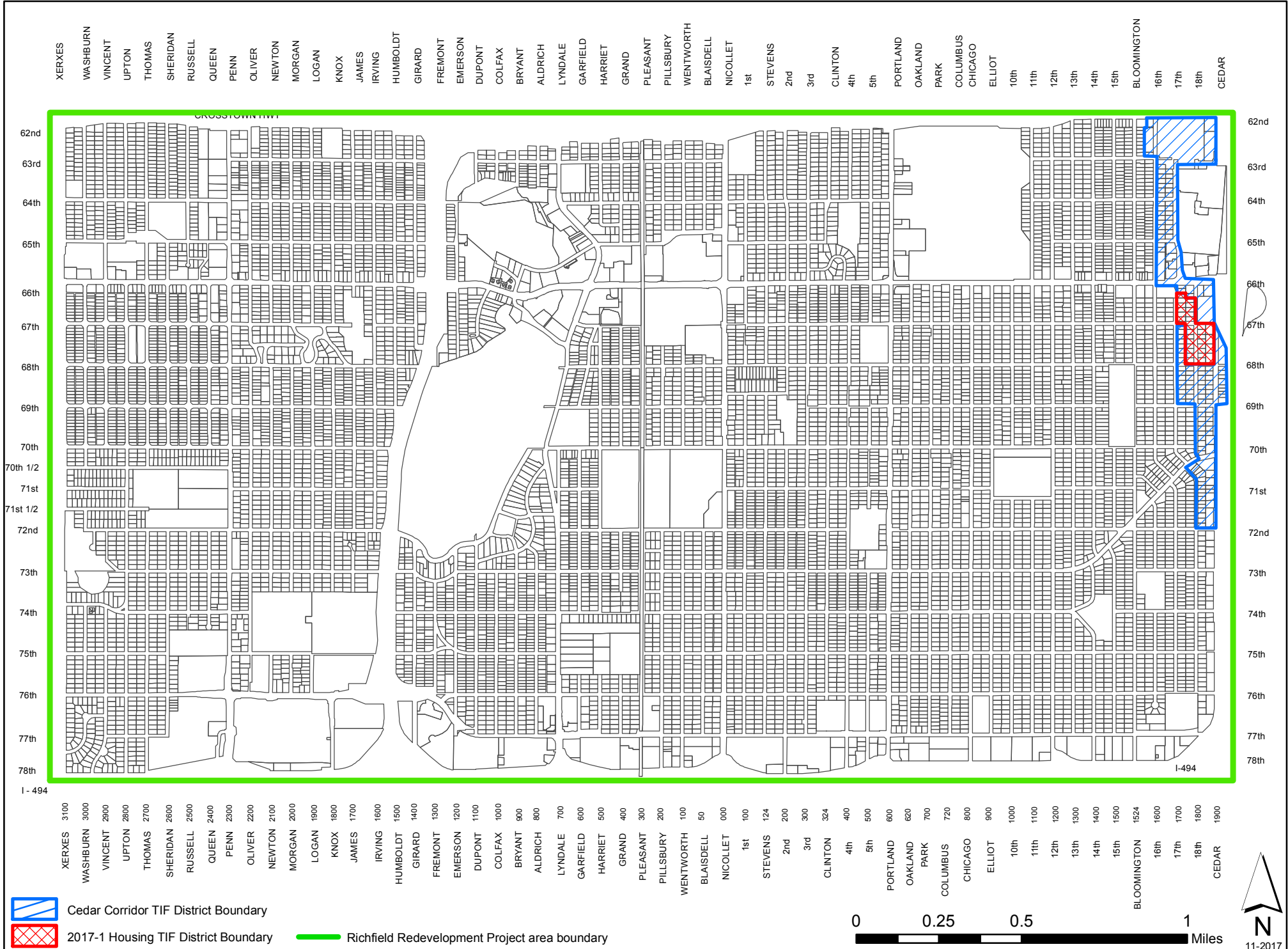
Project Description

Chamberlain Apartments, LLC intends to redevelop the parcels in the District into a mixed-income housing projects with a total of 316 apartments that includes rehabilitating three existing buildings with a total of 33 apartments and constructing three new buildings with a total of 283 apartments. The new apartments will include underground parking. The development will reserve 20% of the units (63 units) to be affordable to households at or below 50% of area median income. The Developer will construct a new public road through the site. Construction is anticipated to start in the first quarter of 2018 and be complete by the end of 2020.

Appendix B

Maps of the Richfield Redevelopment Project Area and the District

CEDAR CORRIDOR AND 2017-1 HOUSING TIF DISTRICTS



Appendix C

Description of Property to be Included in the District

The District encompasses all property and adjacent rights-of-way and abutting roadways identified by the parcels listed below.

<u>Parcel Numbers</u>	<u>Address</u>	<u>Owner</u>
26-028-24-41-0067	6620 18 th Ave S	HRA
26-028-24-41-0068	6626 18 th Ave S	HRA
26-028-24-41-0069	6632 18 th Ave S	HRA
26-028-24-41-0070	6638 18 th Ave S	HRA
26-028-24-41-0071	6644 18 th Ave S	HRA
26-028-24-41-0072	6645 17 th Ave S	HRA
26-028-24-41-0073	6639 17 th Ave S	HRA
26-028-24-41-0074	6633 17 th Ave S	HRA
26-028-24-41-0075	6627 17 th Ave S	HRA
26-028-24-41-0076	6621 17 th Ave S	HRA
26-028-24-41-0077	6615 17 th Ave S	HRA
26-028-24-41-0080	6700 18 th Ave S	HRA
26-028-24-41-0081	6708 18 th Ave S	HRA
26-028-24-41-0082	6714 18 th Ave S	HRA
26-028-24-41-0083	6720 18 th Ave S	HRA
26-028-24-41-0084	6726 18 th Ave S	HRA
26-028-24-41-0085	6732 18 th Ave S	HRA
26-028-24-41-0086	6738 18 th Ave S	HRA
26-028-24-41-0087	6744 18 th Ave S	HRA
26-028-24-41-0096	6700 Cedar Ave S	HRA
26-028-24-41-0097	6720 Cedar Ave S	Cedar South Pointe LLC
26-028-24-41-0098	6730 Cedar Ave S	Cedar South Pointe LLC
26-028-24-41-0099	6744 Cedar Ave S	Cedar South Pointe LLC
26-028-24-41-0100	6745 18 th Ave S	HRA
26-028-24-41-0101	6739 18 th Ave S	HRA

26-028-24-41-0102	6733 18 th Ave S	HRA
26-028-24-41-0103	6727 18 th Ave S	HRA
26-028-24-41-0104	6721 18 th Ave S	HRA
26-028-24-41-0105	6715 18 th Ave S	Richfield Apartments LLC
26-028-24-41-0106	6709 18 th Ave S	HRA
26-028-24-41-0107	6701 18 th Ave S	HRA

*All of the listed parcels are currently in the Cedar Avenue Tax Increment Financing District and will be removed for inclusion in the District.

Appendix D

Estimated Cash Flow for the District



The Chamberlain Apts (2017-1 Housing)

City of Richfield

316 Mixed Income Apts

ASSUMPTIONS AND RATES

DistrictType:	Housing	Tax Rates	
District Name/Number:			
County District #:			
First Year Construction or Inflation on Value	2018	Exempt Class Rate (Exempt)	0.00%
Existing District - Specify No. Years Remaining		Commercial Industrial Preferred Class Rate (C/I Pref.)	
Inflation Rate - Every Year:	3.00%	First \$150,000	1.50%
Interest Rate:	4.00%	Over \$150,000	2.00%
Present Value Date:	1-Aug-19	Commercial Industrial Class Rate (C/I)	2.00%
First Period Ending	1-Feb-20	Rental Housing Class Rate (Rental)	1.25%
Tax Year District was Certified:	Pay 2018	Affordable Rental Housing Class Rate (Aff. Rental)	
Cashflow Assumes First Tax Increment For Development:	2020	First \$115,000	0.75%
Years of Tax Increment	26	Over \$115,000	0.25%
Assumes Last Year of Tax Increment	2045	Non-Homestead Residential (Non-H Res. 1 Unit)	
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	Inside(B)	First \$500,000	1.00%
Incremental or Total Fiscal Disparities	Incremental	Over \$500,000	1.25%
Fiscal Disparities Contribution Ratio	34.3809% Pay 2017	Homestead Residential Class Rate (Hmstd. Res.)	
Fiscal Disparities Metro-Wide Tax Rate	150.0490% Pay 2017	First \$500,000	1.00%
Maximum/Frozen Local Tax Rate:	140.604% Pay 2017	Over \$500,000	1.25%
Current Local Tax Rate: (Use lesser of Current or Max.)	140.604% Pay 2017	Agricultural Non-Homestead	1.00%
State-wide Tax Rate (Comm./Ind. only used for total taxes)	45.8020% Pay 2017		
Market Value Tax Rate (Used for total taxes)	0.12679% Pay 2017		

BASE VALUE INFORMATION (Original Tax Capacity)														
Map #	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Original Market Value	Tax Year Original Market Value	Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion Orig. Tax Cap.	Area/Phase
	26-028-24-41-0067	RA City of Richfi	6620 18th Ave. S.	2,547,000		2,547,000	100%	2,547,000	Pay 2018	Exempt	-	Rental	31,838	A
	26-028-24-41-0068	RA City of Richfi	6626 18th Ave. S.			0	100%	0	Pay 2018	Exempt	-	Rental	-	A
	26-028-24-41-0069	RA City of Richfi	6632 18th Ave. S.			0	100%	0	Pay 2018	Exempt	-	Rental	-	A
	26-028-24-41-0070	RA City of Richfi	6638 18th Ave. S.			0	100%	0	Pay 2018	Exempt	-	Rental	-	A
	26-028-24-41-0071	RA City of Richfi	6644 18th Ave. S.			0	100%	0	Pay 2018	Exempt	-	Rental	-	A
	26-028-24-41-0072	RA City of Richfi	6645 18th Ave. S.			0	100%	0	Pay 2018	Exempt	-	Rental	-	A
	26-028-24-41-0073	RA City of Richfi	6639 18th Ave. S.			0	100%	0	Pay 2018	Exempt	-	Rental	-	A
	26-028-24-41-0074	RA City of Richfi	6633 18th Ave. S.			0	100%	0	Pay 2018	Exempt	-	Rental	-	A
	26-028-24-41-0075	RA City of Richfi	6627 18th Ave. S.			0	100%	0	Pay 2018	Exempt	-	Rental	-	A
	26-028-24-41-0076	RA City of Richfi	6621 18th Ave. S.			0	100%	0	Pay 2018	Exempt	-	Rental	-	A
	26-028-24-41-0077	RA City of Richfi	6615 18th Ave. S.			0	100%	0	Pay 2018	Exempt	-	Rental	-	A
	26-028-24-41-0080	RA City of Richfi	6700 18th Ave. S.			0	100%	0	Pay 2018	Exempt	-	Rental	-	B
	26-028-24-41-0081	RA City of Richfi	6708 18th Ave. S.			0	100%	0	Pay 2018	Exempt	-	Rental	-	B
	26-028-24-41-0082	RA City of Richfi	6714 18th Ave. S.			0	100%	0	Pay 2018	Exempt	-	Rental	-	B
	26-028-24-41-0083	RA City of Richfi	6720 18th Ave. S.			0	100%	0	Pay 2018	Exempt	-	Rental	-	B
	26-028-24-41-0084	RA City of Richfi	6726 18th Ave. S.			0	100%	0	Pay 2018	Exempt	-	Rental	-	B
	26-028-24-41-0085	RA City of Richfi	6732 18th Ave. S.			0	100%	0	Pay 2018	Exempt	-	Rental	-	B
	26-028-24-41-0086	RA City of Richfi	6738 18th Ave. S.			0	100%	0	Pay 2018	Exempt	-	Rental	-	B
	26-028-24-41-0087	RA City of Richfi	6744 18th Ave. S.			0	100%	0	Pay 2018	Exempt	-	Rental	-	B
	26-028-24-41-0100	RA City of Richfi	6745 18th Ave. S.			0	100%	0	Pay 2018	Exempt	-	Rental	-	C
	26-028-24-41-0101	RA City of Richfi	6739 18th Ave. S.			0	100%	0	Pay 2018	Exempt	-	Rental	-	C
	26-028-24-41-0102	RA City of Richfi	6733 18th Ave. S.			0	100%	0	Pay 2018	Exempt	-	Rental	-	C
	26-028-24-41-0103	RA City of Richfi	6727 18th Ave. S.			0	100%	0	Pay 2018	Exempt	-	Rental	-	C
	26-028-24-41-0104	RA City of Richfi	6721 18th Ave. S.			0	100%	0	Pay 2018	Exempt	-	Rental	-	C
	26-028-24-41-0105	field Apartments	6715 18th Ave. S.	76,000	105,000	181,000	100%	181,000	Pay 2018	Hmstd. Res.	1,810	Rental	2,263	C
	26-028-24-41-0106	RA City of Richfi	6709 18th Ave. S.			0	100%	0	Pay 2018	Exempt	-	Rental	-	C
	26-028-24-41-0107	RA City of Richfi	6701 18th Ave. S.			0	100%	0	Pay 2018	Exempt	-	Rental	-	C
	26-028-24-41-0096	RA City of Richfi	6700 Cedar Ave. S.			0	100%	0	Pay 2018	Exempt	-	Rental	-	D
	26-028-24-41-0097	ar South Pointe	3720 Cedar Ave. S	132,000	665,000	797,000	100%	797,000	Pay 2018	Rental	9,963	Rental	9,963	D
	26-028-24-41-0098	ar South Pointe	3730 Cedar Ave. S	132,000	665,000	797,000	100%	797,000	Pay 2018	Rental	9,963	Rental	9,963	D
	26-028-24-41-0099	ar South Pointe	3744 Cedar Ave. S	132,000	665,000	797,000	100%	797,000	Pay 2018	Rental	9,963	Rental	9,963	D
				3,019,000	2,100,000	5,119,000		5,119,000			31,698		63,988	

Note:

1. HRA-owned property assumes a value of \$9,000 per new unit for 283 units based on discussions with County Assessor on 8-23-17. The \$2,547,000 value represents the base value for all HRA owned property. The Hennepin County Assessor will allocate the value to the HRA owned parcels as necessary. Remaining base values per County website on 8-21-17.



The Chamberlain Apts (2017-1 Housing)
 City of Richfield
 316 Mixed Income Apts

PROJECT INFORMATION (Project Tax Capacity)													
Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Total Taxable Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2018	Percentage Completed 2019	Percentage Completed 2020	Percentage Completed 2021	First Year Full Taxes Payable
A	Apartments	143,000	143,000	93	13,299,000	Rental	166,238	1,788	60%	100%	100%	100%	2021
B	Apartments	143,000	143,000	95	13,585,000	Rental	169,813	1,788	40%	100%	100%	100%	2021
C	Apartments	143,000	143,000	95	13,585,000	Rental	169,813	1,788	0%	60%	100%	100%	2022
D	Apartments	102,000	102,000	33	3,366,000	Rental	42,075	1,275	60%	100%	100%	100%	2021
TOTAL					43,835,000		547,938						
Subtotal Residential				316	43,835,000		547,938						
Subtotal Commercial/Ind.				0	0		0						

Note:

1. Est. Market Value per County Assessor on 8-23-17.

TAX CALCULATIONS									
New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Apartments	166,238	0	166,238	233,737	0	0	16,862	250,598	2,694.61
Apartments	169,813	0	169,813	238,763	0	0	17,224	255,988	2,694.61
Apartments	169,813	0	169,813	238,763	0	0	17,224	255,988	2,694.61
Apartments	42,075	0	42,075	59,159	0	0	4,268	63,427	1,922.03
TOTAL	547,938	0	547,938	770,422	0	0	55,578	826,000	

Note:

1. Taxes and tax increment will vary significantly from year to year depending upon values, rates, state law, fiscal disparities and other factors which cannot be predicted.

WHAT IS EXCLUDED FROM TIF?	
Total Property Taxes	826,000
less State-wide Taxes	0
less Fiscal Disp. Adj.	0
less Market Value Taxes	(55,578)
less Base Value Taxes	(89,969)
Annual Gross TIF	680,453



**The Chamberlain Apts (2017-1 Housing)
City of Richfield
316 Mixed Income Apts**

TAX INCREMENT CASH FLOW														
% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 10%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
100%	192,913	(63,988)	-	128,925	140.604%	181,274	90,637	(326)	(9,031)	81,280	78,123	0.5	2020	08/01/20
100%	480,013	(63,988)	-	416,025	140.604%	584,948	292,474	(1,053)	(29,142)	262,279	154,715	1	2020	02/01/21
100%	559,281	(63,988)	-	495,294	140.604%	696,403	292,474	(1,053)	(29,142)	262,279	397,020	1.5	2021	08/01/21
100%	576,060	(63,988)	-	512,072	140.604%	719,994	348,201	(1,254)	(34,695)	312,253	634,574	2	2021	02/01/22
100%	593,341	(63,988)	-	529,354	140.604%	744,293	348,201	(1,254)	(34,695)	312,253	911,846	2.5	2022	08/01/22
100%	611,142	(63,988)	-	547,154	140.604%	769,321	359,997	(1,296)	(35,870)	322,831	1,183,681	3	2022	02/01/23
100%	629,476	(63,988)	-	565,488	140.604%	795,099	359,997	(1,296)	(35,870)	322,831	1,459,214	3.5	2023	08/01/23
100%	648,360	(63,988)	-	584,373	140.604%	821,651	372,146	(1,340)	(37,081)	333,726	1,729,344	4	2023	02/01/24
100%	667,811	(63,988)	-	603,824	140.604%	849,000	372,146	(1,340)	(37,081)	333,726	2,003,116	4.5	2024	08/01/24
100%	687,845	(63,988)	-	623,858	140.604%	877,169	372,146	(1,340)	(37,081)	333,726	2,271,520	5	2024	02/01/25
100%	708,481	(63,988)	-	644,493	140.604%	906,183	384,660	(1,385)	(38,328)	344,948	2,543,509	5.5	2025	08/01/25
100%	729,735	(63,988)	-	665,748	140.604%	936,068	384,660	(1,385)	(38,328)	344,948	2,810,165	6	2025	02/01/26
100%	751,627	(63,988)	-	687,640	140.604%	966,849	397,550	(1,431)	(39,612)	356,507	3,080,352	6.5	2026	08/01/26
100%	774,176	(63,988)	-	710,189	140.604%	998,554	397,550	(1,431)	(39,612)	356,507	3,345,242	7	2026	02/01/27
100%	797,401	(63,988)	-	733,414	140.604%	1,031,209	410,826	(1,479)	(40,935)	368,412	3,613,610	7.5	2027	08/01/27
100%	821,323	(63,988)	-	757,336	140.604%	1,064,845	410,826	(1,479)	(40,935)	368,412	3,876,716	8	2027	02/01/28
100%	845,963	(63,988)	-	781,976	140.604%	1,099,489	424,500	(1,528)	(42,297)	380,675	4,143,249	8.5	2028	08/01/28
100%	871,342	(63,988)	-	807,354	140.604%	1,135,173	424,500	(1,528)	(42,297)	380,675	4,404,556	9	2028	02/01/29
100%	897,482	(63,988)	-	833,495	140.604%	1,171,927	438,585	(1,579)	(43,701)	393,305	4,669,239	9.5	2029	08/01/29
100%	924,407	(63,988)	-	860,419	140.604%	1,209,784	438,585	(1,579)	(43,701)	393,305	4,928,732	10	2029	02/01/30
100%	952,139	(63,988)	-	888,151	140.604%	1,248,776	453,092	(1,631)	(45,146)	406,314	5,191,552	10.5	2030	08/01/30
100%	980,703	(63,988)	-	916,716	140.604%	1,288,939	453,092	(1,631)	(45,146)	406,314	5,449,219	11	2030	02/01/31
100%	1,010,124	(63,988)	-	946,137	140.604%	1,330,306	468,034	(1,685)	(46,635)	419,714	5,710,164	11.5	2031	08/01/31
100%	1,040,428	(63,988)	-	976,440	140.604%	1,372,914	468,034	(1,685)	(46,635)	419,714	5,965,993	12	2031	02/01/32
100%	1,071,641	(63,988)	-	1,007,653	140.604%	1,416,801	483,424	(1,740)	(48,168)	433,516	6,225,053	12.5	2032	08/01/32
100%	1,103,790	(63,988)	-	1,039,802	140.604%	1,462,004	483,424	(1,740)	(48,168)	433,516	6,479,034	13	2032	02/01/33
100%							499,277	(1,797)	(49,748)	447,731	6,736,199	13.5	2033	08/01/33
100%							499,277	(1,797)	(49,748)	447,731	6,988,322	14	2033	02/01/34
100%							515,605	(1,856)	(51,375)	462,374	7,243,585	14.5	2034	08/01/34
100%							515,605	(1,856)	(51,375)	462,374	7,493,843	15	2034	02/01/35
100%							532,422	(1,917)	(53,051)	477,455	7,747,197	15.5	2035	08/01/35
100%							532,422	(1,917)	(53,051)	477,455	7,995,582	16	2035	02/01/36
100%							549,744	(1,979)	(54,777)	492,989	8,247,021	16.5	2036	08/01/36
100%							549,744	(1,979)	(54,777)	492,989	8,493,529	17	2036	02/01/37
100%							567,586	(2,043)	(56,554)	508,989	8,743,047	17.5	2037	08/01/37
100%							567,586	(2,043)	(56,554)	508,989	8,987,672	18	2037	02/01/38
100%							585,963	(2,109)	(58,385)	525,469	9,235,266	18.5	2038	08/01/38
100%							585,963	(2,109)	(58,385)	525,469	9,478,006	19	2038	02/01/39
100%							604,892	(2,178)	(60,271)	542,443	9,723,673	19.5	2039	08/01/39
100%							604,892	(2,178)	(60,271)	542,443	9,964,523	20	2039	02/01/40
100%							624,388	(2,248)	(62,214)	559,926	10,208,261	20.5	2040	08/01/40
100%							624,388	(2,248)	(62,214)	559,926	10,447,220	21	2040	02/01/41
100%							644,469	(2,320)	(64,215)	577,934	10,689,028	21.5	2041	08/01/41
100%							644,469	(2,320)	(64,215)	577,934	10,926,095	22	2041	02/01/42
100%							665,153	(2,395)	(66,276)	596,483	11,165,973	22.5	2042	08/01/42
100%							665,153	(2,395)	(66,276)	596,483	11,401,147	23	2042	02/01/43
100%							686,457	(2,471)	(68,399)	615,587	11,639,095	23.5	2043	08/01/43
100%							686,457	(2,471)	(68,399)	615,587	11,872,377	24	2043	02/01/44
100%							708,400	(2,550)	(70,585)	635,265	12,108,395	24.5	2044	08/01/44
100%							708,400	(2,550)	(70,585)	635,265	12,339,786	25	2044	02/01/45
100%							731,002	(2,632)	(72,837)	655,533	12,573,878	25.5	2045	08/01/45
100%							731,002	(2,632)	(72,837)	655,533	12,803,379	26	2045	02/01/46
Total							25,678,972	(92,444)	(2,558,653)	23,027,875				
	Present Value From 08/01/2019			Present Value Rate	4.00%		14,277,376	(51,399)	(1,422,598)	12,803,379				

Appendix E

Housing Qualifications for the District

INCOME RESTRICTIONS - ADJUSTED FOR FAMILY SIZE (HOUSING DISTRICT) - HENNEPIN COUNTY HENNEPIN COUNTY MEDIAN INCOME: \$90,400		
No. of Persons	50% of Median Income	60% of Median Income
1-person	\$31,650	\$37,980
2-person	\$36,200	\$43,440
3-person	\$40,700	\$48,840
4-person	\$45,200	\$54,240

Source: Department of Housing and Urban Development and Minnesota Housing Finance Agency

The two options for income limits on a standard housing district are 20% of the units at 50% of median income or 40% of the units at 60% of median income. There are no rent restrictions for a housing district.

***PLEASE NOTE: THESE NUMBERS ARE ADJUSTED ANNUALLY. ALL INCOME FIGURES REPORTED ON THIS PAGE ARE FOR 2017.

Appendix F
Findings for the District

To be added prior to the public hearing

AGENDA SECTION:	Public Hearings
AGENDA ITEM #	4.
CASE NO.:	17-VAR-09



PLANNING COMMISSION MEETING 11/27/2017

REPORT PREPARED BY: Matt Brillhart, Associate Planner

CITYPLANNER REVIEW:

ITEM FOR COMMISSION CONSIDERATION:

Public hearing and consideration of a request for a variance to reduce setback requirements for a garage at 6400 Pillsbury Avenue.

EXECUTIVE SUMMARY:

In summer of 2017, the City became aware of a garage being constructed at 6400 Pillsbury Avenue, a single-family residential property on a corner lot. The newly built garage does not meet the setback requirements specified in the Zoning Code. The corner side setback requirement for detached garages is 12 feet. The property owner is requesting a variance to reduce this setback requirement from 12 feet to 3 feet. The previous garage on the property was set back just 6 feet from the lot line. There is a provision in the Zoning Code that would have allowed a garage with nonconforming setbacks to be replaced and expanded. Under this provision, the property owner could have built a new, larger garage of this size, as long as the existing 6-foot setback was maintained. There is no provision in the Zoning Code that would allow a reduction of the setback to 3 feet, aside from requesting a variance.

Additionally, the new garage was constructed without acquiring the necessary building permits from the Inspections Division. A timeline of correspondence between staff and the applicant is included in the Historical Context section of this report.

Finding that the request does not meet requirements necessary to issue a variance, staff is recommending denial.

RECOMMENDED ACTION:

Conduct and close a public hearing and by motion: Deny a variance to reduce the corner side setback requirement to 3 feet for a garage at 6400 Pillsbury Avenue.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

Planning staff first discussed garage and driveway regulations with the property owner in April 2015. Planning staff again discussed regulations with the property owner in January 2016, and informed him that a 3-foot setback was not allowed without a variance. The Building Official met with the property owner on March 23, 2016 to discuss Building Code and Zoning Code requirements, including setbacks. Staff made several site visits with the property owner in this time frame. A demolition permit was issued May 6, 2016 for removal of the old garage. In late 2016 - early 2017, the property owner proceeded to build a new garage. However, no building permits were issued for the new garage.

Inspections staff became aware of the new garage in summer 2017 and issued a violation notice to the property owner on August 31, 2017. The property owner submitted a variance application on October 6, 2017.

B. POLICIES (resolutions, ordinances, regulations, statutes, etc):

The property at 6400 Pillsbury Avenue is zoned Single Family Residential (R). Building setbacks are regulated by Zoning Code Subsection 514.13, Subdivision 2. The corner side setback requirement for accessory buildings is 12 feet. The corner side lot line of a property is a lot line that abuts a public street, that is not the front lot line.

The previous garage on the property was set back 6 feet from the corner side lot line. Subsection 509.25, Subdivision 5 regulates enlargement of nonconforming structures. This section would have allowed the property owner to construct a larger garage on the existing 6-foot setback, but the setback cannot be reduced below 6 feet without a variance. The applicant has requested a variance to reduce this requirement to 3 feet.

The findings necessary to approve or deny a variance are as follows (Subsection 547.11):

1. *There are "practical difficulties" that prevent the property owner from using the property in a reasonable manner.* Strict enforcement of the Zoning Code subsection listed above would not cause a practical difficulty. The property owner could have either built the garage 3 feet narrower (33 feet wide instead of 36 feet wide), or removed a tree from the property to allow the garage to meet setback requirements.

2. *There are unusual or unique circumstances that apply to the property which were not created by the applicant and do not apply generally to other properties in the same zone or vicinity.* No unique circumstances apply to the property that do not apply generally to other properties in the single-family residential district or in the vicinity.

3. *The variance would not alter the character of the neighborhood or the locality.* Granting a variance to allow the garage to be set back 3 feet from the corner side lot line will alter the character of the neighborhood by allowing an accessory structure significantly closer to a lot line abutting a public street than permitted by code.

4. *The variance is the minimum necessary to alleviate the practical difficulty.* The variance requested is not the minimum necessary to allow a significantly larger garage than the previous garage. The property owner could have either built the garage 3 feet narrower, or removed a tree from the property to allow the garage to meet setback requirements.

5. *The variance is in harmony with the general purpose and intent of the ordinance and consistent with the Comprehensive Plan.* The variance requested is not in harmony with the intent of the zoning ordinance and will adversely impact the aesthetics of the community.

C. CRITICAL TIMING ISSUES:

60-DAY RULE: The 60-day clock 'started' when a complete application was received on October 6, 2017. A decision is required by December 5, 2017 or the Council must notify the applicant that it is extending the deadline (up to a maximum of 60 additional days or 120 days total) for issuing a decision.

D. FINANCIAL IMPACT:

None.

E. LEGAL CONSIDERATION:

Notice of this public hearing was published in the Sun Current newspaper on November 16, 2017 and mailed to properties within 350 feet of the site on November 14, 2017.

ALTERNATIVE RECOMMENDATION(S):

None.

PRINCIPAL PARTIES EXPECTED AT MEETING:

Ward Emery, applicant

ATTACHMENTS:

Description	Type
☐ Resolution	Resolution Letter
☐ Property Surveys and Aerial Photos	Backup Material
☐ Violation Notice 8/31/17	Backup Material
☐ Variance Application & Petition	Backup Material

RESOLUTION NO.

**RESOLUTION OF THE RICHFIELD PLANNING COMMISSION
DENYING A VARIANCE AT
6400 PILLSBURY AVENUE**

WHEREAS, an application has been filed with the City of Richfield which requests approval of a variance on the parcel of land commonly known as 6400 Pillsbury Avenue (the “property”) and legally described as:

Lot 1, Block 5, Rearrangement of Nicollet Homes 2nd Addition, Hennepin County, Minnesota

WHEREAS, the property is located in the Single-Family Residential (R) district and the garage is set back 2.9 feet from the corner side lot line; and

WHEREAS, Subsection 514.13, Subdivision 2 states that the corner side setback requirement for accessory garages is 12 feet; and

WHEREAS, Minnesota Statutes Section 462.357, Subdivision 6, provides for the granting of variances to the literal provisions of the zoning regulations in instances where their enforcement would cause “practical difficulty” to the owners of the property under consideration; and

WHEREAS, the Planning Commission of the City of Richfield held a public hearing for the requested variance at its November 27, 2017 meeting; and

WHEREAS, notice of the public hearing was published in the Sun-Current and mailed to properties within 350 feet of the subject property; and

NOW, THEREFORE, BE IT RESOLVED, by the Planning Commission of the City of Richfield, Minnesota, as follows:

1. The Planning Commission adopts as its Findings of Fact the **WHEREAS** clauses set forth above, as well as the following:
2. With respect to the application for a variance from the above-listed requirements, the Planning Commission makes the following findings:
 - a. Strict enforcement of the Zoning Code subsection listed above would not cause a practical difficulty. The property owner could have either built the garage 3 feet narrower or removed a tree from the property to allow the garage to meet setback requirements.
 - b. No unique circumstances apply to the property that do not apply generally to other properties in the single-family residential district or in the vicinity.
 - c. Granting a variance to allow the garage to be set back 3 feet from the corner side lot line will alter the character of the neighborhood by allowing an accessory structure significantly closer to a lot line abutting a public street than permitted by the Zoning Code.
 - d. The variance requested is the not the minimum necessary to allow a significantly larger garage than the previous garage. The property owner could have either

built the garage 3 feet narrower, or removed a tree from the property to allow the garage to meet setback requirements.

- e. The variance requested is not in harmony with the intent of the zoning ordinance and will adversely impact the aesthetics of the community.
3. Based on the foregoing findings, the application for a variance to the corner side setback requirement is denied.

Adopted by the Planning Commission of the City of Richfield, Minnesota this 27th day of November 2017.

Chairperson, Richfield Planning Commission

ATTEST:

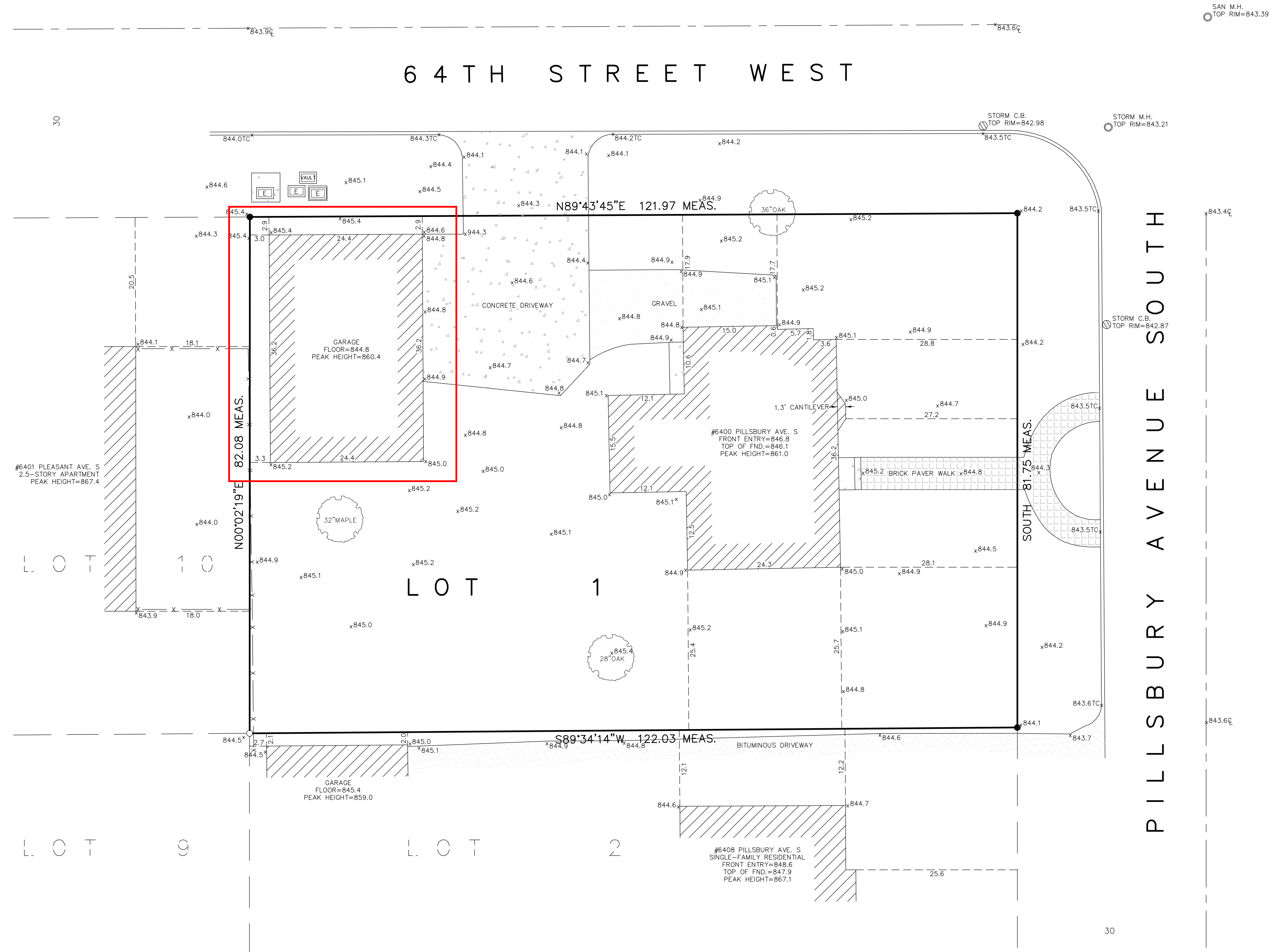
Secretary, Richfield Planning Commission

EXISTING CONDITION SURVEY FOR:
WARD EMERY

NEW GARAGE

Legend

- x — Fence
- Electric/Communications Box
- Electric Vault
- Catch Basin
- Manhole
- x900.0 Existing Elevation
- x900.0TC Top of Curb Elevation
- Found Iron Monument
- Set Iron Monument
- Inscribed R.L.S 15230



LOT COVERAGE CALCULATION:

Lot Area = 9,993 SF

COVERAGE:

House = 1,119 SF
 Detached Garage = 881 SF
 Concrete Driveway = 702 SF
 Walk and Stoops = 165 SF
 Total = 2,867 SF
 = 28.7%

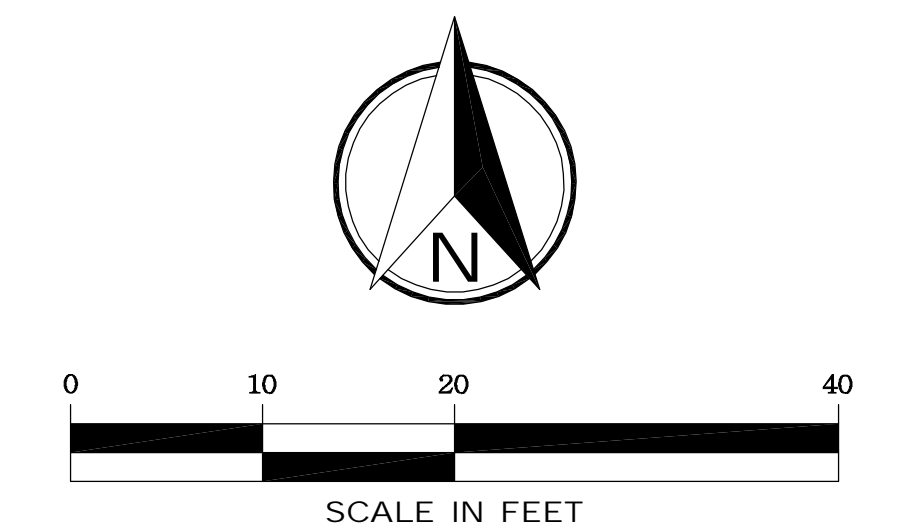
45% Maximum Impervious Surface

NOTES:

- All existing building dimensions are measured to the finished siding and not the building foundation.
- No search was made for any easements.
- The location of all utilities shown are from either observed evidence in the field and/or from plans furnished by the utility companies and are approximate. Utility companies should be notified for exact location before doing any excavation.

JOB NO. 237-17	SCALE 1" = 10'	DATE	REVISIONS	SITE ADDRESS 8400 Pillsbury Ave. S Richfield, MN 55423
BOOK/PAGE 149/55	DRAWN CM		REMARKS	PROPERTY DESCRIPTION Lot 1, Block 3, REARRANGEMENT OF NICOLLET HOMES 2ND ADDITION, Hennepin County, Minnesota.
SHEET 1 of 1	REFERENCE			BENCHMARK T.N.H. at the NW Quadrant of Pillsbury Ave. S and 64th St. W. Elevation = 848.40.

I hereby certify that this survey, plan, or report was prepared by me or under my direct supervision and that I am a duly registered Land Surveyor under the laws of the State of Minnesota.
 W. BROWN LAND SURVEYING, INC.
 Dated: 10-05-2017
 Woodrow A. Brown, R.L.S. MN REG 15230



W. BROWN LAND SURVEYING, INC.
 8030 Cedar Avenue So., Suite 228
 Bloomington, MN 55425
 Bus: (952) 854-4065
 Fax: (952) 854-4268
 EMAIL: WBLANDSURVEY@AOL.COM

OLD GARAGE

PARK SURVEYORS

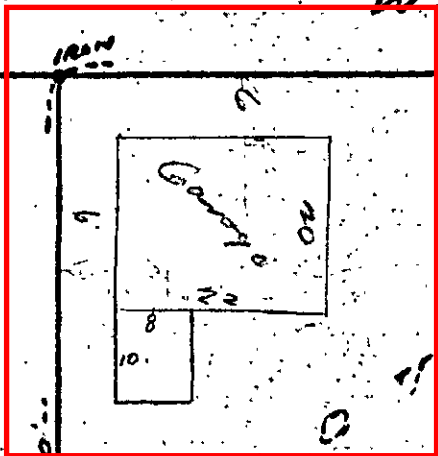
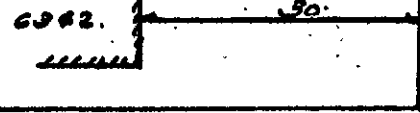
Registered Surveyors

6219 GOODRICH AVENUE
MINNEAPOLIS 16, MINN.

WALNUT 8934

740 MIDLAND BANK BUILDING
MINNEAPOLIS 2, MINNESOTA

Survey For- J.E. Boran Construction Co.



WEST 64TH ST

122.0'

N 29'

PROPOSED

BLDG.

30'

6400 PILLSBURY AVE.

122.0'



I hereby certify that the above is a true and correct plat of a survey of Lot 1, Block 5, Rearrangement of Nicollet Homes 2nd. Addition. As surveyed by me the 10th day of July 1950.

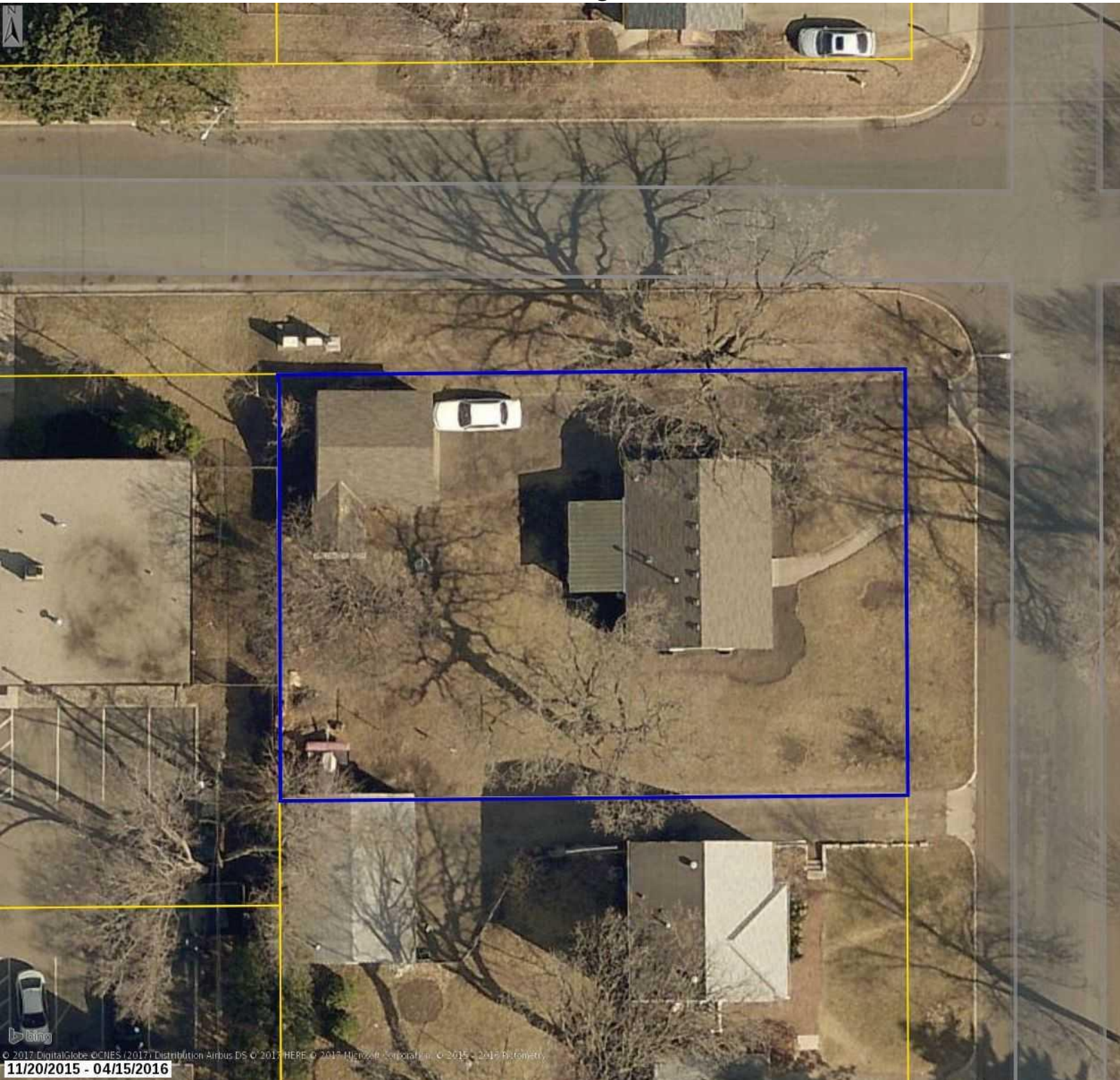
PARK SURVEYORS

By *[Signature]*

6400 Pillsbury Ave.

Aerial Imagery Comparison

Old Garage



© 2017 DigitalGlobe © CNES (2017) Distribution Airbus DS © 2017 HERE © 2017 Microsoft Corporation © 2015 - 2019 Pictometry
11/20/2015 - 04/15/2016

New Garage



06/02/2017 © 2017 Pictometry



Community Development Inspection Division

NOTICE OF VIOLATION

August 31, 2017

MAYOR

PAT ELLIOTT

Ward Emery
6400 Pillsbury Ave S
Richfield, MN 55423

CITY COUNCIL

EDWINA GARCIA

MICHAEL HOWARD

MARIA REGAN GONZALEZ

SIMON TRAUTMANN

Subject: New Garage

CITY MANAGER

STEVEN DEVICH

Dear Mr. Emery,

It has come to my attention that you have constructed a new detached garage on your property which is in violation of MN Rules 1300.0140. You did not obtain a building permit as required by MN Rules 1300.0120. You did not schedule any of the required inspections for the new garage as required by MN Rules 1300.0210. I notified you of all of these requirements before you built the garage.

I met with you at the site on March 23, 2016 and explained the requirements for building permits and zoning requirements. You were told the side building setback is 12 feet from the street side property line per Richfield Zoning Code 514.13. I called you on August 3, 2017 to ask about the new garage and you indicated that you built the garage with about a 3 foot street side setback.

You were clearly informed of the building permit and 12 foot street side setback requirements before you began construction of the garage. There may be additional violations such as, but not limited to, the size of the garage, rear setback, exceeding lot coverage, and exceeding impervious surface. These potential violations would need to be confirmed by an inspection.

You are hereby notified that the violations must be abated by one of the following actions:

1. Remove the detached garage from the property. This will require a moving permit or building demolition permit.
2. Submit building plans with a certificate of survey and a building permit application for the new garage in compliance with the Minnesota State Building Code and Richfield Zoning Code. At a minimum, this will require the garage to be relocated on the property or part of the garage to be removed to comply with the setback requirements. You will also need to verify the construction is in compliance with the Minnesota State Building Code which will require removal of some finishes to expose the framing and sheathing for inspection.
3. You could apply for a variance from setback requirements (Zoning Code Section 514.13). You will need to submit the Variance Application and a certificate of survey. The survey will need to include dimensions and setbacks of all buildings, driveways, and sidewalks. However, it is unlikely that staff would recommend approval of this variance, as the required findings for issuing a variance are not met. Even if your

6400 Pillsbury
8-31-17
Page 2

setback variance is approved, you will need to submit a building permit application, plans, and inspections as indicated above because building code requirements would still be mandatory.

Please submit a written response to this letter and indicate which of the above actions you will take to bring your property in compliance and submit all applications and plans before September 8, 2017. The violations must be corrected by November 1, 2017. I have enclosed handouts for a detached garage and variance information, and a variance application. Please call if you have any questions at 612-861-9862 or email at RRegnier@richfieldmn.gov.

Sincerely

Richard Regnier
Chief Building Official

Copy: John Stark, Community Development Director
Mary Tietjen, City Attorney

Variance Application



Provide the Following Information on the Requested Variance:

1. What is the variance being requested? Describe why the proposal requires a variance.

Requesting a variance for the setback requirement between the street and the structure to be reduced. This allows for a large mature tree on the property to be maintained on the property and provides for a greater separation between my property and the commercial property behind it. In discussions with the building official on the site, and review of the planned construction, this solution was deemed acceptable with no negative impact, especially given the way the original garage was situated on the property.

2. Answer the following four questions as they apply to your request.

- a) Is there a practical difficulty present which denies a reasonable use of the property? (explain)

Without variance approval, the removal of a large healthy tree would be required. In addition, this plan increases the greenscape on the property and reduces hardscape as well as provides greater separation between the adjacent commercial property.

- b) Are there any unusual or unique circumstances relating to the property or building which are beyond your control? (explain)

The commercial property behind my property, and the way in which it is situated, can not be changed. This solution provides greater security for my property and improves the separation between the two parcels of land for both parties.

- c) Will the variance, if granted, result in an adverse impact on surrounding properties or alter the character of the building or neighborhood? (explain)

No. In fact, this will be an improvement. The previous garage was in disrepair and structurally unsound. This will increase the property value as well as the property values of the nearby residents. The new garage will be more secure as well. I have obtained signatures of many of the neighbors and attached for reference.

Variance Application



- d) Is the variance consistent with the purpose and intent of the rule from which a variance is being requested? (explain)

Yes. I met with a building official with the city of Richfield to discuss the plans and confirm there would be no concerns or conflicts with the neighborhood or infrastructure of the city. The original garage was also situated outside the limits of the required setback and was not an issue or concern when I purchased the property in 2014.

Variance Petition



Applicant: Ward Emery

Address: 1400 Pillsbury Ave. So

I am Requesting a Variance to Allow:

for my garage to be 3ft. off the property line vs the 15ft the original garage was and 15ft required by the city. This request is in an effort to separate my residence from the commercial property behind me.

I AM IN FAVOR OF THE PROPOSED VARIANCE:

*Signature (property owners only)	Address (please print clearly)
<i>Charles [Signature]</i>	6345 Pillsbury Ave S.
<i>Eric Eckelberry</i>	6409 PILLSBURY Ave S
<i>Sandy [Signature]</i>	6342 Pillsbury Ave S.
<i>Walter [Signature]</i>	6414 Pillsbury Ave S.
<i>Sandy [Signature]</i>	6414 pillsbury Ave S
<i>[Signature]</i>	6342 Pillsbury Ave S.
<i>Mike Elms</i>	6337 Pillsbury Ave S.
<i>Ward Haug</i>	6401 Pleasant Av.
<i>Daniel [Signature]</i>	6338 Pillsbury Ave S
<i>AK [Signature]</i>	6324 PILLSBURY AVE S
<i>Stuart [Signature]</i>	6318 Pillsbury Av. S
<i>Aaron Buddenick</i>	6301 Pillsbury Av. S.
<i>[Signature]</i>	6305 Pillsbury Ave. S.
<i>[Signature]</i>	6305 pillsbury Ave. S.
<i>Jaura West</i>	6305 Pillsbury Ave S.

* Signatures may not be removed after the petition is submitted to the City.

Variance Petition



Applicant: Ward Emery

Address: 1400 Pillsbury Ave. So

I am Requesting a Variance to Allow:
 for my garage to be 3ft. off the property line vs the
 10ft the original garage was and 15ft required by the
 city. This request is in an effort to separate my
 residence from the commercial property behind me.

I AM IN FAVOR OF THE PROPOSED VARIANCE:

*Signature (property owners only)	Address (please print clearly)
<u>[Signature]</u>	6319 Pillsbury Ave S
<u>Shelton Hartman</u>	6319 - Pillsbury, ave. S.
<u>Pamela G. Foster</u>	6325 Pillsbury Ave So
<u>Karen Eilms</u>	6337 Pillsbury Ave S.
<u>Peter J. Goff</u>	6421 Pillsbury Ave. S.
<u>ASA Aves S</u>	6345 Pleasant Aveso
<u>Marion Johnson</u>	6401 - Pillsbury
<u>Elton Johnson</u>	6401 Pillsbury Ave
<u>Javier Ayala</u>	6420 Pillsbury Avenue South
<u>Damon Erickson</u>	6428 Pillsbury Ave S.
<u>[Signature] Jay Moreno</u>	6312 Pillsbury Ave. S
<u>[Signature]</u>	6415 PILLSBURY AVE S
<u>[Signature]</u>	6408 Pillsbury Ave S.
<u>[Signature]</u>	6408 Pillsbury Ave S.

* Signatures may not be removed after the petition is submitted to the City.

AGENDA SECTION:	Public Hearings
AGENDA ITEM #	5.
CASE NO.:	PC Letter #14



PLANNING COMMISSION MEETING 11/27/2017

REPORT PREPARED BY: John Stark, Community Development Director

CITYPLANNER REVIEW: N/A

ITEM FOR COMMISSION CONSIDERATION:

Conduct a public hearing and consider revisions to the City's Zoning Ordinance related to construction standards to mitigate the impact of airport noise.

EXECUTIVE SUMMARY:

In 2009, the City adopted a new section to the Zoning Code entitled "541.19 Noise Attenuation." One of the main purposes of this code provision was to require building materials with superior sound transmission classification (STC) rating to better insulate against noise penetration in the area of the City most affected by aircraft overflight noise associated with operations at the Minneapolis-St. Paul International Airport (MSP).

In 2013, this section of the Code was amended to make it clear that the upgraded building requirements were to be considered only a recommendation for remodeling projects while remaining a requirement for new construction.

Since the original adoption of the Ordinance, only a few homes have been built in the affected area. Within the past 6 months; however, three new single-family homes and 283 units of multi-family housing have been proposed for the area. In applying the code requirements, as currently written to the new proposals, both staff and the construction contractors involved in these proposals have found that the language in the code is too vague in some cases and practically and/or financially infeasible in others.

Currently, the language states that construction in the affected areas "shall utilize building materials with a sound transmission classification rating of at least 40." While it was the intent of the code that this requirement was only meant for the exterior envelope of the building, and not interior walls or floors, this is not clearly stated. It is also not clear whether the STC of 40 is required of each and every exterior building component (i.e. dryer vents, storm doors and primary doors, soffits, etc.). In practical terms, not every component receives an STC rating or is easy to test for sound transmission and there are some components that are either not offered on the market with an STC rating of 40 or greater or the cost of them can be so excessive as to render construction of any housing in this area as infeasible.

For these reasons, staff is recommending amending the language in the code to specify that the STC requirements only apply to exterior building materials and that the STC rating goal of 40 or higher would be applied as an average to the exterior surfaces rather than to each individual component. Additional specificity for minimum STC ratings for windows and doors is being proposed, as these are a chief cause of concern for noise penetration. The specific STC ratings for windows and doors that are being recommended is the result of a great deal of research as to the market availability of windows and doors designed for noise insulation.

RECOMMENDED ACTION:

Conduct and close a public hearing and by motion: Recommend approval of the attached Ordinance Amendments related to construction standards to mitigate the impact of airport noise.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

When the Minnesota legislature and the Metropolitan Airports Commission (MAC) made the decision to expand the Minneapolis-St. Paul International Airport (MSP) in 1999, the City of Richfield had many concerns regarding the impact of airport related noise. In the early 2000's the City undertook legal challenges to address some of those concerns. Ultimately, a Consent Decree was agreed upon that served as a framework for a resolution, settling the legal dispute. As part of that Consent Decree, the MAC agreed to expand its noise abatement program which made upgrades to homes in order to better insulate against noise penetration. A condition on Richfield was that the City had to consider an ordinance requiring new residential construction to include building materials and methods designed to better insulate against noise penetration.

The City did pass such an Ordinance in 2009 (subsequently revised in 2013). Since that time, application of this ordinance in practice has shown that the language is too vague and, in some cases, requires building materials that do not exist in the market.

B. POLICIES (resolutions, ordinances, regulations, statutes, etc):

As a requirement of the Consent Decree between the City and the MAC, the City was required to consider an ordinance governing construction standards to mitigate the impact of airport noise; the Consent Decree, however, did not require adoption (only consideration), nor did it affect whether the City could amend such an Ordinance.

C. CRITICAL TIMING ISSUES:

There are three single-family homes and 283 units of multi-family housing planned in the affected area. The contractors involved in those projects have expressed to City staff that there is some confusion about the language in the existing ordinance and that, depending on the interpretation of that ordinance, it might affect whether their proposals are financially feasible. Those projects have paused their design phase as it applies to exterior construction materials until this issue is further considered by the Planning Commission and City Council.

D. FINANCIAL IMPACT:

There is no direct financial impact to the City.

E. LEGAL CONSIDERATION:

The City Attorney has been involved in discussions about this Ordinance Amendment and was involved in drafting the language for the proposed revision.

ALTERNATIVE RECOMMENDATION(S):

- Approve an Ordinance Amendment with changes based on Planning Commission input;
- Do not approve the attached Ordinance Amendment.

PRINCIPAL PARTIES EXPECTED AT MEETING:

None.

ATTACHMENTS:

Description	Type
☐ Noise Attenuation Ordinance Amendment	Ordinance

BILL NO. _____

**AN ORDINANCE AMENDING THE RICHFIELD CITY CODE SECTION 541.19 NOISE
ATTENUATION (SUBDIVISION 3)**

THE CITY OF RICHFIELD DOES ORDAIN:

Section 1. Subsection 541.19 (Subdivision 3) of the Richfield City Code relating Noise Attenuation is amended to read as follows:

Subsection 509.09. Accessory buildings.

Subd. 3. Noise Attenuation Required. Any new residential construction on property located within the 2007 63+ or greater DNL Contours, or any infill construction or rebuilding of residential structures after tearing down the original structure which takes place within blocks or between structures that have received noise attenuation pursuant to the Consent Decree or pursuant to previous noise mitigation programs of the Metropolitan Airports Commission, shall utilize exterior building materials with an average Sound Transmission Class (STC) rating of at least 40 (notwithstanding, windows must have an individual STC rating of at least 31 and glass doors must have an average STC rating of at least 27) and shall include installation of central air conditioning and mechanical ventilation throughout the habitable areas of the structure.

Sec. 2. This Ordinance shall be effective immediately upon its passage and publication.

Passed by the City Council of the City of Richfield, Minnesota this 12th day of December, 2017.

Pat Elliott, Mayor

ATTEST:

Elizabeth VanHoose, City Clerk