



**REGULAR HOUSING AND REDEVELOPMENT AUTHORITY MEETING
RICHFIELD MUNICIPAL CENTER, COUNCIL CHAMBERS
MAY 16, 2022
7:00 PM**

Call to Order

Open Forum: To participate remotely dial 1-415-655-0001, enter webinar access code: 2466 394 8602 password: 1234

Approval of the minutes of the: 1) Joint City Council, HRA, and Planning Commission Work Session of March 8, 2022; 2) Joint City Council, HRA and Planning Commission Work Session of April 12, 2022; and 3) Regular Housing and Redevelopment Authority Meeting of April 18, 2022.

AGENDA APPROVAL

1. Approval of the Agenda

RESOLUTIONS

2. Consideration of the adoption of a resolution authorizing the purchase of real property located at 1516 - 66th Street East.

Staff Report No. 19

3. Consider resolutions approving a modification to the Tax Increment Redevelopment Plans for the Lyndale Gateway/Interchange West, Urban Village and City Bella Tax Increment Financing districts, allowing an additional 10 percent of increment to be pooled for affordable housing purposes.

Staff Report No. 20

OTHER BUSINESS

4. Consideration of the approval of a Contract for Private Development between the Housing and Redevelopment Authority and Tao Gong and Huan Ma for the redevelopment of 6644 Logan Avenue South under the Richfield Rediscovered Credit Program.

Staff Report No. 21

HRA DISCUSSION ITEMS

5. HRA Discussion Items

EXECUTIVE DIRECTOR REPORT

6. Executive Director's Report

CLAIMS

7. Claims

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 612-861-9739.



HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

Joint City Council, HRA, and Planning Commission Work Session Virtual via WebEx

March 8, 2022

CALL TO ORDER

The meeting was called to order by Mayor Regan Gonzalez at 6:00 p.m. virtually via WebEx.

Council Members Present: Maria Regan Gonzalez, Mayor; Mary Supple; Simon Trautmann; Sean Hayford Oleary; and Ben Whalen

Council Members Absent: None

HRA Members Present: Mary Supple, Chair; Maria Regan Gonzalez; Lee Ohnesorge

HRA Members Absent: Erin Vrieze Daniels; and Sue Sandahl

Planning Commission Members Present: Kathryn Quam, Chair; Gordon Hanson; Eddie Holmvig-Johnson; James Rudolph; Brendan Kennealy; Brett Stursa; and Ben Surma

Planning Commission Members Absent: None

Staff Present: Melissa Poehlman, Community Development Director; Julie Urban, Assistant Community Development Director; Chris Swanson, Management Analyst; Sack Thongvanh, Assistant City Manager; and Kari Sinning, City Clerk

Others Present: Kirsten Spreck, Director of Housing at Beacon Interfaith Housing Collaborative; Ricky Kamil, Congregational Organizer for Beacon Interfaith Housing Collaborative; Paul Mellblom, Architect at MSR Design; Ben Drew;

ITEM #1

PROPOSAL BY BEACON INTERFAITH HOUSING COLLABORATIVE TO DEVELOP UP TO 40 UNITS OF SUPPORTIVE HOUSING ON THE PORTLAND AVENUE ROUNDABOUT REMNANT PARCELS (6613-25 PORTLAND AVENUE).

Mayor Regan Gonzalez introduced Community Development Director Poehlman who gave a brief overview of the property. Director Poehlman then introduced Assistant Community Development Director Urban who read aloud Work Session Staff Report No. 7. Assistant Director Urban introduced

Kirsten Spreck, Director of Housing for Beacon Interfaith Housing Collaborative. Kirsten Spreck gave a presentation that described the housing that is proposed and the need for that type of housing.

Council Member Trautmann thanked Kirsten Spreck for the presentation and asked about which communities Beacon has been working with in the City and also the organizations that they have partnered with. Kirsten Spreck stated that they have been in contact with MICC and shared that Beacon is more focused on those young adults with neurodiversity that do not have the financial or family support. A Congregational Organizer for Beacon, Ricky Kamil, stated that Woodlake Lutheran Church is a part of the collaborative and that other area churches that want to see more deeply affordable housing for the neurodivergent community in Richfield.

Council Member Whalen stated that he is generally supportive of the project and asked about the difference between efficiency and studio apartments and the need for this type of housing for this community. Kirsten Spreck stated that efficiency and studio are one in the same and explained that this type of housing has helped youth and young adults experiencing homelessness or financial hardship to get stabilized and find employment or further their educations. An architect from MSR, Paul Mellblom, explained that the trauma that people face with homelessness and other traumas can affect how people want to live and they might feel more comfortable having a one room apartment than a multi-room apartment and shared that the efficiency apartments would be around 450 square feet.

Council Member Supple shared her experience touring the 66 West site and she questioned the density for this site. Kirsten Spreck explained the cost-benefit analysis for this proposal. Council Member Supple stated her support if this project is similar to the 66 West project as there is a great need for it in the community.

HRA Commissioner Ohnesorge thanked Beacon for bringing this project proposal and asked about accessible units and zero threshold showers. Kirsten Spreck stated that there would likely be accessible units on every floor. Paul Mellblom shared that per building code they are required to have an elevator be accessible to all residents and all stairwells and doorways would meet ADA compliancy and 2% of the units would have to have hearing and/or visual aids. Kirsten Spreck shared that Beacon is dedicated to providing housing to persons with disabilities.

Council Member Hayford Oleary shared his support in this site being high density residential as smaller unit density projects have not suited this site well and also shared his thoughts regarding fair parking reduction practices for projects that are along major transit lines. Council Member Hayford Oleary expressed optimism for the project to move forward for the community.

Council Member Trautmann appreciated the comments made by Council Member Hayford Oleary and questioned the services provided for those that are transitioning out of homelessness. He shared Richfield community organizations that would appreciate the opportunity to be a community presence. Kirsten Spreck stated that each building is intended to meet the needs of the residents and depending on the residents the services provided can differ.

Planning Commissioner Kennealy agreed with the comments made by the City Council Members and questioned the number of parking stalls compared to the 66 West site and the zoning this area to high density without affecting the rest of the neighborhood. Director Poehlman stated that the comprehensive plan would need to be reassessed as the project would move forward.

Planning Commissioner Rudolph expressed excitement for the project and shared a curiosity of the hurdles that the project would need to overcome as it moves forward with respect to the lot size. Kirsten Spreck stated that the project is in line with zoning for setbacks and height which would allow for outdoor amenities for the residents.

Planning Commissioner Chair Quam asked why there is an efficiency limitation in medium density housing to which Director Poehlman explained the history of the code and how it has affected

Richfield's growth. Planning Commissioner Chair Quam also asked about the availability of units for people with disabilities and what the proposed look of the building would be like. Kirsten Spreck stated that they have not finalized the number of units that would be available as it is dependent upon research of the need in the area and also stated that the look of the building is unknown at this time since this is a preliminary proposal however the Richfield community and staff would be involved in the exterior look of the building.

Planning Commissioner Holmvig-Johnson shared concern about the long term conditions of the building. Kirsten Spreck stated the accountability to provide quality housing in the long run and Beacon reinvests in their properties to keep them in good condition for the residents.

Council Member Whalen referred back to Commissioner Kennealy's question of the number of parking stalls compared to the 66 West site. Kirsten Spreck stated that in the last few years they have created parking below grade to offer more of a safe environment and that the proposed 25 stalls is meant to be more proactive and can be discussed.

Planning Commissioner Hanson suggested that since the parking stalls at the other properties are not being used to their full advantage that the extra parking space could be used for a recreational space for the residents. Kirsten Spreck thanked Commissioner Hanson for that suggestion and stated that they will bring that idea back to the design team.

Mayor Regan Gonzalez expressed excitement and support for this project and appreciated the comments and questions from Council and Commissioners. She also thanked the presenters for the proposal.

Council Member Supple asked if there is an age restriction on the service. Kirsten Spreck explained that young adults between the age of 18 and 24 would be prioritized and stated that this is permanent supportive housing which does not put a time limit on a person's residency.

Director Poehlman stated that the commercial property next door does have interest in the property however she will relay that the policymakers are generally supportive of this possibility.

Assistant Director Urban summarized the discussion and stated the next steps:

- General consensus of approval for the high density
- 25 parking stalls might be too much for this project
- Beacon is a thoughtful provider and trying to meet the needs of the people they are serving
- Financially, this project would need the help of the HRA and additional funding which would be discussed as the project moves forward.

ADJOURNMENT

The work session was adjourned by unanimous consent at 6:55 p.m.

Date Approved: May 16, 2022

Mary B. Supple
HRA Chair

Kari Sinning
City Clerk

Melissa Poehlman
Executive Director



HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

Joint City Council, Planning Commission, and HRA Work Session

April 12, 2022

CALL TO ORDER

The work session was called to order by Mayor Regan Gonzalez at 6:00 p.m. in the Bartholomew Room.

Council Members Present: Maria Regan Gonzalez, Mayor; Mary Supple; Simon Trautmann (6:05 p.m.); Sean Hayford O'leary; and Ben Whalen

Council Members Absent: None.

Planning Commission Members Present: James Rudolph, Chair; Brett Stursa; Brendan Kennealy; and Ben Surma

Planning Commission Members Absent: Kathryn Quam and Eddie Holmvig-Johnson

HRA Members Present: Mary Supple, President; Maria Regan Gonzalez; Lee Ohnesorge; and Gordon Hanson (not yet confirmed).

HRA Members Absent: Erin Vrieze Daniels

Staff Present: Katie Rodriguez, City Manager; Melissa Poehlman, Community Development Director; Sack Thongvanh, Assistant City Manager; Joe Powers, City Engineer; Ben Manibog, Transportation Engineer; Chris Swanson, Management Analyst; and Kari Sinning, City Clerk

Others Present: Rich Dippolito and Lauren Robinson, Brixmor Property Group

ITEM #1

INTRODUCTORY PRESENTATION OF REDEVELOPMENT PROPOSAL FOR THE HUB SHOPPING CENTER BY REPRESENTATIVES OF BRIXMOR PROPERTY GROUP

City Manager Rodriguez stated the agenda item is informational and to gather initial feedback on the proposed plans and then introduced Community Development Director Poehlman. Director Poehlman then turned the meeting over to Rich Dippolito from Brixmor Property Group.

Rich Dippolito detailed the HUB area currently and the proposed plan that includes residential and the current tenants that have longer leases. The plan focuses on creating greenspaces and allowing for walk-up restaurants. Dippolito explained that they would be asking for Tax Increment Financing to help with the funding for the development.

Mayor Regan Gonzalez stated that the leaders from Partnership Academy were present and contact information should be shared to improve both developments.

Council Member Hayford Oleary expressed his excitement for the development plans however the proposed plans brought up some concerns such as the potential for a large vacancy in the main retailer in the future, the location of the residential component in reference to public transportation along Nicollet, many drive-thru sites along 66th Street, and that there is only one north-south connection instead of two that would follow the Comp Plan. He urged the developers to look further into the future and bring more pedestrian friendly ideas.

Chair Rudolph was impressed with the proposed plans and looks forward to the redevelopment of the historic area.

Council Member Whalen echoed Council Member Hayford Oleary's comments and expressed additional concerns for the underutilization of the space with several single story buildings instead of residential above retail spaces and the large size of parking available. He was excited about outdoor spaces and residential space but stated that there is more opportunity to build up instead of out. Dippolito explained that they are retail developer and do not know much about residential developments.

Council Member Supple thanked them for bringing the proposed plans and expressed curiosity about the smaller, locally owned retail tenants. Dippolito stated that the proposed plan highlighted retailers that had long-term leases and if those small business owners would like to extend their leases they would be happy to talk with them.

Commissioner Stursa expressed gratitude for the proposed plans but asked the developers to focus more on pedestrian/people orientation versus vehicle. She also asked about the affordability of the residential housing. Dippolito stated that they are working with their residential partners and the goal is to have an affordability aspect.

Commissioner Surma expressed concern for accessibility for public transit users and brought up the idea of moving the Walgreens closer to the public transit stop along Nicollet. Commissioner Surma also asked if the plans would alter the curb lines. Dippolito stated that there is no plan to change the curb lines and appreciated the comment about the pharmacy having access to those bus stops.

Commissioner Hanson was excited for grocery store option and asked about the affordability of lease rates for smaller, locally-owned retail shops. He stated that he would support the use of higher density of the site to provide more residential housing. He also commented that this would be a great opportunity for their company to expand their expertise and push the boundaries of what they are capable of.

Dippolito asked what density would be appropriate for this site. Director Poehlman stated that the Comp Plan has a this site for a high density of about 100 to 150 units per acre and the general allowance for height would be around six stories but there is flexibility since this is a planned unit

development. Chair Rudolph brought up that a residential building the size of City Bella would be a good fit for this site. Council Member Hayford O'leary agreed with Chair Rudolph and added that there has been push to build apartment buildings at the Hub from residents.

Council Member Trautmann expressed gratitude for the discussion of the proposed plans and expressed concern for the amount of drive-thru buildings and limited green spaces for the community. He encouraged Bixmor to think about the future that would keep people living, working, and shopping in Richfield.

Commissioner Kennealy was fortunate to have this discussion and stated that they should focus on transportation by car being the least attractive option. Commissioner Kennealy also expressed excitement and support for the increased density and height.

Mayor Regan Gonzalez stated that the proposed plans are good however we are interested to be creative to make this more functional for the community and expressed that, as a part of Downtown Richfield, this site is very important for the community and the revitalization of this would be multi-generational. She mentioned partnering with Holy Angels and Partnership Academy to benefit our entire community. She also asked about when they could share the details of who the grocery retailer would be. Dippolito stated that they would not be able to disclose that information until they are allowed but once they are able to they will let the City know.

Council Member Whalen asked about the possibility of doing a multi-level grocery and also asked Bixmor to keep in mind the redevelopment and the residents of and along 65th Street that might not want to look at the back of buildings. He also stated that an unattractive parking structure would be better than so much of the area being surface parking and would allow for more density much like the areas of 50th and France.

Council Member Hayford O'leary appreciated how ambitious the proposed plans are and expressed hope that they would go further with the opportunities. He also expressed delight about the quick timeframe they stated to redevelop the site but would like to see the project take longer and get done right than be rushed.

Director Poehlman stated the next steps would be for Bixmor to digest the feedback from tonight's work session and to work with the City to create a sketch plan. She also stated that staff would keep Council and Commissioners informed as the process moves forward.

Mayor Regan Gonzalez thanked everyone for the discussion.

ADJOURNMENT

The work session was adjourned by unanimous consent at 6:41 p.m.

Date Approved: May 16, 2022

Mary B. Supple
HRA Chair

Kari Sinning
City Clerk

Melissa Poehlman
Executive Director



HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

Regular Meeting

April 18, 2022

CALL TO ORDER

The meeting was called to order by Vice Chair Vrieze Daniels at 7:00 p.m. in the Council Chambers.

HRA Members Present: Erin Vrieze Daniels, Vice Chair; Maria Regan Gonzalez; and Gordon Hanson

HRA Members Absent: Mary Supple, Chair and Lee Ohnesorge

Staff Present: Julie Urban, Acting Executive Director/Assistant Community Development Director; Kate Aitchison, Housing Specialist; LaTonia DuBois, Administrative Assistant; Jane Skov, IT Manager; and Kari Sinning, City Clerk.

Others Present: Representatives from MICC; Representatives from Beacon Interfaith Housing Collaborative

OATH OF OFFICE OF RICHFIELD HOUSING AND REDEVELOPMENT AUTHORITY COMMISSIONER, GORDON HANSON

City Clerk Sinning administered the Oath of Office to Commissioner Hanson.

OPEN FORUM

Commissioner Vrieze Daniels provided instructions to call in for the open forum and there were no participants.

APPROVAL OF THE MINUTES

M/Regan Gonzalez, S/Hanson to approve the minutes of the regular Housing and Redevelopment Authority meeting of March 21, 2022.

Motion carried 3-0.

ITEM #1	APPROVAL OF THE AGENDA
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M/Regan Gonzalez, S/Hanson to approve the agenda.

Motion carried 3-0

ITEM #2	CONSENT CALENDAR
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Acting Executive Director Urban presented the Consent Calendar:

- A. Consideration of approval of transfer of funds to 2018-1 and Cedar Avenue Tax Increment Finance Districts for prior year expenses as of December 31, 2021. (Staff Report No. 14)

HRA RESOLUTION NO. 1427

**RESOLUTION AUTHORIZING THE TRANSFER OF FUNDS FOR
PRIOR YEAR EXPENSES IN CONNECTION WITH THE 2018-1
AND CEDAR AVENUE TAX INCREMENT FINANCING DISTRICTS**

- B. Authorization of a contract with VEIT and Company, Inc. for the demolition of buildings located at 6501 and 6513 Penn Avenue South. (Staff Report No. 15)

M/Regan Gonzalez, S/Hanson to approve the Consent Calendar.

Motion Carried 3-0

ITEM #3	CONSIDERATION OF ITEMS, IF ANY, REMOVED FROM THE CONSENT CALENDAR
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None.

ITEM #4	CONSIDER A RESOLUTION APPROVING A PRELIMINARY REDEVELOPMENT AGREEMENT WITH MINNESOTA INDEPENDENCE COLLEGE AND COMMUNITY FOR THE DEVELOPMENT OF A MIXED USE BUILDING WITH HOUSING, OFFICES AND CLASSROOM SPACE. (STAFF REPORT NO. 16)
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Acting Executive Director Urban presented Staff Report No. 16 and pointed out the timeline of MICC that would affect their expenses.

Commissioner Regan Gonzalez expressed excitement for this project that would attract people to Richfield regionally and nationally that would showcase the partnership between government, academia, and corporate partners. She also clarified the motion passed tonight would allow them to explore options of support from the HRA and Acting Executive Director Urban affirmed the clarification.

Bob Cunningham from MICC thanked the HRA and staff for their continued support and they are looking forward to the project.

Commissioner Hanson commented that the project showcases the great partnership between the community and MICC.

M/Hanson, S/Regan Gonzalez to approve the attached resolution approving a Preliminary Redevelopment Agreement with Minnesota Independence College and Community for the development of a mixed use building on West 76th Street, between Morgan and Newton Avenues.

HRA RESOLUTION NO. 1428

**RESOLUTION APPROVING THE EXECUTION AND DELIVERY
OF PRELIMINARY REDEVELOPMENT AGREEMENT WITH
MINNESOTA INDEPENDENCE COLLEGE AND COMMUNITY**

Vice Chair Vrieze Daniels thanked MICC for their support and partnership with the City.

Motion Carried 3-0

ITEM #5	CONSIDER A RESOLUTION APPROVING A PRELIMINARY REDEVELOPMENT AGREEMENT WITH BEACON INTERFAITH HOUSING COLLABORATIVE FOR THE DEVELOPMENT OF APPROXIMATELY 40 UNITS OF AFFORDABLE, SUPPORTIVE HOUSING FOR PEOPLE AT 6613- 25 PORTLAND AVENUE. (STAFF REPORT NO. 17)
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Acting Executive Director Urban presented Staff Report No. 17.

Commissioner Regan Gonzalez asked about the outreach to the community. Acting Executive Director Urban stated that there would be outreach with the neighbors during the process. Kristen Spreck from Beacon Interfaith stated that there is a Preview Event on April 28 to share the news about this site with their partners and the communities.

M/Regan Gonzalez, S/Hanson to approve the attached resolution approving a Preliminary Redevelopment Agreement with Beacon Interfaith Housing Collaborative for the development of up to 40 units of affordable, supportive housing for people at 6613-25 Portland Avenue.

HRA RESOLUTION NO. 1429

**RESOLUTION APPROVING THE EXECUTION AND DELIVERY
OF PRELIMINARY REDEVELOPMENT AGREEMENT WITH
BEACON INTERFAITH HOUSING COLLABORATIVE**

Commissioner Regan Gonzalez expressed her excitement for the community collaboration that offers housing to residents and the innovation that Richfield develops in finding new land uses to provide more housing to those that need access to transit and a great neighborhood.

Vice Chair Vrieze Daniels expressed excitement for this opportunity to use this space and for the project to move forward.

Commissioner Hanson mentioned all the upsides to the project such as using a property that has been vacant for years and the accessibility to transit that is so important for the residents that generally don't have vehicles.

Motion Carried 3-0

ITEM #6	CONSIDER A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO NEGOTIATE A PURCHASE AGREEMENT REGARDING PROPERTY LOCATED AT 1516 - 66TH STREET EAST. (STAFF REPORT NO. 18)
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Acting Executive Director Urban presented Staff Report No. 18.

Commissioner Regan Gonzalez expressed sadness for the community and extended gratitude to the owners for having the faith for the City to buy the property instead of selling to independent contractors so the City can invest in the future. She congratulated them on their retirement and thanked them for their contributions to the community and to the region.

Ted Levin mentioned that the store was nationally known and was a destination to out of town guests. He thanked the City and all the departments during the 48-years of business and shared a vision of making more community needed development along east 66th Street.

Commissioner Hanson echoed the sadness of Commissioner Regan Gonzalez, appreciated the business of an independently owned store, and wished them well in their future of retirement.

Vice Chair Vrieze Daniels expressed sadness for the closure and mentioned the impact they have had on the community. She asked about the property taxes and how that affects the community since the property would come off the tax base. Acting Director Urban stated that it would be tax exempt but the property taxes would not be affected much since it is a small portion of the tax base. Vice Chair Vrieze Daniels also asked about the future zoning and use of the site. Acting Director Urban stated that it would be zoned for community commercial and we would look for locally owned restaurants or small businesses to take over the location but overtime other properties adjacent may become available to work together to create a more viable option.

M/Regan Gonzalez, S/Hanson to adopt a resolution authorizing the Executive Director to negotiate a Purchase Agreement regarding the property located at 1516 - 66th Street East.

HRA RESOLUTION NO. 1430

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO
NEGOTIATE A PURCHASE AGREEMENT REGARDING THE
PROPERTY LOCATED AT 1516 - 66TH STREET EAST IN THE
CITY OF RICHFIELD**

Motion Carried 3-0

ITEM #7	HRA DISCUSSION ITEMS
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Commissioner Regan Gonzalez commented on the blighted commercial properties that the City can intentionally redevelop with the community in mind that could promote the ownership of small local businesses.

Vice Chair Vrieze Daniels agreed with Commissioner Regan Gonzalez and shared thoughts on providing affordable small businesses.

ITEM #8	EXECUTIVE DIRECTOR REPORT
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Acting Executive Director Urban reminded the HRA of the upcoming joint work sessions with City Council.

ITEM #9	CLAIMS
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M/Regan Gonzalez, S/Hanson that the following claims be approved:

U.S. BANK	4/18/2022
Section 8 Checks: 133711 – 133794	\$178,480.40
HRA Checks: 34173 – 34187	\$106,281.54
TOTAL	\$284,761.94

Motion carried 3-0

Item #10	ADJOURNMENT
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The meeting was adjourned by unanimous consent at 7:29 p.m.

Date Approved: May 16, 2022

Mary B. Supple
HRA Chair

Kari Sinning
City Clerk

Melissa Poehlman
Executive Director



STAFF REPORT NO. 19
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
5/16/2022

REPORT PREPARED BY: Celeste McDermott, Housing Specialist / Melissa Poehlman, Executive Director

OTHER DEPARTMENT REVIEW: N/A

EXECUTIVE DIRECTOR REVIEW: Melissa Poehlman, Executive Director
5/12/2022

ITEM FOR COUNCIL CONSIDERATION:

Consideration of the adoption of a resolution authorizing the purchase of real property located at 1516 - 66th Street East.

EXECUTIVE SUMMARY:

The property located at 1516 - 66th Street East has been the home to A World of Fish for the past 48 years. As the property and business owners look to close the business and head into retirement, they have approached the Housing and Redevelopment Authority (HRA) to negotiate the sale of their property for future redevelopment. On April 18, the HRA authorized staff to negotiate a Purchase Agreement with the owner up to 10 percent of the assessed value.

Staff has made an offer (contingent on HRA approval) to purchase the property for \$553,300, which is 10 percent greater than its current assessed market value of \$503,000. The property owner has agreed to the price but asks that the HRA also reimburse for the 2nd half of 2022 property taxes (\$7,880) which were due May 15th. Including the tax amount, the total purchase price would be \$561,180. Staff views this as reasonable given that the assessed values, as determined by Hennepin County, reflect the prior year's value and a private appraisal values the property at \$600,000.

The property will be held for future commercial redevelopment. When there is additional staff capacity, marketing of the property for redevelopment could become more proactive.

RECOMMENDED ACTION:

By motion: Adopt a resolution authorizing the purchase of real property located at 1516 - 66th Street East for \$561,180.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- The owners have determined that after 48 years of successful business in Richfield, it is time to retire and close A World of Fish.
- The HRA has a history of purchasing properties along the City's commercial corridors that would be a challenge to reuse and/or that offer a strategic advantage in redevelopment of a larger area.
- On April 18, 2022, the HRA authorized staff to negotiate a Purchase Agreement with the owner up to 10 percent of the assessed value, which is \$503,000.

- On April 25, 2022, the Planning Commission found the proposed acquisition to be consistent with the Comprehensive Plan.

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

- The 2040 Comprehensive Plan designates this property as Community Commercial and the Planning Commission determined that the acquisition is consistent with the City's Comprehensive Plan.
- Purchasing this property offers the HRA the opportunity to direct redevelopment along 66th Street in a manner that is consistent with investments in the public right-of-way in this area.
- As currently situated, the parking at this building requires cars to travel over the public right-of-way to access stalls and creates a less-than-ideal situation for pedestrians and bicyclists
- The Purchase Agreement is contingent upon the HRA finding the results of a building and property inspection acceptable.

C. CRITICAL TIMING ISSUES:

- Under the terms of the Purchase Agreement, property closing would take place on or before June 20, 2022.

D. FINANCIAL IMPACT:

- The HRA budget anticipates occasional acquisitions such as this, and there is available funding.
- A property inspection is currently underway, and preliminary results indicate that the property will qualify for purchase with pooled Tax Increment. Given that finding, the property will be acquired with funds from the HRA's Housing and Redevelopment Fund.

E. LEGAL CONSIDERATION:

- HRA legal counsel drafted the attached Purchase Agreement.

ALTERNATIVE RECOMMENDATION(S):

- Deny approval of the resolution and do not acquire this property.
- Approve the resolution with modifications that address any concerns by HRA Commissioners.

PRINCIPAL PARTIES EXPECTED AT MEETING:

Ted Levin, property owner

ATTACHMENTS:

Description	Type
□ Resolution	Resolution Letter
□ Purchase Agreement	Contract/Agreement

HRA RESOLUTION NO. _____

**RESOLUTION AUTHORIZING PURCHASE OF REAL PROPERTY
LOCATED AT 1516 - 66th Street East**

WHEREAS, the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (“the HRA”) desires to purchase certain real property pursuant to and in furtherance of redevelopment and the City’s Comprehensive Plan, said property being described as:

Lots Eleven (11) and Twelve (12), Block Five (5), Nokomis Gardens Rearrangement of Blocks One (1), Two (2), Three (3), Four (4) and Five (5), Girard Parkview, Hennepin County, Minnesota, according to the duly recorded plat thereof.

WHEREAS, the HRA is authorized by Minnesota Statutes Section 469.012, subd. 1g to acquire real property within its area of operation; and

WHEREAS, HRA funds are available for acquisition purposes.

NOW THEREFORE, BE IT RESOLVED, by the Housing and Redevelopment Authority in and for the City of Richfield:

1. The purchase price for the property identified is approved not to exceed \$561,180, plus closing costs, not to exceed \$25,000.
2. The Chairperson and Executive Director are authorized to execute a Purchase Agreement and to take other actions necessary to purchase the property for the amount set forth in this resolution.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota on this 16th day of May, 2022.

Mary B. Supple, Chair

ATTEST:

Maria Regan Gonzalez, Secretary

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (the “Agreement”) is made and entered into as of the ____ day of _____, 2022 (the “Effective Date”), between Ted & Jill Levin Trustees, the Theodore John LeVin and Jill R. LeVin Trust (the “Seller”), and the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota, a public body corporate and politic under the laws of the State of Minnesota, its successors or assigns (the “Purchaser”).

RECITALS

A. Seller is the owner of certain real property located 1516 66th Street East in the City of Richfield, Minnesota (“City”), County of Hennepin, and State of Minnesota, which is legally described on the attached Exhibit A (the “Land”).

B. Seller desires to sell the Land and any and all improvements located thereon to Purchaser, and Purchaser desires to purchase such Land and improvements under the terms and conditions provided herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and of the following terms and conditions, the parties agree as follows:

1. **SALE AND PURCHASE**. Seller hereby agrees to sell to Purchaser, and Purchaser hereby agrees to purchase from Seller, upon the terms and conditions set forth below, the following:
 - a. Fee simple title to the Land together with current existing improvements constructed on the Land (the “Improvements”); and
 - b. Seller’s interest, if any, in: (i) all easements, air rights, and other rights benefiting or appurtenant to the Land; and (ii) all neighboring or contiguous alleys, streets, roads, and utilities servicing, pertaining, or relating to the Land; and
 - c. Seller shall remove and take from the Property any or all of the fixtures located in the buildings on the Land. Any fixtures remaining on the Property after the Seller vacates the Property will be disposed of by the Purchaser.

All items described in subsections 1(a) through 1(b) above are collectively referred to in this Agreement as the “Property.”

2. **PURCHASE PRICE**. The total purchase price to be paid by Purchaser to Seller for the Property (the “Purchase Price”) shall be \$561,180.00.

The Purchase Price shall be payable as follows:

- a. The “Effective Date” shall be the last date upon which this Agreement is executed by both Purchaser and Seller.
- b. The Purchase Price, plus or minus the prorations and credits provided in this Agreement, shall be paid to Seller in immediately available funds via certified check or wire transfer on the Closing Date (as defined in Section 8 hereof).

3. **CONTINGENCIES.** Notwithstanding any other provision in this Agreement to the contrary, the parties agree that the purchase of the Property is subject to the following contingencies (collectively, the “Contingencies”) which must be accepted or waived on or before 50 days after the Effective Date hereof (such 50 day period shall be referred to as the “Due Diligence Period”), unless a different period is expressly provided herein:

- a. Title to the Property shall be acceptable to Purchaser, in its sole discretion (the “Title Contingency”) within the time frames and terms and conditions contained in Paragraph 5.
- b. The Property’s environmental condition shall be acceptable to Purchaser, in its sole discretion. Copies of such environmental assessments shall be provided at no cost to Seller for its use (the “Environmental Contingency”). Notwithstanding the foregoing, Purchaser must conduct such review and other matters during the Due Diligence Period and this Environmental Contingency shall expire on the expiration of the Due Diligence Period.
- c. Purchaser shall have the right during the Due Diligence Period to conduct such soil tests/geotechnical analyses, building and property inspections, reviews, environmental assessments (collectively, the “Physical Reports”), if any, as Purchaser deems necessary and such Physical Reports and the testing/review required therefore shall be subject to the terms and conditions contained in Paragraph 7. The results of the same shall be satisfactory to Purchaser in its sole discretion (the “Inspection Contingency”). Copies of any Physical Reports obtained or commissioned by Purchaser with respect to the Property shall be provided at no cost to Seller, but without any representation as to their accuracy or how the same may be used. To facilitate Purchaser’s due diligence efforts, Seller agrees to deliver copies of all records it has of the Property in its possession, if any, to Purchaser within 10 days after the Effective Date hereof.
- d. Seller shall remove all debris, personal property and hazardous materials from the Property above ground level before the Closing Date.
- e. Seller shall not be responsible for removal of original building materials or processes.

Purchaser shall satisfy or waive the Contingencies set forth above on or before the expiration of the Due Diligence Period and the Title Contingency in the time prescribed in Paragraph 6 or said Contingencies shall be waived. If Purchaser is unable to satisfy the Contingencies and determines not to waive the Contingencies, Purchaser may terminate this Agreement. If Purchaser elects to terminate this Agreement, upon Seller’s receipt of Purchaser’s written notice of termination, this Agreement shall be null and void, and neither party shall have any further obligation to the other.

4. **REPRESENTATIONS.** The following representations are being made by Seller: (i) that Seller owns fee simple marketable title to the Property; (ii) as of the Closing Date, there will be no obligations or liabilities of any kind or nature whatsoever, including but not limited to any tax liabilities, contract liabilities, or tort liabilities for which or to which Purchaser or the Property will be liable or subject except for non-delinquent real estate tax obligations; (iii) subject to matters beyond the control of the Seller and reasonable wear and tear, the Property shall be substantially in the same condition on the Closing Date as it is as of the date first written above; and (iv) Seller has not filed, voluntarily or involuntarily for bankruptcy relief within the last year under the United States Bankruptcy Code or has any petition for bankruptcy or receivership been filed against Seller within the last year. These representations shall survive the Closing indefinitely.

5. **EVIDENCE OF TITLE.** Purchaser shall obtain a commitment for an owner's policy of title insurance ("Title Commitment") for the Property within 30 days of the Effective Date. The cost of obtaining such Title Commitment shall be paid by Purchaser. Purchaser shall be allowed 15 days after the date of receipt of the latter of the Title Commitment or the Survey to examine the same and the making of any objections (the "Title Objections"); such objections are to be made to Seller in writing or shall be deemed to have been waived. The Title Objections may include requests for deletion of the survey, mechanic's liens, and possession standard exceptions and the request for special endorsements for such matters as Purchaser may request. If any Title Objections are so made, Seller shall have 10 days from the date of Seller's receipt of the Title Objections ("Outside Seller Response Date") to confirm in writing to Purchaser whether it will be able to remove the Title Objections on or prior to the Closing Date, and if not, which of the Title Objections Seller is unwilling to remove; provided, however, that Seller must satisfy any mortgages, monetary liens, or other monetary encumbrances on or prior to the Closing Date. Purchaser shall then have the right to either waive those Title Objections which Seller is unwilling to remove, or to terminate this Agreement on or before the earlier of i) five days after the Outside Seller Response Date; or ii) the end of the Due Diligence Period pursuant to the Title Contingency described in Section 3(a) above. If Seller fails to remove those Title Objections which Seller agrees to remove on or prior to the Closing Date, Purchaser shall have the option of:

- a. Declaring this Agreement null and void by written notice to Seller; or
- b. Waiving any defect in title and, in such event, proceeding to close the transaction contemplated by this Agreement on the Closing Date.

As used in this Agreement, the term "Permitted Exceptions" shall mean (i) all matters either shown on the Survey or listed in the Title Commitment to which Purchaser does not raise a Title Objection within the Title Review Period or, having objected, waives as provided above; (ii) ad valorem real estate taxes for the calendar year in which the Closing occurs and subsequent calendar years, not yet due and payable; and (iii) municipal or other governmental zoning laws, regulations and ordinances.

6. **ACCESS TO PROPERTY.** Seller hereby grants to Purchaser and its agents the right of ingress and egress over, under, and through the Property for the purpose of surveying, inspecting, and testing of the same and making other observations as Purchaser deems necessary, all however, at Purchaser's expense. This includes the right of Seller and its agents to perform soil borings and an environmental assessment of the Property. Purchaser shall reasonably repair any damage caused to the Property as a result of Purchaser's activities such that the Property is returned to substantially the same condition as it existed prior to Purchaser's activities. Purchaser shall ensure that any individual or entity conducting examination of the Property on behalf of Purchaser is licensed and insured. Purchaser agrees to indemnify and hold Seller harmless from all injury, death, or property damage or claim, loss, expense, or lien of any kind whatsoever arising out of or in any way incidental to Purchaser's or its employees, contractors, agents and representatives presence on the Property, however that in no event shall Purchaser be responsible for any conditions discovered by Purchaser. Seller shall reasonably cooperate with Purchaser and its due diligence efforts.
7. **DESTRUCTION OR EMINENT DOMAIN.** If, prior to the Closing Date, all or any substantial part of the improvements on the Property should be destroyed by fire or any other cause, or any insubstantial part of the Property shall be taken by eminent domain, either party

shall have the option of canceling this Agreement. If, prior to the Closing Date, all or any substantial part of the Property should be taken, or proceedings are commenced in condemnation with respect thereto, Purchaser shall have the option to terminate this Agreement. Said options provided in this Paragraph, if exercised by Purchaser, must be exercised in writing and delivered to Seller within the earlier of: (i) 10 days after a request by Seller as to whether Purchaser intends to exercise this option; or (ii) the Closing Date. If Purchaser so elects to cancel this Agreement in accordance herewith, this Agreement shall thereafter be of no further force and effect.

8. **CLOSING.** The consummation of the transaction contemplated by this Agreement (“Closing”) shall be held at the offices of the Purchaser, 6700 Portland Avenue South, Richfield, Minnesota 55423 (or at such other location as the parties shall agree), on the “Closing Date” which shall be no later than _____, 2022 unless a later date is mutually agreed to by Seller and Purchaser.

8.1. At Closing, Seller shall execute and/or deliver the following:

- a. A limited warranty deed conveying the Property to Purchaser subject solely to the Permitted Exceptions in recordable form duly executed and acknowledged by Seller and certifying that no wells are located upon the Property or accompanied by a well disclosure certificate;
- b. Deliver the Escrow Agreement in the form attached hereto as Exhibit D;
- c. Deliver a standard form Seller’s Affidavit as reasonably required by Purchaser;
- d. Deliver an affidavit certifying that Seller is not a foreign person under Section 1445 of the Internal Revenue Code;
- e. Deliver a well disclosure certificate in the form attached hereto as Exhibit B or a statement on the deed that Seller does not know of any well located on the Property, as well as disclosure of any septic systems located on the property, in the form attached as Exhibit C, or a statement that there are none. If a building permit was issued prior to City water being available on the Property, the Seller shall provide a Well Disclosure Certificate and well sealing record;
- f. Pay all pro-rations, fees and costs required of Seller under this Agreement;
- g. Deliver the appropriate Federal Income Tax reporting form, if any is required;
- h. Deliver a certificate reaffirming the representations made in Section 4 hereof;
- i. Deliver any other documents as may be reasonably required by the Purchaser including, but not limited to, evidence that all authorized signatures required to bind Seller have been provided on all Closing documents;
- j. Deliver closing statement pursuant to the terms and conditions of this Agreement; and
- k. Deliver all other documents as may be reasonably required by the Purchaser to record Seller’s Closing Documents and issue the Title Insurance Policy required by this Agreement, possession of the Property with keys, and access cards to the Property’s doors

and locks.

8.2. At Closing, Purchaser shall execute and deliver the following:

- a. Deliver cash or other immediately available funds in the amount required under the closing statement agreed to by Purchaser and Seller;
- b. Pay all pro-rations, fees, and costs required of Purchaser under this Agreement;
- c. Deliver or file a Certificate of Real Estate Value;
- d. Deliver evidence reasonably satisfactory to Seller that the signatories of this Agreement have the full right, power, and authority to sign on behalf of Purchaser;
- e. Deliver an executed closing statement pursuant to the terms and conditions of this Agreement; and
- f. Deliver any other documents as may be reasonably required by the Purchaser or by Seller, including but not limited to evidence that all authorized signatures required to bind Purchaser have been provided on all required Closing documents.

8.3. Real Estate Taxes and Special Assessments. Purchaser has agreed to pay the second half of the general real estate taxes applicable to the Property due and payable in the year of Closing and the payment for such taxes has been incorporated into the Purchase Price. Any real estate taxes due and payable in the years prior to Closing, including any deferred real estate taxes, penalties or interest shall be paid by Seller. Seller shall pay all special assessments levied and pending against the Property and due and owing as of the Closing Date. Purchaser shall pay all special assessments pending or and due and owing after the Closing Date.

8.4. Other Closing Costs. Seller shall pay all state or local transfer, conservation fees, or deed taxes in connection with the Deed to be delivered by Seller to Purchaser. Seller shall pay all state or local transfer, conservation fees or deed taxes, if any, and recording fees of instruments required to establish marketable title in Seller. Purchaser shall pay recording charges in connection with the Deed, as well as the costs of any due diligence reports which Purchaser may have ordered regarding environmental conditions, soils conditions, or other aspects of the Property. Purchaser shall pay the cost of its title insurance commitment premium and any policy endorsements it desires. Purchaser and Seller shall equally split any closing charges. Seller shall be responsible for satisfying, out of the Purchase Price or otherwise, all mortgages and liens against the Property as of Closing. Each party shall be responsible for its own legal counsel fees.

9. OPERATION PRIOR TO CLOSING. During the period from the date of Seller's acceptance of this Agreement through the Closing Date, Seller shall operate and maintain the Property in the ordinary course of business in accordance with commercially reasonable business practices and standards, including but not limited to maintaining adequate liability insurance and insurance against loss by fire, windstorm, and other hazards, casualties, and contingencies, including vandalism and malicious mischief. Seller shall bear the risk of loss or damage caused by any perils through the Closing Date.

10. AUTHORITY. Each person executing this Agreement, by his or her execution hereof, represents and warrants that he or she is fully authorized to do so, and that no further action or

consent on the part of the party for whom he or she is acting is required for the effectiveness and enforceability of this Agreement against such party following such execution.

11. **BROKER'S FEES.** Seller and Purchaser represent to each other that it has not utilized the services of any real estate broker or agent in connection with this Agreement or the transaction contemplated by this Agreement. Seller and Purchaser agree to indemnify, defend, and hold the other party harmless against any and all claims of brokers, finders, or the like, and against the claims of all third parties, claiming any right to commission or compensation by or through acts of the indemnifying party or its partners, agents, or affiliates in connection with this Agreement. The indemnifying party's indemnity obligations shall include all damages, losses, costs, liabilities, and expenses, including reasonable attorneys' fees and litigation costs, which may be incurred by the other party.
12. **RELOCATION BENEFITS.** Seller acknowledges that the Seller approached the Purchaser to purchase the Property. Seller further acknowledges that the Seller initiated negotiations with the Purchaser for the transaction contemplated by this Purchase Agreement, and that this transaction is not made under threat of condemnation by the Purchaser. Furthermore, the Purchaser does not have the statutory authority to take the Property by eminent domain. Therefore, Seller acknowledges that it is not being displaced from the Property as a result of the transaction contemplated by this Agreement and that Seller is not eligible for relocation assistance and benefits. The provisions of this paragraph shall survive closing of the transaction contemplated by this Agreement.
13. **USE OF PROPERTY BY OTHER PERSONS.** Seller warrants that it has entered a lease with Clear Channel to that allows Clear Channel to have a billboard on the roof of the building on the Property. Seller further warrants that the lease with Clear Channel terminates on April 1, 2023. Seller hereby confirms that no other persons or entities have rights to use the Property.
14. **NOTICES.** Any notice or election herein required or permitted to be given or served by either party hereto upon the other shall be deemed given or served in accordance with the provisions of this Agreement, if personally served; sent via telephonic facsimile; delivered by nationally recognized overnight courier (Fed Ex, UPS, DHL, *etc.*); or if mailed by United States registered or certified mail, postage prepaid, properly addressed as follows:

If to Seller: T & J Levin Trustees
16487 Jarreau CT
Lakeville, MN 55044

If to Purchaser:

Housing and Redevelopment Authority
in and for the City of Richfield
6700 Portland Avenue South
Richfield, MN 55423
Attn: Melissa Poehlman

with a copy to: Kennedy & Graven, Chartered
150 South 5th Street, Suite 700
Minneapolis, MN 55402
Attn: Julie Eddington

Each mailed notice or communication shall be deemed to have been given to, or served upon, the party to which it is addressed on the third date after the same is deposited in the United

States registered or certified mail, if postage prepaid, properly addressed in the manner above provided, if sent by overnight mail it shall be deemed delivered the day after deposit with the overnight courier, or on the date of delivery if by other means as allowed above, and if by telephonic facsimile, with confirmation of successful transmission. The addresses to which notices are to be mailed to either party hereto may be changed by such party by giving written notice thereof to the other party in the manner above provided.

15. **DEFAULT**. In the event of a default by Seller hereunder, Purchaser may terminate this Purchase Agreement, or, bring an action to compel the specific performance of this Agreement in a court of law or equity. In the event of a default by Purchaser hereunder, Seller may terminate this Agreement by providing 30 days written notice as provided by Minnesota Statutes.
16. **COUNTERPARTS**. This Agreement may be executed in any number of counterparts, each of which will, for all purposes, be deemed to be an original, and all of which are identical. This Agreement may further be evidenced by facsimile and email scanned signature pages.
17. **GOVERNING LAW**. This Agreement shall be governed by and construed in accordance with the laws of the state where the Property is located.
18. **ENTIRE AGREEMENT**. This Agreement constitutes the entire agreement between the parties and there are no other covenants, agreements, promises, terms, provisions, conditions, undertakings, understandings either oral or written, between them concerning the Property. No subsequent alteration, amendment, change, deletion, or addition to this Agreement shall be binding upon any of the parties hereto unless in writing and signed by both the party against whom enforcement thereof is sought.
19. **FURTHER ASSURANCES**. Each party agrees that it will without further consideration execute and deliver such other documents and take such other action, whether prior or subsequent to Closing, as may be reasonably requested by the other party to consummate more effectively the purposes or subject matter of this Agreement.
20. **NO THIRD PARTY BENEFICIARIES**. The provisions of this Agreement and of the documents to be executed and delivered at Closing are and will be for the benefit of Seller and Purchaser only and are not for the benefit of any third party, and accordingly, no third party shall have the right to enforce the provisions of this Agreement or of the documents to be executed and delivered at Closing.
21. **SEVERABILITY**. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
22. **RULE OF CONSTRUCTION**. The parties acknowledge that each party and its counsel has reviewed and revised this Agreement, and the parties hereby agree that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments or exhibits hereto.
23. **MISCELLANEOUS**. All times specified in this Agreement shall be of the essence of this Agreement. If any date set forth for the performance of any obligations by Seller or Purchaser or for the delivery of any instrument or notice should be on a Saturday, Sunday or legal holiday, the compliance with such obligations or delivery shall be deemed acceptable on the next business day.

following such Saturday, Sunday or legal holiday. The term “legal holiday” means any state or federal holiday on which financial institutions or post offices are generally closed in the state of Minnesota.

24. **WAIVER**. The waiver by any party of a breach of any provision of this Agreement shall not be deemed a continuing waiver or a waiver of any subsequent breach whether of the same or another provision of this Agreement.
25. **ESCROW AGREEMENT**. Seller agrees that, at closing, the Purchaser may retain Two Thousand Five Hundred Dollars (\$2,500.00) from the purchase price for the Property as an Escrow for payment of necessary actual out-of-pocket expenses relating to personal property removal, disposal charges and utility charges. The retained amount, less deductions provided for in this paragraph, will be delivered to Seller no later than 60 days following the date of delivery of possession. Said funds shall be held by Kennedy & Graven, Chartered, as Escrow Agent, pursuant to the terms of the Escrow Agreement. The Purchaser’s ability to deduct amounts due under this paragraph from the retained escrow is not exclusive but is in addition to the Purchaser’s rights at law and equity to collect such amounts from Seller. The Seller is responsible for the amounts due under this paragraph even if: (i) the Purchaser neglects to deduct the amount from escrow; or (ii) the escrowed amount is insufficient to pay all amounts due under this paragraph.
26. **ASSIGNMENT**. The Purchaser may assign this Agreement.

IN WITNESS WHEREOF, the parties have entered into and executed this Agreement as of the date and year first written above.

SELLER:

T & J LEVIN TRUSTEES

By: _____

Its: _____

Date: _____

PURCHASER:

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

By: _____

Its: Chair

Date: _____

By: _____

Its: Executive Director

Date: _____

EXHIBIT A

Legal Description of the Land

Lots Eleven (11) and Twelve (12), Block Five (5), Nokomis Gardens Rearrangement of Blocks One (1), Two (2), Three (3), Four (4) and Five (5), Girard Parkview, Hennepin County, Minnesota, according to the duly recorded plat thereof.

EXHIBIT B

Well Disclosure

EXHIBIT C

Sanitary Sewer Disclosure

EXHIBIT D

Escrow Agreement

Escrow Agreement

THIS AGREEMENT entered into this __ day of _____, 2022, by and between T & J LEVIN TRUSTEES, a _____ trust (the "Seller"), the HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RICHFIELD, a Minnesota municipal corporation ("Purchaser"), and KENNEDY & GRAVEN, CHARTERED ("Escrow Agent" or "Agent").

RECITALS

- A. Seller and Purchaser have entered into a Purchase Agreement dated _____, 2022 ("Agreement") for the sale of property located at 1516 66th Street East, Richfield, Minnesota and legally described on the attached Exhibit One (the ("Property")).
- B. The parties desire to close the sale of the Property on _____. 2022.

AGREEMENT

The parties agree as follows:

- 1. Delivery of Possession. Seller shall deliver possession of the Property to Purchaser in accordance with the Purchase Agreement entered into by the parties. The Purchase Agreement requires the Seller to pay all utilities and to remove all personal property from the Property upon closing.
- 2. Escrow. (a) Upon closing and execution of this Agreement, Seller agrees to deposit into escrow the sum of \$2,500.00 (the "Escrowed Funds") from the purchase price, to be held by Agent in a non-interest bearing account.
 - (b) No later than 60 days following closing, Purchaser shall provide to Agent (with copy to Seller) evidence of (i) expenses incurred for the removal and disposal of personal property and (ii) expenses for payment of utility charges for services provided to the Property prior to date of possession, if any. Agent shall reimburse Purchaser for incurred expenses from the Escrowed Funds within 7 days following receipt of such evidence from Purchaser.
 - (c) Agent shall deliver to Seller the balance of the Escrowed Funds on deposit, less deductions provided for in paragraph 3(b) above, no later than 70 days following closing.
 - (d) The sole duties of Agent shall be those described herein, and Agent shall be under no obligation to determine whether the other parties hereto are complying with any requirements of law or the terms and conditions of any other agreements among said parties. Agent shall have no duty or liability to verify any amounts deducted from the retained amount and Agent's sole responsibility shall be to act expressly as set forth in this Escrow Agreement.
 - (e) Seller shall not be charged for removal of the following items:
 - (i) Salt water rack with aquariums and ancillary equipment. Seller shall drain all

aquariums.

- (ii) Ponds and their structures. Seller shall drain all ponds.
- (iii) Installed racking for aquariums with electrical wiring.
- (iv) No less than three chest freezers. Seller shall turn off freezers and leave hoods raised.
- (v) Two large desks on second floor of building.
- (vi) Any other agreed upon items as detailed in writing prior to the signing of this Agreement.

4. Escrow Agent Liability. The sole duties of Escrow Agent shall be those described herein, and Escrow Agent shall be under no obligation to determine whether the other parties hereto are complying with any requirements of law or the terms and conditions of any other agreements among said parties. Escrow Agent may conclusively rely upon and shall be protected in acting on any notice believed by it to be genuine and to have been signed or presented by the proper party or parties, consistent with reasonable due diligence on Escrow Agent's part. Escrow Agent shall have no duty or liability to verify any such notice, and its sole responsibility shall be to act expressly as set forth in this Escrow Agreement.

Seller and Purchaser understand that Agent is legal counsel to the Purchaser and each consents to Agent's serving as Escrow Agent notwithstanding such representation. In the event Agent determines, in its sole discretion, that it cannot continue to serve as Escrow Agent herein, Agent shall deposit the funds with Old Republic National Title Insurance Company or such other Escrow Agent acceptable to Seller and Purchaser. Seller consents to Agent's continued representation of Purchaser after a deposit is made, and Purchaser agrees to pay all escrow fees charged by the substitute Escrow Agent.

5. Notices to be sent to the parties to this Agreement shall be sent by mail or personal delivery to:

If to Seller: T & J Levin Trustees
16487 Jarreau CT
Lakeville, MN 55044

If to Purchaser: Housing and Redevelopment Authority
in and for the City of Richfield
6700 Portland Avenue South
Richfield, MN 55423
Attn: Melissa Poehlman

with a copy to: Kennedy & Graven, Chartered
150 South 5th Street, Suite 700
Minneapolis, MN 55402
Attn: Julie Eddington

IN WITNESS WHEREOF, the parties have executed this agreement as of the date written above.

SELLER:

T & J LEVIN TRUSTEES

By _____
Its _____

By _____
Its _____

ESCROW AGENT:
KENNEDY & GRAVEN, CHARTERED

By: _____

PURCHASER:

HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE
CITY OF RICHFIELD

By: _____
Its Chair

By: _____
Its Executive Director



STAFF REPORT NO. 20
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
5/16/2022

REPORT PREPARED BY: Julie Urban, Asst Community Development Director
OTHER DEPARTMENT REVIEW:

EXECUTIVE DIRECTOR REVIEW: Melissa Poehlman, Executive Director
5/12/2022

ITEM FOR COUNCIL CONSIDERATION:

Consider resolutions approving a modification to the Tax Increment Redevelopment Plans for the Lyndale Gateway/Interchange West, Urban Village and City Bella Tax Increment Financing districts, allowing an additional 10 percent of increment to be pooled for affordable housing purposes.

EXECUTIVE SUMMARY:

The City and the Housing and Redevelopment Authority (HRA) have approved several Tax Increment Financing (TIF) districts over the years to facilitate housing and redevelopment activities in the City. State law allows the City and its HRA to pool up to 15 percent of the funds collected within a TIF district for eligible activities outside of the district boundaries. The HRA's Housing and Redevelopment Fund (HRF) utilizes these pooled funds for a variety of activities to alleviate blighted and substandard conditions.

Several TIF districts contribute pooled funds to the HRF; however, there are three districts that are the primary contributors: Lyndale Gateway/Interchange West, Urban Village and City Bella. A review of the City's TIF districts indicates that there is an opportunity to maximize the amount of tax increment that can be pooled and used outside of the district boundaries on redevelopment activities and also affordable housing. State law allows HRAs to pool an additional 10 percent of increment to be used toward affordable housing activities, and the HRA's financial consultants are recommending that the Tax Increment Redevelopment Plan (Plan) be modified to enable the HRA to pool this additional 10 percent in three TIF districts.

Under the TIF law, the use of the 10 percent is limited to tax-credit eligible projects; however, the State Legislature passed a special law during the 2021 special session authorizing the City and its HRA to transfer tax increment accumulated for housing purposes to the Affordable Housing Trust Fund (Trust Fund), which is administered by the HRA. Under the special legislation, the funds collected under the 10 percent allowance can be used for the development, rehabilitation and financing of affordable housing, both rental and homeownership. Transfers are allowed until December 31, 2026. By approving the Plan modification for each of the three districts and utilizing this special legislation, the HRA would be able to transfer the pooled TIF collected under the 10 percent modification to the City's Trust Fund.

RECOMMENDED ACTION:

By motion: Adopt resolutions approving a modification to the Tax Increment Redevelopment Plans for the Lyndale Gateway/Interchange West, Urban Village and City Bella Tax Increment Financing districts

to allow pooling of an additional 10 percent to the City's Affordable Housing Trust Fund.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- In 2021, the State Legislature approved special legislation that allows Richfield to transfer funds collected for housing purposes to its Trust Fund until December 31, 2026, for the development, rehabilitation or financing of affordable housing.

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

- Minnesota Statutes Section 469.1763, subd. 2(d) allows an increase in pooling by 10 percent for affordable housing outside any type of TIF district.
- The State Legislature passed special legislation, chapter 14, Article 9, Section 5, that enables the City and its HRA to transfer pooled tax increment to its Trust Fund.
- The City's Trust Fund provides funding for housing that serves very low, low, and moderate income households.

C. CRITICAL TIMING ISSUES:

- The three districts are nearing the end of their terms, and approval of the modification will allow the HRA to maximize the use of generated increment before the districts expire.
- The legislation allows for transfers until December 31, 2026.

D. FINANCIAL IMPACT:

- Given approval of the modification, a projected \$1.5 million may be collected annually from the three districts under the 10 percent rule, through 2025. The exact amount will be confirmed with each annual audit.
- A fund balance is projected for the end of each of the three districts. Approval of the modification will allow the HRA to maximum use of the generated funds.

E. LEGAL CONSIDERATION:

- Funds transferred under the legislation can be spent on eligible activities, which include grants, loans, and loan guarantees for the development, rehabilitation, or financing of housing or to match other funds from federal, state, or private sources for housing projects. The funds can be used for renter as well as owner-occupied housing.
- The special legislation does not allow the transferred pooled TIF to be used toward rent assistance or down payment assistance, as would be allowed with other funds in a housing trust fund.

ALTERNATIVE RECOMMENDATION(S):

Decide not to approve the Modifications to the Plan.

PRINCIPAL PARTIES EXPECTED AT MEETING:

N/A

ATTACHMENTS:

Description	Type
<input type="checkbox"/> Resolution Urban Village	Resolution Letter
<input type="checkbox"/> Resolution City Bella	Resolution Letter
<input type="checkbox"/> Resolution Interchange West Lyndale Gateway	Resolution Letter
<input type="checkbox"/> TIF Plan Mod Urban Village	Backup Material
<input type="checkbox"/> TIF Plan Mod City Bella	Backup Material
<input type="checkbox"/> TIF Plan Mod Interchange West Lyndale Gateway	Backup Material
<input type="checkbox"/> Affordable Housing Trust Fund	Backup Material

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

RESOLUTION NO. _____

**RESOLUTION APPROVING A MODIFICATION TO THE TAX INCREMENT FINANCING
PLAN FOR THE URBAN VILLAGE TAX INCREMENT FINANCING DISTRICT**

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

Section 1. Recitals.

1.01. The City of Richfield, Minnesota (the “City”) and the Authority previously established, and the Authority administers, the Urban Village Tax Increment Financing District (the “TIF District”) within the Richfield Redevelopment Project in the City. The City and the Authority approved a tax increment financing plan (the “TIF Plan”) for the TIF District pursuant to the provisions of Minnesota Statutes, Section 469.174 through 469.1794, as amended (the “TIF Act”).

1.02. Pursuant to Section 469.1763, subdivision 2(d) of the TIF Act, the Authority may elect to increase by up to ten percent (10%) the permitted amounts of expenditures for activities located outside of the geographic area of the TIF District if such expenditures (a) are used exclusively to assist housing that meets the requirement for a qualified low-income building, as that term is used in Section 42 of the Internal Revenue Code of 1986, as amended (the “Code”); (b) do not exceed the qualified basis of the housing, as defined under Section 42(c) of the Code, less the amount of any credit allowed under Section 42 of the Code; and (c) are used to (i) acquire and prepare the site of the housing; (ii) acquire, construct, or rehabilitate the housing; or (iii) make public improvements directly related to the housing.

1.03. Pursuant to Laws of Minnesota 2021, First Special Session, Chapter 14, Article 9, Section 5 (the “Special Law”), in particular subdivision 1(b), the City and the Authority are authorized to transfer tax increment accumulated for housing and development purposes under Minnesota Statutes, Section 469.1763, subdivision 2(b) or (d), to the Affordable Housing Trust Fund established by the City.

1.04. The City and the Authority have determined to amend the budget (the “Budget”) set forth in the TIF Plan to use up to ten percent (10%) of the tax increment from the TIF District, less any amount utilized for administrative expenses, and transfer such amount to the City’s Affordable Housing Trust Fund for housing development purposes authorized by the Special Law.

1.05. Pursuant to Section 469.175, subdivision 4(b) of the TIF Act, a tax increment financing plan may be modified without public hearing or the findings required to be made for the original tax increment financing plan if the modification does not include (i) any reduction or enlargement of the geographic area of the project or tax increment financing district; (ii) an increase in the amount of bonded indebtedness to be incurred; (iii) a determination to capitalize interest on debt if that determination was not a part of the original plan; (iv) an increase in the portion of the captured net tax capacity to be retained by the authority; (v) an increase in the

estimated cost of the project, including administrative expenses, to be paid or financed with tax increment from the district; or (vi) the designation of additional property to be acquired by the authority.

1.06. There has been presented before the Board a proposed form of amendment to the TIF Plan (the "Amendment"). The proposed Amendment to the Budget in the TIF Plan does not increase the total estimated tax increment expenditures, amount of bonded indebtedness, or capitalized interest and does not make any other changes that require a new public hearing pursuant to Section 469.175, subdivision 4 of the TIF Act.

1.07. On May 24, 2022, the City Council of the City will consider the proposed Amendment to the TIF Plan.

Section 2. Amendment to TIF Plan.

2.01. The Budget shall be amended as set forth in the Amendment to the TIF Plan.

2.02. The Amendment to the TIF Plan is hereby approved, subject to the approval of the Amendment by the City Council. The Board hereby transmits the Amendment to the City Council for consideration.

2.03. Upon approval of the Amendment to the TIF Plan by the City Council, the Executive Director of the Authority is hereby authorized and directed to transmit a certified copy of this resolution to the Taxpayer Services Division Manager, acting as the county auditor of Hennepin County, Minnesota, the Commissioner of Revenue of the State of Minnesota, and the State Auditor, as required by Section 469.175, subdivision 4 of the TIF Act.

2.04. Authority staff, the Authority's advisors, and legal counsel are authorized and directed to proceed with the implementation of the Amendment to the TIF Plan.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 16th day of May, 2022.

Mary B. Supple, Chair

ATTEST:

Maria Regan Gonzalez, Secretary

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

RESOLUTION NO. _____

**RESOLUTION APPROVING A MODIFICATION TO THE TAX INCREMENT FINANCING
PLAN FOR THE CITY BELLA TAX INCREMENT FINANCING DISTRICT**

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

Section 1. Recitals.

1.01. The City of Richfield, Minnesota (the “City”) and the Authority previously established, and the Authority administers, the City Bella Tax Increment Financing District (the “TIF District”) within the Richfield Redevelopment Project in the City. The City and the Authority approved a tax increment financing plan (the “TIF Plan”) for the TIF District pursuant to the provisions of Minnesota Statutes, Section 469.174 through 469.1794, as amended (the “TIF Act”).

1.02. Pursuant to Section 469.1763, subdivision 2(d) of the TIF Act, the Authority may elect to increase by up to ten percent (10%) the permitted amounts of expenditures for activities located outside of the geographic area of the TIF District if such expenditures (a) are used exclusively to assist housing that meets the requirement for a qualified low-income building, as that term is used in Section 42 of the Internal Revenue Code of 1986, as amended (the “Code”); (b) do not exceed the qualified basis of the housing, as defined under Section 42(c) of the Code, less the amount of any credit allowed under Section 42 of the Code; and (c) are used to (i) acquire and prepare the site of the housing; (ii) acquire, construct, or rehabilitate the housing; or (iii) make public improvements directly related to the housing.

1.03. Pursuant to Laws of Minnesota 2021, First Special Session, Chapter 14, Article 9, Section 5 (the “Special Law”), in particular subdivision 1(b), the City and the Authority are authorized to transfer tax increment accumulated for housing and development purposes under Minnesota Statutes, Section 469.1763, subdivision 2(b) or (d), to the Affordable Housing Trust Fund established by the City.

1.04. The City and the Authority have determined to amend the budget (the “Budget”) set forth in the TIF Plan to use up to ten percent (10%) of the tax increment from the TIF District, less any amount utilized for administrative expenses, and transfer such amount to the City’s Affordable Housing Trust Fund for housing development purposes authorized by the Special Law.

1.05. Pursuant to Section 469.175, subdivision 4(b) of the TIF Act, a tax increment financing plan may be modified without public hearing or the findings required to be made for the original tax increment financing plan if the modification does not include (i) any reduction or enlargement of the geographic area of the project or tax increment financing district; (ii) an increase in the amount of bonded indebtedness to be incurred; (iii) a determination to capitalize interest on debt if that determination was not a part of the original plan; (iv) an increase in the portion of the captured net tax capacity to be retained by the authority; (v) an increase in the

estimated cost of the project, including administrative expenses, to be paid or financed with tax increment from the district; or (vi) the designation of additional property to be acquired by the authority.

1.06. There has been presented before the Board a proposed form of amendment to the TIF Plan (the "Amendment"). The proposed Amendment to the Budget in the TIF Plan does not increase the total estimated tax increment expenditures, amount of bonded indebtedness, or capitalized interest and does not make any other changes that require a new public hearing pursuant to Section 469.175, subdivision 4 of the TIF Act.

1.07. On May 24, 2022, the City Council of the City will consider the proposed Amendment to the TIF Plan.

Section 2. Amendment to TIF Plan.

2.01. The Budget shall be amended as set forth in the Amendment to the TIF Plan.

2.02. The Amendment to the TIF Plan is hereby approved, subject to the approval of the Amendment by the City Council. The Board hereby transmits the Amendment to the City Council for consideration.

2.03. Upon approval of the Amendment to the TIF Plan by the City Council, the Executive Director of the Authority is hereby authorized and directed to transmit a certified copy of this resolution to the Taxpayer Services Division Manager, acting as the county auditor of Hennepin County, Minnesota, the Commissioner of Revenue of the State of Minnesota, and the State Auditor, as required by Section 469.175, subdivision 4 of the TIF Act.

2.04. Authority staff, the Authority's advisors, and legal counsel are authorized and directed to proceed with the implementation of the Amendment to the TIF Plan.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 16th day of May, 2022.

Mary B. Supple, Chair

ATTEST:

Maria Regan Gonzalez, Secretary

RC125-1 (JAE)
795969v1

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

RESOLUTION NO. _____

**RESOLUTION APPROVING A MODIFICATION TO THE TAX INCREMENT FINANCING
PLAN FOR THE INTERCHANGE WEST AND LYNDALE GATEWAY TAX INCREMENT
FINANCING DISTRICT**

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

Section 1. Recitals.

1.01. The City of Richfield, Minnesota (the “City”) and the Authority previously established, and the Authority administers, the Interchange West and Lyndale Gateway Tax Increment Financing District (the “TIF District”) within the Richfield Redevelopment Project in the City. The City and the Authority approved a tax increment financing plan (the “TIF Plan”) for the TIF District pursuant to the provisions of Minnesota Statutes, Section 469.174 through 469.1794, as amended (the “TIF Act”).

1.02. Pursuant to Section 469.1763, subdivision 2(d) of the TIF Act, the Authority may elect to increase by up to ten percent (10%) the permitted amounts of expenditures for activities located outside of the geographic area of the TIF District if such expenditures (a) are used exclusively to assist housing that meets the requirement for a qualified low-income building, as that term is used in Section 42 of the Internal Revenue Code of 1986, as amended (the “Code”); (b) do not exceed the qualified basis of the housing, as defined under Section 42(c) of the Code, less the amount of any credit allowed under Section 42 of the Code; and (c) are used to (i) acquire and prepare the site of the housing; (ii) acquire, construct, or rehabilitate the housing; or (iii) make public improvements directly related to the housing.

1.03. Pursuant to Laws of Minnesota 2021, First Special Session, Chapter 14, Article 9, Section 5 (the “Special Law”), in particular subdivision 1(b), the City and the Authority are authorized to transfer tax increment accumulated for housing and development purposes under Minnesota Statutes, Section 469.1763, subdivision 2(b) or (d), to the Affordable Housing Trust Fund established by the City.

1.04. The City and the Authority have determined to amend the budget (the “Budget”) set forth in the TIF Plan to use up to ten percent (10%) of the tax increment from the TIF District, less any amount utilized for administrative expenses, and transfer such amount to the City’s Affordable Housing Trust Fund for housing development purposes authorized by the Special Law.

1.05. Pursuant to Section 469.175, subdivision 4(b) of the TIF Act, a tax increment financing plan may be modified without public hearing or the findings required to be made for the original tax increment financing plan if the modification does not include (i) any reduction or enlargement of the geographic area of the project or tax increment financing district; (ii) an increase in the amount of bonded indebtedness to be incurred; (iii) a determination to capitalize interest on debt if that determination was not a part of the original plan; (iv) an increase in the

portion of the captured net tax capacity to be retained by the authority; (v) an increase in the estimated cost of the project, including administrative expenses, to be paid or financed with tax increment from the district; or (vi) the designation of additional property to be acquired by the authority.

1.06. There has been presented before the Board a proposed form of amendment to the TIF Plan (the "Amendment"). The proposed Amendment to the Budget in the TIF Plan does not increase the total estimated tax increment expenditures, amount of bonded indebtedness, or capitalized interest and does not make any other changes that require a new public hearing pursuant to Section 469.175, subdivision 4 of the TIF Act.

1.07. On May 24, 2022, the City Council of the City will consider the proposed Amendment to the TIF Plan.

Section 2. Amendment to TIF Plan.

2.01. The Budget shall be amended as set forth in the Amendment to the TIF Plan.

2.02. The Amendment to the TIF Plan is hereby approved, subject to the approval of the Amendment by the City Council. The Board hereby transmits the Amendment to the City Council for consideration.

2.03. Upon approval of the Amendment to the TIF Plan by the City Council, the Executive Director of the Authority is hereby authorized and directed to transmit a certified copy of this resolution to the Taxpayer Services Division Manager, acting as the county auditor of Hennepin County, Minnesota, the Commissioner of Revenue of the State of Minnesota, and the State Auditor, as required by Section 469.175, subdivision 4 of the TIF Act.

2.04. Authority staff, the Authority's advisors, and legal counsel are authorized and directed to proceed with the implementation of the Amendment to the TIF Plan.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 16th day of May, 2022.

Mary B. Supple, Chair

ATTEST:

Maria Regan Gonzalez, Secretary

Adoption Date: November 23, 1998
Modification #1: October 11, 1999
Modification #2: January 22, 2001
Modification #3: December 13, 2005
Modification #4: November 13, 2007

Modification #5 HRA Consideration: May 16, 2022

Housing and Redevelopment Authority in and for the City of Richfield Hennepin County, Minnesota

MODIFICATION to the Tax Increment Financing (TIF) Plan Urban Village Tax Increment Financing District (a redevelopment district)

Located in Richfield Redevelopment Project Area



Prepared by:

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Roseville, Minnesota 55113

BUILDING COMMUNITIES. IT'S WHAT WE DO.

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Modification to the Tax Increment Financing Plan for Urban Village TIF District

FOREWORD

The Housing and Redevelopment Authority in and for the City of Richfield (the "HRA"), the City of Richfield (the "City"), staff and consultants have prepared the following information to expedite the Modification of Urban Village TIF District (the "District"), a redevelopment tax increment financing district, located in Richfield Redevelopment Project Area.

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

STATEMENT OF OBJECTIVES

The Urban Village TIF District is a mixed-use redevelopment project located on the **southeast corner of Lyndale and 66th Street**. Development includes **Houlihan's, the Oaks on Pleasant apartments, and BMO Bank**. Tax increment revenue is pledged to assist with property acquisition and excess site development expenses.

The HRA is modifying the TIF Plan to allow the HRA to pool an additional 10% of tax increment to the Housing Trust Fund under Minnesota Statutes 469.1763, Subdivision 2, Paragraph (b) and (d) and Minnesota Session Laws - 2021, 1st Special Session, Chapter 14 - HF No. 9, Article 9, Section 1 through Section 5.

The activities contemplated in the Redevelopment Program 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 Richfield Redevelopment Project Area and the District.

ESTIMATED PUBLIC COSTS

As modified May 16, 2022

Uses of Funds Section of the Tax Increment Financing Plan for Urban Village TIF District shall be amended as follows:

The May 16, 2022 Amendment contains the cumulative estimated project costs, including the previously identified costs from the original and previous amendments. The total project cost, including financing costs (interest) listed in the table on the following page does not exceed the total projected tax increments for the District as shown in the Sources of Revenue section.

ESTIMATED PROJECT COSTS

The budget is being modified to allow the HRA to pool an additional 10% of tax increment to the Housing Trust Fund under Minnesota Statutes 469.1763, Subdivision 2, Paragraph (b) and (d) and Minnesota Session Laws – 2021, 1st Special Session, Chapter 14 – HF No. 9, Article 9, Section 1 through Section 5. The total budget amount is not being modified.

USES	November 23, 1998	November 13, 2007	May 16, 2022
Land/Building Acquisition	\$ 4,000,000	\$ 8,310,042	\$ 4,310,042
Site Improvements/Preparation	2,000,000	2,280,000	2,280,000
Affordable Housing	-	-	-
Utilities	2,000,000	2,000,000	-
Other Qualifying Improvements	7,000,000	4,665,279	8,265,472
Bond Principal Payments	-	18,042	-
Transfers out	-	239,259	-
Administrative Costs (up to 10%)	2,500,000	2,993,361	2,825,234
Administrative Costs (Add'l 10% Housing)	-	-	2,825,235
PROJECT COSTS TOTAL	\$ 17,500,000	\$ 20,505,983	\$ 20,505,983
Interest	8,750,000	10,571,597	10,571,597
PROJECT AND INTEREST COSTS TOTAL	\$ 26,250,000	\$ 31,077,580	\$ 31,077,580

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 City may expend funds for qualified housing activities outside of the District boundaries.

Sources of Revenue/Bonded Indebtedness Section of the Tax Increment Financing Plan for Urban Village TIF District shall be amended as follows:

ESTIMATED SOURCES OF REVENUE

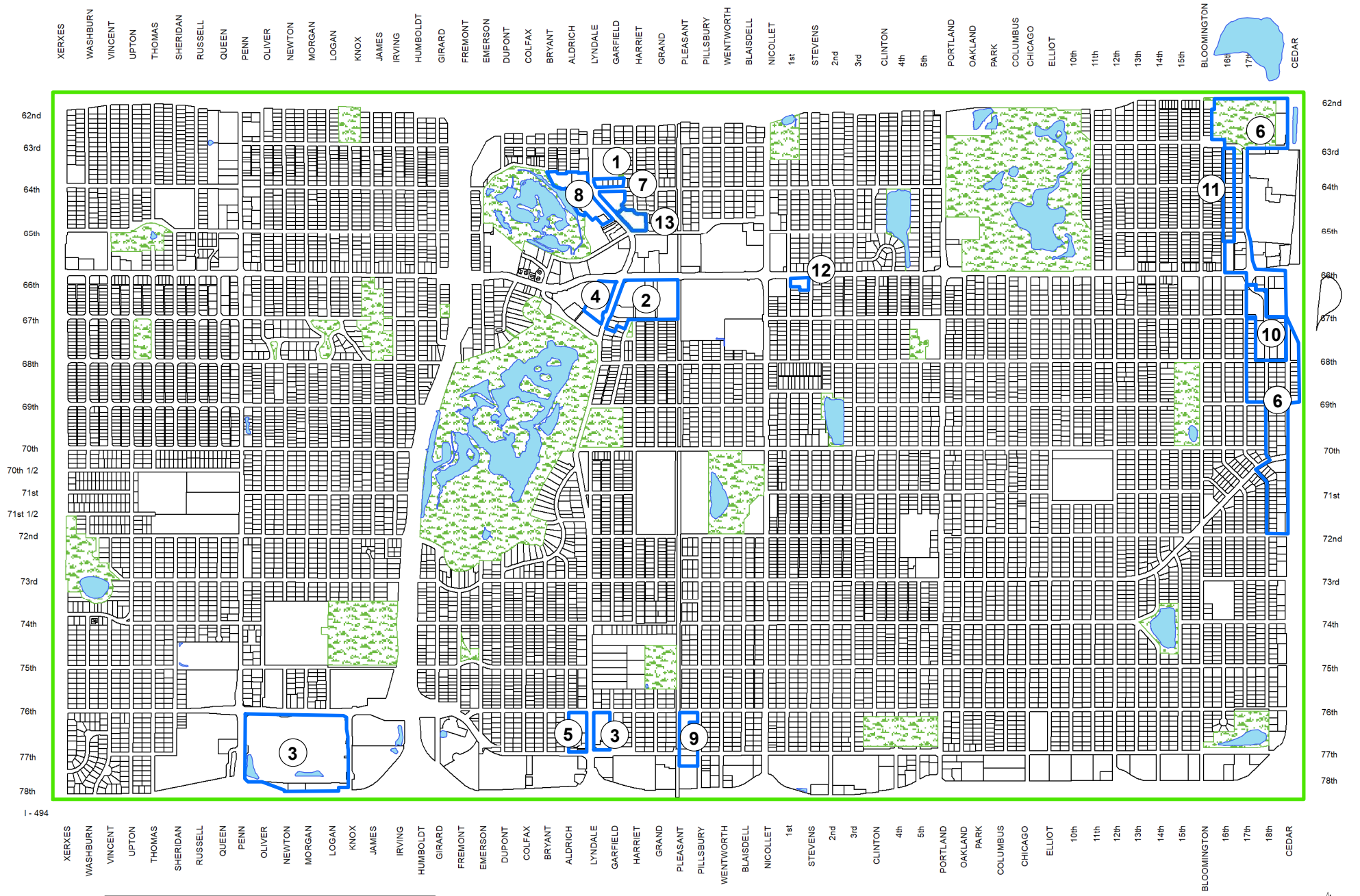
SOURCES	November 23, 1998	November 13, 2007	May 16, 2022
Tax Increment	\$ 25,000,000	\$ 29,935,611	\$ 29,935,611
Interest	-	25,000	301,969
Sales / Lease Proceeds	-	840,000	840,000
Transfers in	-	276,969	-
Local contribution	1,250,000	-	-
TOTAL	\$ 26,250,000	\$ 31,077,580	\$ 31,077,580

The costs outlined in the Uses of Funds will be financed primarily through the annual collection of tax increments. The HRA reserves the right to incur bonds or other indebtedness as a result of the TIF Plan. Any refunding amounts will be deemed a budgeted cost without a formal TIF Plan Modification. This provision does not obligate the HRA to incur debt. The HRA will issue bonds or incur other debt only upon the determination that such action is in the best interest of the HRA.

The City or HRA 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 \$31,077,580. 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.

Appendix A: Map of Richfield Redevelopment Project Area and the TIF District

RICHFIELD REDEVELOPMENT PROJECT AREA BOUNDARY



Legend

- Richfield Redevelopment Project Area Boundary
- TIF Districts

TIF DISTRICTS:

- 1 - 2020-1 Henley II
- 2 - Urban Village
- 3 - Interchange West/Lyndale Gateway
- 4 - City Bella
- 5 - Lyndale Gateway West
- 6 - Cedar Corridor
- 7 - Housing District 2010-1 (Lyndale Plaza)
- 8 - Lyndale Garden
- 9 - 2014-1 (former City Garage/Mortuary)
- 10 - 2017-1 Chamberlain
- 11 - 2018-1 NHH Properties LLC
- 12 - 2020-2 Emi
- 13 - 2020-3 LYNK65



October 2020

Appendix B: Legislation

Section 1. Minnesota Statutes 2020, section 469.176, is amended by adding a subdivision to read:

Subd. 4n. Temporary use of increment authorized.

(a) Notwithstanding any other provision of this section or any other law to the contrary, except the requirements to pay bonds to which increments are pledged, the authority may elect, by resolution, to transfer unobligated increment for one or more of the following purposes:

(1) to provide improvements, loans, interest rate subsidies, or assistance in any form to private development consisting of the construction or substantial rehabilitation of buildings and ancillary facilities, if doing so will create or retain jobs in the state, including construction jobs, and the construction commences before December 31, 2025, and would not have commenced before that date without the assistance; or

(2) to make an equity or similar investment in a corporation, partnership, or limited liability company that the authority determines is necessary to make construction of a development that meets the requirement of clause (1) financially feasible.

(b) For each calendar year for which transfers are permitted under this subdivision, the maximum transfer equals the excess of the district's unobligated increment which includes any increment not required for payments of obligations due during six months following the transfer on outstanding bonds, binding contracts, and other outstanding financial obligations of the district to which the district's increment is pledged.

(c) The authority may transfer increments permitted under this subdivision after creating a written spending plan that authorizes the authority to take the action described in paragraph (a) and details the use of transferred increment. Additionally, the municipality must approve the authority's spending plan after holding a public hearing. The municipality must publish notice of the hearing in a newspaper of general circulation in the municipality and on the municipality's public website at least ten days, but not more than 30 days, prior to the date of the hearing.

(d) Increment that is improperly retained, received, spent, or transferred is not eligible for transfer under this subdivision.

(e) An authority making a transfer under this subdivision must provide to the Office of the State Auditor a copy of the spending plan approved and signed by the municipality.

(f) The authority to transfer increments under this subdivision expires on December 31, 2022. All transferred increments must be spent by December 31, 2025. Increment not spent by December 31, 2025, must be returned to the district. If the district has already been decertified, the increment shall be treated as excess increment and distributed as provided in subdivision 2, paragraph (c), clause (4).

EFFECTIVE DATE.

This section is effective the day following final enactment and applies to increments from any district that are unobligated as of the date of final enactment regardless of when the request for certification was made.

Sec. 2. Minnesota Statutes 2020, section 469.1763, subdivision 2, is amended to read:

Subd. 2. Expenditures outside district.

(a) For each tax increment financing district, an amount equal to at least 75 percent of the total revenue derived from tax increments paid by properties in 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 in the district or to pay, or secure payment of, debt service on credit enhanced bonds. For districts, other than redevelopment districts for which the request for certification was made after June 30, 1995, the in-district percentage for purposes of the preceding sentence is 80 percent. Not more than 25 percent of the total revenue derived from tax increments paid by properties in the district may be expended, through a development fund or otherwise, on activities outside of the district but within the defined geographic area of the project except to pay, or secure payment of, debt service on credit enhanced bonds. For districts, other than redevelopment districts for which the request for certification was made after June 30, 1995, the pooling percentage for purposes of the preceding sentence is 20 percent. The revenues derived from tax increments paid by properties in the district that are expended on costs under section 469.176, subdivision 4h, paragraph (b), may be deducted first before calculating the percentages that must be expended within and without the district.

(b) In the case of a housing district, a housing project, as defined in section 469.174, subdivision 11, is an activity in the district.

(c) All administrative expenses are for activities outside of the district, except that if the only expenses for activities outside of the district under this subdivision are for the purposes described in paragraph (d), administrative expenses will be considered as expenditures for activities in the district.

(d) The authority may elect, in the Previous tax Next Previous increment Next financing plan for the district, to increase by up to ten percentage points the permitted amount of expenditures for activities located outside the geographic area of the district under paragraph (a). As permitted by section 469.176, subdivision 4k, the expenditures, including the permitted expenditures under paragraph (a), need not be made within the geographic area of the project. Expenditures that meet the requirements of this paragraph are legally permitted expenditures of the district, notwithstanding section 469.176, subdivisions 4b, 4c, and 4j. To qualify for the increase under this paragraph, the expenditures must:

- (1) be used exclusively to assist housing that meets the requirement for a qualified low-income building, as that term is used in section 42 of the Internal Revenue Code; and

- (2) not exceed the qualified basis of the housing, as defined under section 42(c) of the Internal Revenue Code, less the amount of any credit allowed under section 42 of the Internal Revenue Code; and

- (3) be used to:

- (i) acquire and prepare the site of the housing;

- (ii) acquire, construct, or rehabilitate the housing; or

- (iii) make public improvements directly related to the housing; or

- (4) be used to develop housing:

- (i) if the market value of the housing does not exceed the lesser of:

- (A) 150 percent of the average market value of single-family homes in that municipality; or

(B) \$200,000 for municipalities located in the metropolitan area, as defined in section 473.121, or \$125,000 for all other municipalities; and

(ii) if the expenditures are used to pay the cost of site acquisition, relocation, demolition of existing structures, site preparation, and pollution abatement on one or more parcels, if the parcel contains a residence containing one to four family dwelling units that has been vacant for six or more months and is in foreclosure as defined in section 325N.10, subdivision 7, but without regard to whether the residence is the owner's principal residence, and only after the redemption period has expired; or

(5) to assist owner-occupied housing that meets the requirements of section 469.1761, subdivision 2.

(e) The authority under paragraph (d), clause (4), expires on December 31, 2016. Increments may continue to be expended under this authority after that date, if they are used to pay bonds or binding contracts that would qualify under subdivision 3, paragraph (a), if December 31, 2016, is considered to be the last date of the five-year period after certification under that provision.

EFFECTIVE DATE.

This section is effective the day following final enactment.

Sec. 3. Minnesota Statutes 2020, section 469.1763, subdivision 3, is amended to read:

Subd. 3. Five-year rule.

(a) Revenues derived from Previous tax Next increments paid by properties in the district are considered to have been expended on an activity within the district under subdivision 2 only if one of the following occurs:

(1) before or within five years after certification of the district, the revenues are actually paid to a third party with respect to the activity;

(2) bonds, the proceeds of which must be used to finance the activity, are issued and sold to a third party before or within five years after certification, the revenues are spent to repay the

bonds, and the proceeds of the bonds either are, on the date of issuance, reasonably expected to be spent before the end of the later of (i) the five-year period, or (ii) a reasonable temporary period within the meaning of the use of that term under section 148(c)(1) of the Internal Revenue Code, or are deposited in a reasonably required reserve or replacement fund;

(3) binding contracts with a third party are entered into for performance of the activity before or within five years after certification of the district and the revenues are spent under the contractual obligation;

(4) costs with respect to the activity are paid before or within five years after certification of the district and the revenues are spent to reimburse a party for payment of the costs, including interest on unreimbursed costs; or

(5) expenditures are made for housing purposes as permitted by subdivision 2, paragraphs (b) and (d), or for public infrastructure purposes within a zone as permitted by subdivision 2, paragraph (e).

(b) For purposes of this subdivision, bonds include subsequent refunding bonds if the original refunded bonds meet the requirements of paragraph (a), clause (2).

(c) For a redevelopment district or a renewal and renovation district certified after June 30, 2003, and before April 20, 2009, the five-year periods described in paragraph (a) are extended to ten years after certification of the district. For a redevelopment district certified after April 20, 2009, and before June 30, 2012, the five-year periods described in paragraph (a) are extended to eight years after certification of the district. This extension is provided primarily to accommodate delays in development activities due to unanticipated economic circumstances.

(d) For a redevelopment district that was certified after December 31, 2017, and before June 30, 2020, the five-year periods described in paragraph (a) are extended to eight years after certification of the district.

EFFECTIVE DATE.

This section is effective for districts for which the request for certification was made after December 31, 2017.

Sec. 4. Minnesota Statutes 2020, section 469.1763, subdivision 4, is amended to read:

Subd. 4. Use of revenues for decertification.

(a) In each year beginning with the sixth year following certification of the district, or beginning with the ninth year following certification of the district for districts whose five-year rule is extended to eight years under subdivision 3, paragraph (d), if the applicable in-district percent of the revenues derived from tax increments paid by properties in the district exceeds the amount of expenditures that have been made for costs permitted under subdivision 3, an amount equal to the difference between the in-district percent of the revenues derived from tax increments paid by properties in the district and the amount of expenditures that have been made for costs permitted under subdivision 3 must be used and only used to pay or defease the following or be set aside to pay the following:

(1) outstanding bonds, as defined in subdivision 3, paragraphs (a), clause (2), and (b);

(2) contracts, as defined in subdivision 3, paragraph (a), clauses (3) and (4);

(3) credit enhanced bonds to which the revenues derived from tax increments are pledged, but only to the extent that revenues of the district for which the credit enhanced bonds were issued are insufficient to pay the bonds and to the extent that the increments from the applicable pooling percent share for the district are insufficient; or

(4) the amount provided by the tax increment financing plan to be paid under subdivision 2, paragraphs (b), (d), and (e).

(b) The district must be decertified and the pledge of tax increment discharged when the outstanding bonds have been defeased and when sufficient money has been set aside to pay, based on the increment to be collected through the end of the calendar year, the following amounts:

(1) contractual obligations as defined in subdivision 3, paragraph (a), clauses (3) and (4);

(2) the amount specified in the tax increment financing plan for activities qualifying under subdivision 2, paragraph (b), that have not been funded with the proceeds of bonds qualifying under paragraph (a), clause (1); and

(3) the additional expenditures permitted by the tax increment financing plan for housing activities under an election under subdivision 2, paragraph (d), that have not been funded with the proceeds of bonds qualifying under paragraph (a), clause (1).

EFFECTIVE DATE.

This section is effective the day following final enactment.

Minnesota Session Laws - 2021, 1st Special Session Chapter 14, Article 9

Sec. 5. CITIES OF MINNETONKA, RICHFIELD, AND ST. LOUIS PARK; TEMPORARY TRANSFER OF INCREMENT AUTHORIZED.

Subdivision 1. Transfer of increment.

- (a) The city of Minnetonka, or its economic development authority, may transfer tax increment accumulated for housing development purposes under Minnesota Statutes, section 469.1763, subdivision 2, paragraph (b) or (d), to the housing trust fund established by the city of Minnetonka under Minnesota Statutes, section 462C.16. Increment transferred under this paragraph must be used as provided in subdivision 2.
- (b) (b) The city of Richfield, or its housing and redevelopment authority, may transfer tax increment accumulated for housing development purposes under Minnesota Statutes, section 469.1763, subdivision 2, paragraph (b) or (d), to the housing trust fund established by the city of Richfield under Minnesota Statutes, section 462C.16. Increment transferred under this paragraph must be used as provided in subdivision 2.

- (c) The city of St. Louis Park, or its economic development authority, may transfer tax increment accumulated for housing development purposes under Minnesota Statutes, section 469.1763, subdivision 2, paragraph (b) or (d), to the housing trust fund established by the city of St. Louis Park under Minnesota Statutes, section 462C.16. Increment transferred under this paragraph must be used as provided in subdivision 2.

Subd. 2. Allowable use. Tax increment transferred under subdivision 1 must be used only to:

- (1) make grants, loans, and loan guarantees for the development, rehabilitation, or financing of housing; or
- (2) match other funds from federal, state, or private resources for housing projects.

Subd. 3. Annual financial reporting.

Tax increment transferred under this section is subject to the annual reporting requirements under Minnesota Statutes, section 469.175, subdivision 6.

Subd. 4. Legislative report.

By February 1, 2024, and February 1, 2026, each city must issue a report to the chairs and ranking minority members of the legislative committees with jurisdiction over taxes and property taxes. The report must include detailed information relating to each housing project financed with increment transferred under this section, including, when applicable, the percentage of area median income relative to each housing project, the total cost per housing project, the number of units per housing project, and income and rent limitations required under federal, state, or local law for each housing project.

Subd. 5. Expiration. The authority to make transfers under subdivision 1 expires December 31, 2026.

EFFECTIVE DATE.

- (a) Subdivision 1, paragraph (a), is effective the day after the governing body of the city of Minnetonka and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.
- (b) Subdivision 1, paragraph (b), is effective the day after the governing body of the city of Richfield and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.
- (c) Subdivision 1, paragraph (c), is effective the day after the governing body of the city of St. Louis Park and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Adoption Date: June 11, 2002
Modification HRA Consideration: May 16, 2022

Housing and Redevelopment Authority in and for the City of Richfield Hennepin County, Minnesota

MODIFICATION to the Tax Increment Financing (TIF) Plan City Bella Tax Increment Financing District (a redevelopment district)

Located in Richfield Redevelopment Project Area



Prepared by:

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BUILDING COMMUNITIES. IT'S WHAT WE DO.

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Modification to the Tax Increment Financing Plan for City Bella TIF District

FOREWORD

The Housing and Redevelopment Authority in and for the City of Richfield (the "HRA"), the City of Richfield (the "City"), staff and consultants have prepared the following information to expedite the Modification of City Bella TIF District (the "District"), a redevelopment tax increment financing district, located in Richfield Redevelopment Project Area.

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

STATEMENT OF OBJECTIVES

The City Bella project is a redevelopment district consisting of a housing project with a retail component located on Lyndale Avenue and 66th Street. Tax increment revenue is pledged to the project to assist with property acquisition and site improvement expenses.

The HRA is modifying the TIF Plan to allow the HRA to pool an additional 10% of tax increment to the Housing Trust Fund under Minnesota Statutes 469.1763, Subdivision 2, Paragraph (b) and (d) and Minnesota Session Laws – 2021, 1st Special Session, Chapter 14 – HF No. 9, Article 9, Section 1 through Section 5.

The activities contemplated in the Redevelopment Program 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 Richfield Redevelopment Project Area and the District.

ESTIMATED PUBLIC COSTS

As modified May 16, 2022

Section 2-10 of the Tax Increment Financing Plan for City Bella TIF District shall be amended as follows:

The May 16, 2022 Amendment contains the cumulative estimated project costs, including the previously identified costs from the original and previous amendments. The total project cost, including financing costs (interest) listed in the table on the following page does not exceed the total projected tax increments for the District as shown in the Sources of Revenue section.

ESTIMATED PROJECT COSTS

The budget is being modified to allow the HRA to pool an additional 10% of tax increment to the Housing Trust Fund under Minnesota Statutes 469.1763, Subdivision 2, Paragraph (b) and (d) and Minnesota Session Laws – 2021, 1st Special Session, Chapter 14 – HF No. 9, Article 9, Section 1 through Section 5. The total budget amount is not being modified.

USES	June 11, 2002	November 13, 2007	May 16, 2022
Land/Building Acquisition	\$ 5,500,000	\$ 5,500,000	\$ 1,000,000
Site Improvements/Preparation	-	-	1,000,000
Affordable Housing	-	-	-
Utilities	-	-	-
Other Qualifying Improvements	8,500,000	8,500,000	10,217,855
Administrative Costs (up to 10%)	2,650,000	2,634,522	2,208,334
Administrative Costs (Add'l 10% for Housing)	-	-	2,208,334
PROJECT COSTS TOTAL	\$ 16,650,000	\$ 16,634,522	\$ 16,634,522
Interest	9,850,000	9,865,478	9,865,478
PROJECT AND INTEREST COSTS TOTAL	\$ 26,500,000	\$ 26,500,000	\$ 26,500,000

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 City may expend funds for qualified housing activities outside of the District boundaries.

Section 2-9 of the Tax Increment Financing Plan for City Bella TIF District shall be amended as follows:

ESTIMATED SOURCES OF REVENUE

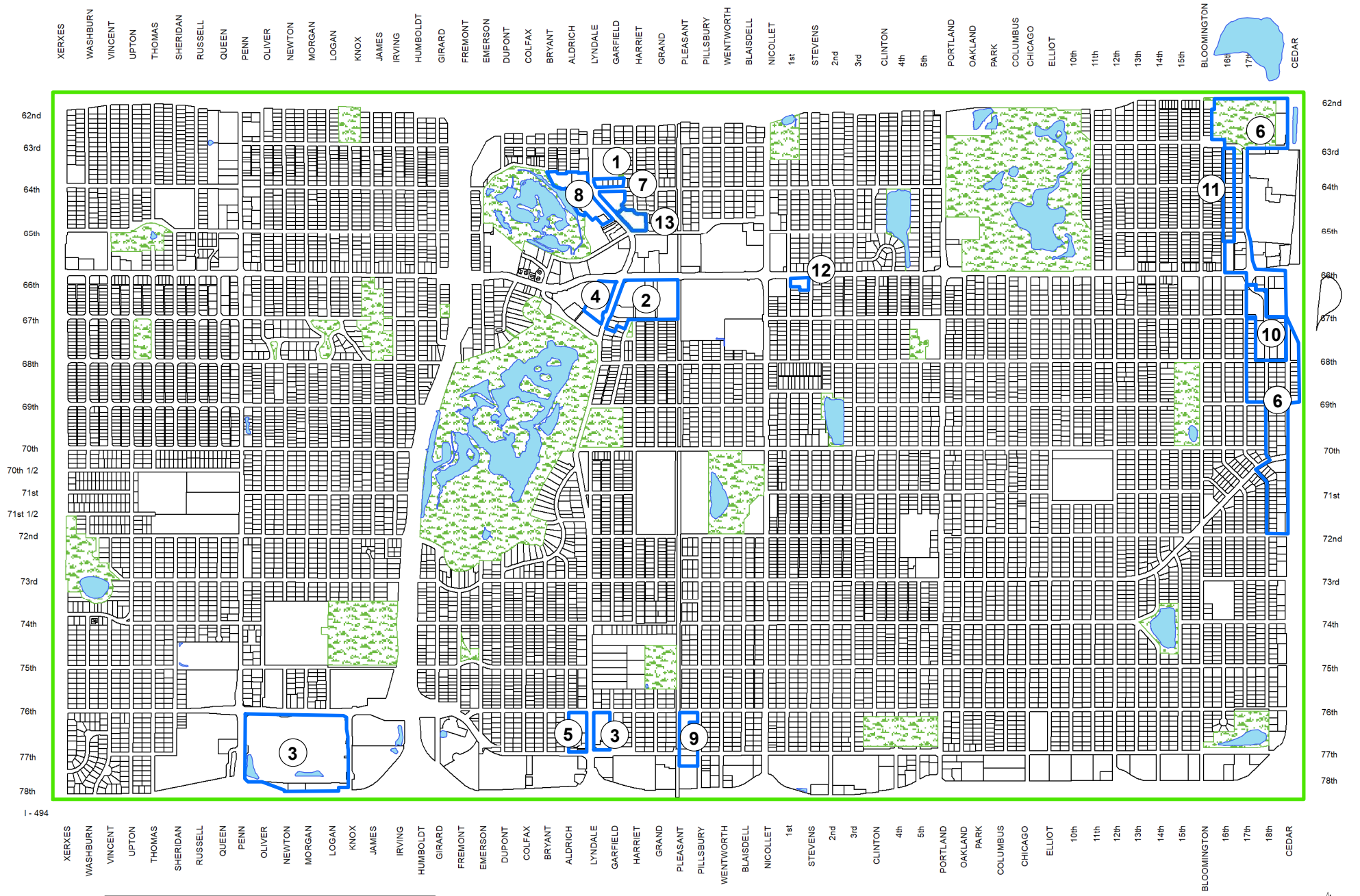
SOURCES	June 11, 2002	November 13, 2007	May 16, 2022
Tax Increment	\$ 26,500,000	\$ 26,360,716	\$ 26,360,716
Interest	-	25,000	139,284
Grants	-	76,975	-
Transfers In	-	37,309	-
TOTAL	\$ 26,500,000	\$ 26,500,000	\$ 26,500,000

The costs outlined in the Uses of Funds will be financed primarily through the annual collection of tax increments. The HRA reserves the right to incur bonds or other indebtedness as a result of the TIF Plan. Any refunding amounts will be deemed a budgeted cost without a formal TIF Plan Modification. This provision does not obligate the HRA to incur debt. The HRA will issue bonds or incur other debt only upon the determination that such action is in the best interest of the HRA.

The City or HRA 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 \$26,500,000. 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.

Appendix A: Map of Richfield Redevelopment Project Area and the TIF District

RICHFIELD REDEVELOPMENT PROJECT AREA BOUNDARY



Legend

- Richfield Redevelopment Project Area Boundary
- TIF Districts

TIF DISTRICTS:

- 1 - 2020-1 Henley II
- 2 - Urban Village
- 3 - Interchange West/Lyndale Gateway
- 4 - City Bella
- 5 - Lyndale Gateway West
- 6 - Cedar Corridor

- 7 - Housing District 2010-1 (Lyndale Plaza)
- 8 - Lyndale Garden
- 9 - 2014-1 (former City Garage/Mortuary)
- 10 - 2017-1 Chamberlain
- 11 - 2018-1 NHH Properties LLC
- 12 - 2020-2 Emi
- 13 - 2020-3 LYNK65



October 2020

Appendix B: Legislation

Section 1. Minnesota Statutes 2020, section 469.176, is amended by adding a subdivision to read:

Subd. 4n. Temporary use of increment authorized.

(a) Notwithstanding any other provision of this section or any other law to the contrary, except the requirements to pay bonds to which increments are pledged, the authority may elect, by resolution, to transfer unobligated increment for one or more of the following purposes:

(1) to provide improvements, loans, interest rate subsidies, or assistance in any form to private development consisting of the construction or substantial rehabilitation of buildings and ancillary facilities, if doing so will create or retain jobs in the state, including construction jobs, and the construction commences before December 31, 2025, and would not have commenced before that date without the assistance; or

(2) to make an equity or similar investment in a corporation, partnership, or limited liability company that the authority determines is necessary to make construction of a development that meets the requirement of clause (1) financially feasible.

(b) For each calendar year for which transfers are permitted under this subdivision, the maximum transfer equals the excess of the district's unobligated increment which includes any increment not required for payments of obligations due during six months following the transfer on outstanding bonds, binding contracts, and other outstanding financial obligations of the district to which the district's increment is pledged.

(c) The authority may transfer increments permitted under this subdivision after creating a written spending plan that authorizes the authority to take the action described in paragraph (a) and details the use of transferred increment. Additionally, the municipality must approve the authority's spending plan after holding a public hearing. The municipality must publish notice of the hearing in a newspaper of general circulation in the municipality and on the municipality's public website at least ten days, but not more than 30 days, prior to the date of the hearing.

(d) Increment that is improperly retained, received, spent, or transferred is not eligible for transfer under this subdivision.

(e) An authority making a transfer under this subdivision must provide to the Office of the State Auditor a copy of the spending plan approved and signed by the municipality.

(f) The authority to transfer increments under this subdivision expires on December 31, 2022. All transferred increments must be spent by December 31, 2025. Increment not spent by December 31, 2025, must be returned to the district. If the district has already been decertified, the increment shall be treated as excess increment and distributed as provided in subdivision 2, paragraph (c), clause (4).

EFFECTIVE DATE.

This section is effective the day following final enactment and applies to increments from any district that are unobligated as of the date of final enactment regardless of when the request for certification was made.

Sec. 2. Minnesota Statutes 2020, section 469.1763, subdivision 2, is amended to read:

Subd. 2. Expenditures outside district.

(a) For each tax increment financing district, an amount equal to at least 75 percent of the total revenue derived from tax increments paid by properties in 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 in the district or to pay, or secure payment of, debt service on credit enhanced bonds. For districts, other than redevelopment districts for which the request for certification was made after June 30, 1995, the in-district percentage for purposes of the preceding sentence is 80 percent. Not more than 25 percent of the total revenue derived from tax increments paid by properties in the district may be expended, through a development fund or otherwise, on activities outside of the district but within the defined geographic area of the project except to pay, or secure payment of, debt service on credit enhanced bonds. For districts, other than redevelopment districts for which the request for certification was made after June 30, 1995, the pooling percentage for purposes of the preceding sentence is 20 percent. The revenues derived from tax increments paid by properties in the district that are expended on costs under section 469.176, subdivision 4h, paragraph (b), may be deducted first before calculating the percentages that must be expended within and without the district.

(b) In the case of a housing district, a housing project, as defined in section 469.174, subdivision 11, is an activity in the district.

(c) All administrative expenses are for activities outside of the district, except that if the only expenses for activities outside of the district under this subdivision are for the purposes described in paragraph (d), administrative expenses will be considered as expenditures for activities in the district.

(d) The authority may elect, in the Previous tax Next Previous increment Next financing plan for the district, to increase by up to ten percentage points the permitted amount of expenditures for activities located outside the geographic area of the district under paragraph (a). As permitted by section 469.176, subdivision 4k, the expenditures, including the permitted expenditures under paragraph (a), need not be made within the geographic area of the project. Expenditures that meet the requirements of this paragraph are legally permitted expenditures of the district, notwithstanding section 469.176, subdivisions 4b, 4c, and 4j. To qualify for the increase under this paragraph, the expenditures must:

(1) be used exclusively to assist housing that meets the requirement for a qualified low-income building, as that term is used in section 42 of the Internal Revenue Code; and

(2) not exceed the qualified basis of the housing, as defined under section 42(c) of the Internal Revenue Code, less the amount of any credit allowed under section 42 of the Internal Revenue Code; and

(3) be used to:

(i) acquire and prepare the site of the housing;

(ii) acquire, construct, or rehabilitate the housing; or

(iii) make public improvements directly related to the housing; or

(4) be used to develop housing:

(i) if the market value of the housing does not exceed the lesser of:

(A) 150 percent of the average market value of single-family homes in that municipality; or

(B) \$200,000 for municipalities located in the metropolitan area, as defined in section 473.121, or \$125,000 for all other municipalities; and

(ii) if the expenditures are used to pay the cost of site acquisition, relocation, demolition of existing structures, site preparation, and pollution abatement on one or more parcels, if the parcel contains a residence containing one to four family dwelling units that has been vacant for six or more months and is in foreclosure as defined in section 325N.10, subdivision 7, but without regard to whether the residence is the owner's principal residence, and only after the redemption period has expired; or

(5) to assist owner-occupied housing that meets the requirements of section 469.1761, subdivision 2.

(e) The authority under paragraph (d), clause (4), expires on December 31, 2016. Increments may continue to be expended under this authority after that date, if they are used to pay bonds or binding contracts that would qualify under subdivision 3, paragraph (a), if December 31, 2016, is considered to be the last date of the five-year period after certification under that provision.

EFFECTIVE DATE.

This section is effective the day following final enactment.

Sec. 3. Minnesota Statutes 2020, section 469.1763, subdivision 3, is amended to read:

Subd. 3. Five-year rule.

(a) Revenues derived from Previous tax Next increments paid by properties in the district are considered to have been expended on an activity within the district under subdivision 2 only if one of the following occurs:

(1) before or within five years after certification of the district, the revenues are actually paid to a third party with respect to the activity;

(2) bonds, the proceeds of which must be used to finance the activity, are issued and sold to a third party before or within five years after certification, the revenues are spent to repay the

bonds, and the proceeds of the bonds either are, on the date of issuance, reasonably expected to be spent before the end of the later of (i) the five-year period, or (ii) a reasonable temporary period within the meaning of the use of that term under section 148(c)(1) of the Internal Revenue Code, or are deposited in a reasonably required reserve or replacement fund;

(3) binding contracts with a third party are entered into for performance of the activity before or within five years after certification of the district and the revenues are spent under the contractual obligation;

(4) costs with respect to the activity are paid before or within five years after certification of the district and the revenues are spent to reimburse a party for payment of the costs, including interest on unreimbursed costs; or

(5) expenditures are made for housing purposes as permitted by subdivision 2, paragraphs (b) and (d), or for public infrastructure purposes within a zone as permitted by subdivision 2, paragraph (e).

(b) For purposes of this subdivision, bonds include subsequent refunding bonds if the original refunded bonds meet the requirements of paragraph (a), clause (2).

(c) For a redevelopment district or a renewal and renovation district certified after June 30, 2003, and before April 20, 2009, the five-year periods described in paragraph (a) are extended to ten years after certification of the district. For a redevelopment district certified after April 20, 2009, and before June 30, 2012, the five-year periods described in paragraph (a) are extended to eight years after certification of the district. This extension is provided primarily to accommodate delays in development activities due to unanticipated economic circumstances.

(d) For a redevelopment district that was certified after December 31, 2017, and before June 30, 2020, the five-year periods described in paragraph (a) are extended to eight years after certification of the district.

EFFECTIVE DATE.

This section is effective for districts for which the request for certification was made after December 31, 2017.

Sec. 4. Minnesota Statutes 2020, section 469.1763, subdivision 4, is amended to read:

Subd. 4. Use of revenues for decertification.

(a) In each year beginning with the sixth year following certification of the district, or beginning with the ninth year following certification of the district for districts whose five-year rule is extended to eight years under subdivision 3, paragraph (d), if the applicable in-district percent of the revenues derived from tax increments paid by properties in the district exceeds the amount of expenditures that have been made for costs permitted under subdivision 3, an amount equal to the difference between the in-district percent of the revenues derived from tax increments paid by properties in the district and the amount of expenditures that have been made for costs permitted under subdivision 3 must be used and only used to pay or defease the following or be set aside to pay the following:

(1) outstanding bonds, as defined in subdivision 3, paragraphs (a), clause (2), and (b);

(2) contracts, as defined in subdivision 3, paragraph (a), clauses (3) and (4);

(3) credit enhanced bonds to which the revenues derived from tax increments are pledged, but only to the extent that revenues of the district for which the credit enhanced bonds were issued are insufficient to pay the bonds and to the extent that the increments from the applicable pooling percent share for the district are insufficient; or

(4) the amount provided by the tax increment financing plan to be paid under subdivision 2, paragraphs (b), (d), and (e).

(b) The district must be decertified and the pledge of tax increment discharged when the outstanding bonds have been defeased and when sufficient money has been set aside to pay, based on the increment to be collected through the end of the calendar year, the following amounts:

(1) contractual obligations as defined in subdivision 3, paragraph (a), clauses (3) and (4);

(2) the amount specified in the tax increment financing plan for activities qualifying under subdivision 2, paragraph (b), that have not been funded with the proceeds of bonds qualifying under paragraph (a), clause (1); and

(3) the additional expenditures permitted by the tax increment financing plan for housing activities under an election under subdivision 2, paragraph (d), that have not been funded with the proceeds of bonds qualifying under paragraph (a), clause (1).

EFFECTIVE DATE.

This section is effective the day following final enactment.

Minnesota Laws 2021, 1st Special Session, Chapter 14, Article 9

Sec. 5. CITIES OF MINNETONKA, RICHFIELD, AND ST. LOUIS PARK; TEMPORARY TRANSFER OF INCREMENT AUTHORIZED.

Subdivision 1. Transfer of increment.

- (a) The city of Minnetonka, or its economic development authority, may transfer tax increment accumulated for housing development purposes under Minnesota Statutes, section 469.1763, subdivision 2, paragraph (b) or (d), to the housing trust fund established by the city of Minnetonka under Minnesota Statutes, section 462C.16. Increment transferred under this paragraph must be used as provided in subdivision 2.
- (b) (b) The city of Richfield, or its housing and redevelopment authority, may transfer tax increment accumulated for housing development purposes under Minnesota Statutes, section 469.1763, subdivision 2, paragraph (b) or (d), to the housing trust fund established by the city of Richfield under Minnesota Statutes, section 462C.16. Increment transferred under this paragraph must be used as provided in subdivision 2.

- (c) The city of St. Louis Park, or its economic development authority, may transfer tax increment accumulated for housing development purposes under Minnesota Statutes, section 469.1763, subdivision 2, paragraph (b) or (d), to the housing trust fund established by the city of St. Louis Park under Minnesota Statutes, section 462C.16. Increment transferred under this paragraph must be used as provided in subdivision 2.

Subd. 2. Allowable use. Tax increment transferred under subdivision 1 must be used only to:

- (1) make grants, loans, and loan guarantees for the development, rehabilitation, or financing of housing; or
- (2) match other funds from federal, state, or private resources for housing projects.

Subd. 3. Annual financial reporting.

Tax increment transferred under this section is subject to the annual reporting requirements under Minnesota Statutes, section 469.175, subdivision 6.

Subd. 4. Legislative report.

By February 1, 2024, and February 1, 2026, each city must issue a report to the chairs and ranking minority members of the legislative committees with jurisdiction over taxes and property taxes. The report must include detailed information relating to each housing project financed with increment transferred under this section, including, when applicable, the percentage of area median income relative to each housing project, the total cost per housing project, the number of units per housing project, and income and rent limitations required under federal, state, or local law for each housing project.

Subd. 5. Expiration. The authority to make transfers under subdivision 1 expires December 31, 2026.

EFFECTIVE DATE.

- (a) Subdivision 1, paragraph (a), is effective the day after the governing body of the city of Minnetonka and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.
- (b) Subdivision 1, paragraph (b), is effective the day after the governing body of the city of Richfield and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.
- (c) Subdivision 1, paragraph (c), is effective the day after the governing body of the city of St. Louis Park and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Adoption Date: June 14, 1999
Modification #1: January 22, 2001
Modification #2: December 10, 2002
Modification #3: May 13, 2003
Modification #4: December 13, 2005
Modification #5: November 13, 2007

Modification #5 HRA Consideration: May 16, 2022

Housing and Redevelopment Authority in and for the City of Richfield Hennepin County, Minnesota

MODIFICATION to the Tax Increment Financing (TIF) Plan Interchange West and Lyndale Gateway Tax Increment Financing District (a scattered site redevelopment district)

Located in Richfield Redevelopment Project Area



Prepared by:

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BUILDING COMMUNITIES. IT'S WHAT WE DO.

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Modification to the Tax Increment Financing Plan for Interchange West and Lyndale Gateway TIF District

FOREWORD

The Housing and Redevelopment Authority in and for the City of Richfield (the "HRA"), the City of Richfield (the "City"), staff and consultants have prepared the following information to expedite the Modification of Interchange West and Lyndale Gateway TIF District (the "District"), a scattered site redevelopment tax increment financing district, located in Richfield Redevelopment Project Area.

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

STATEMENT OF OBJECTIVES

The Interchange West component is comprised of the Best Buy Corporate Headquarters located on the intersection of I-494 and Penn Ave. The first year of full increment was 2004. Tax increments are pledged to the Best Buy project to assist with site assembly activities.

The Lyndale Gateway component is comprised of the Richfield Senior Housing project (Main Street Village) and the Minnstar Builders, Inc. project (Casteel Place Townhouses). The first year of full increment was 2002. Tax increment revenue is pledged to the project to assist with site assembly expenses.

The HRA is modifying the TIF Plan to allow the HRA to pool an additional 10% of tax increment to the Housing Trust Fund under Minnesota Statutes 469.1763, Subdivision 2, Paragraph (b) and (d) and Minnesota Session Laws – 2021, 1st Special Session, Chapter 14 – HF No. 9, Article 9, Section 1 through Section 5.

The activities contemplated in the Redevelopment Program 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 Richfield Redevelopment Project Area and the District.

ESTIMATED PUBLIC COSTS

As modified May 16, 2022

Section 2-10 of the Tax Increment Financing Plan for Interchange West and Lyndale Gateway TIF District shall be amended as follows:

The May 16, 2022 Amendment contains the cumulative estimated project costs, including the previously identified costs from the original and previous amendments. The total project cost, including financing costs (interest) listed in the table on the following page does not exceed the total projected tax increments for the District as shown in the Sources of Revenue section.

ESTIMATED PROJECT COSTS

The budget is being modified to allow the HRA to pool an additional 10% of tax increment to the Housing Trust Fund under Minnesota Statutes 469.1763, Subdivision 2, Paragraph (b) and (d) and Minnesota Session Laws – 2021, 1st Special Session, Chapter 14 – HF No. 9, Article 9, Section 1 through Section 5. The total budget amount is not being modified.

USES	June 14, 1999	November 13, 2007	May 16, 2022
Land/Building Acquisition	\$ 59,000,000	\$ 76,556,071	\$ 60,618,041
Site Improvements/Preparation	-	30,000	300,000
Affordable Housing	-	-	-
Utilities	-	-	-
Other Qualifying Improvements	-	12,000,000	18,565,047
Bond Principal	-	544,450	-
Transfers Out	-	891,320	-
Administrative Costs (up to 10%)	12,761,700	13,101,081	11,819,917
Administrative Costs (Add'l 10% for Housing)	-	-	11,819,917
PROJECT COSTS TOTAL	\$ 71,761,700	\$ 103,122,922	\$ 103,122,922
Interest	55,855,300	38,716,078	38,716,078
PROJECT AND INTEREST COSTS TOTAL	\$ 127,617,000	\$ 141,839,000	\$ 141,839,000

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 City may expend funds for qualified housing activities outside of the District boundaries.

Section 2-11 of the Tax Increment Financing Plan for Interchange West and Lyndale Gateway TIF District shall be amended as follows:

ESTIMATED SOURCES OF REVENUE

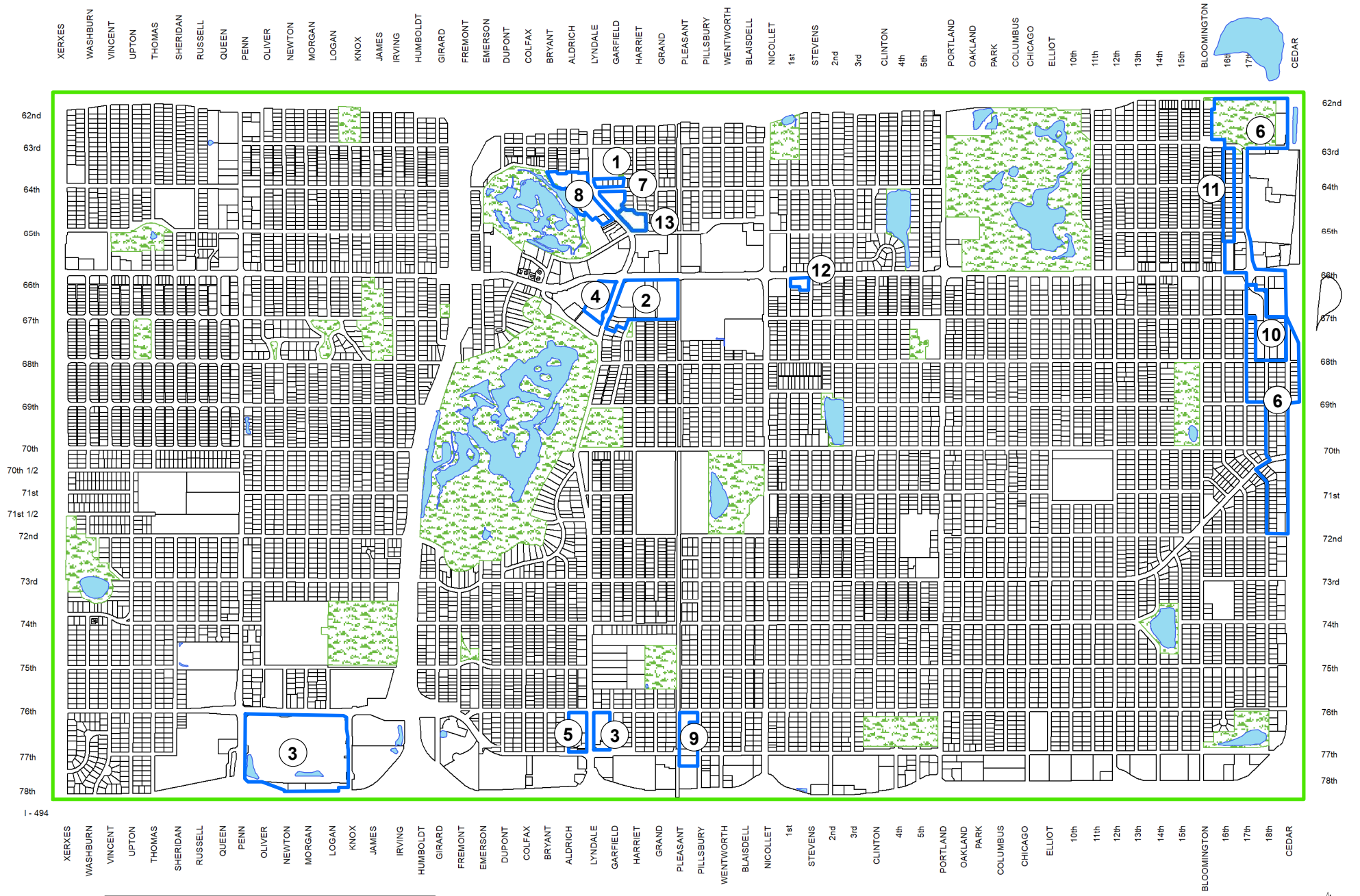
SOURCES	June 14, 1999	November 13, 2007	May 16, 2022
Tax Increment	\$ 121,540,000	\$ 130,545,307	\$ 130,545,307
Interest	-	325,000	11,293,693
Bond Proceeds	-	8,350,000	-
Other / Local Contribution	6,077,000	24,860	-
Transfers In	-	2,593,833	-
TOTAL	\$ 127,617,000	\$ 141,839,000	\$ 141,839,000

The costs outlined in the Uses of Funds will be financed primarily through the annual collection of tax increments. The HRA reserves the right to incur bonds or other indebtedness as a result of the TIF Plan. Any refunding amounts will be deemed a budgeted cost without a formal TIF Plan Modification. This provision does not obligate the HRA to incur debt. The HRA will issue bonds or incur other debt only upon the determination that such action is in the best interest of the HRA.

The City or HRA 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 \$141,839,000. 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.

Appendix A: Map of Richfield Redevelopment Project Area and the TIF District

RICHFIELD REDEVELOPMENT PROJECT AREA BOUNDARY



Legend

- Richfield Redevelopment Project Area Boundary
- TIF Districts

TIF DISTRICTS:

- 1 - 2020-1 Henley II
- 2 - Urban Village
- 3 - Interchange West/Lyndale Gateway
- 4 - City Bella
- 5 - Lyndale Gateway West
- 6 - Cedar Corridor
- 7 - Housing District 2010-1 (Lyndale Plaza)
- 8 - Lyndale Garden
- 9 - 2014-1 (former City Garage/Mortuary)
- 10 - 2017-1 Chamberlain
- 11 - 2018-1 NHH Properties LLC
- 12 - 2020-2 Emi
- 13 - 2020-3 LYNK65



October 2020

Appendix B: Legislation

Section 1. Minnesota Statutes 2020, section 469.176, is amended by adding a subdivision to read:

Subd. 4n. Temporary use of increment authorized.

(a) Notwithstanding any other provision of this section or any other law to the contrary, except the requirements to pay bonds to which increments are pledged, the authority may elect, by resolution, to transfer unobligated increment for one or more of the following purposes:

(1) to provide improvements, loans, interest rate subsidies, or assistance in any form to private development consisting of the construction or substantial rehabilitation of buildings and ancillary facilities, if doing so will create or retain jobs in the state, including construction jobs, and the construction commences before December 31, 2025, and would not have commenced before that date without the assistance; or

(2) to make an equity or similar investment in a corporation, partnership, or limited liability company that the authority determines is necessary to make construction of a development that meets the requirement of clause (1) financially feasible.

(b) For each calendar year for which transfers are permitted under this subdivision, the maximum transfer equals the excess of the district's unobligated increment which includes any increment not required for payments of obligations due during six months following the transfer on outstanding bonds, binding contracts, and other outstanding financial obligations of the district to which the district's increment is pledged.

(c) The authority may transfer increments permitted under this subdivision after creating a written spending plan that authorizes the authority to take the action described in paragraph (a) and details the use of transferred increment. Additionally, the municipality must approve the authority's spending plan after holding a public hearing. The municipality must publish notice of the hearing in a newspaper of general circulation in the municipality and on the municipality's public website at least ten days, but not more than 30 days, prior to the date of the hearing.

(d) Increment that is improperly retained, received, spent, or transferred is not eligible for transfer under this subdivision.

(e) An authority making a transfer under this subdivision must provide to the Office of the State Auditor a copy of the spending plan approved and signed by the municipality.

(f) The authority to transfer increments under this subdivision expires on December 31, 2022. All transferred increments must be spent by December 31, 2025. Increment not spent by December 31, 2025, must be returned to the district. If the district has already been decertified, the increment shall be treated as excess increment and distributed as provided in subdivision 2, paragraph (c), clause (4).

EFFECTIVE DATE.

This section is effective the day following final enactment and applies to increments from any district that are unobligated as of the date of final enactment regardless of when the request for certification was made.

Sec. 2. Minnesota Statutes 2020, section 469.1763, subdivision 2, is amended to read:

Subd. 2. Expenditures outside district.

(a) For each tax increment financing district, an amount equal to at least 75 percent of the total revenue derived from tax increments paid by properties in 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 in the district or to pay, or secure payment of, debt service on credit enhanced bonds. For districts, other than redevelopment districts for which the request for certification was made after June 30, 1995, the in-district percentage for purposes of the preceding sentence is 80 percent. Not more than 25 percent of the total revenue derived from tax increments paid by properties in the district may be expended, through a development fund or otherwise, on activities outside of the district but within the defined geographic area of the project except to pay, or secure payment of, debt service on credit enhanced bonds. For districts, other than redevelopment districts for which the request for certification was made after June 30, 1995, the pooling percentage for purposes of the preceding sentence is 20 percent. The revenues derived from tax increments paid by properties in the district that are expended on costs under section 469.176, subdivision 4h, paragraph (b), may be deducted first before calculating the percentages that must be expended within and without the district.

(b) In the case of a housing district, a housing project, as defined in section 469.174, subdivision 11, is an activity in the district.

(c) All administrative expenses are for activities outside of the district, except that if the only expenses for activities outside of the district under this subdivision are for the purposes described in paragraph (d), administrative expenses will be considered as expenditures for activities in the district.

(d) The authority may elect, in the Previous tax Next Previous increment Next financing plan for the district, to increase by up to ten percentage points the permitted amount of expenditures for activities located outside the geographic area of the district under paragraph (a). As permitted by section 469.176, subdivision 4k, the expenditures, including the permitted expenditures under paragraph (a), need not be made within the geographic area of the project. Expenditures that meet the requirements of this paragraph are legally permitted expenditures of the district, notwithstanding section 469.176, subdivisions 4b, 4c, and 4j. To qualify for the increase under this paragraph, the expenditures must:

- (1) be used exclusively to assist housing that meets the requirement for a qualified low-income building, as that term is used in section 42 of the Internal Revenue Code; and

- (2) not exceed the qualified basis of the housing, as defined under section 42(c) of the Internal Revenue Code, less the amount of any credit allowed under section 42 of the Internal Revenue Code; and

- (3) be used to:

- (i) acquire and prepare the site of the housing;

- (ii) acquire, construct, or rehabilitate the housing; or

- (iii) make public improvements directly related to the housing; or

- (4) be used to develop housing:

- (i) if the market value of the housing does not exceed the lesser of:

- (A) 150 percent of the average market value of single-family homes in that municipality; or

(B) \$200,000 for municipalities located in the metropolitan area, as defined in section 473.121, or \$125,000 for all other municipalities; and

(ii) if the expenditures are used to pay the cost of site acquisition, relocation, demolition of existing structures, site preparation, and pollution abatement on one or more parcels, if the parcel contains a residence containing one to four family dwelling units that has been vacant for six or more months and is in foreclosure as defined in section 325N.10, subdivision 7, but without regard to whether the residence is the owner's principal residence, and only after the redemption period has expired; or

(5) to assist owner-occupied housing that meets the requirements of section 469.1761, subdivision 2.

(e) The authority under paragraph (d), clause (4), expires on December 31, 2016. Increments may continue to be expended under this authority after that date, if they are used to pay bonds or binding contracts that would qualify under subdivision 3, paragraph (a), if December 31, 2016, is considered to be the last date of the five-year period after certification under that provision.

EFFECTIVE DATE.

This section is effective the day following final enactment.

Sec. 3. Minnesota Statutes 2020, section 469.1763, subdivision 3, is amended to read:

Subd. 3. Five-year rule.

(a) Revenues derived from Previous tax Next increments paid by properties in the district are considered to have been expended on an activity within the district under subdivision 2 only if one of the following occurs:

(1) before or within five years after certification of the district, the revenues are actually paid to a third party with respect to the activity;

(2) bonds, the proceeds of which must be used to finance the activity, are issued and sold to a third party before or within five years after certification, the revenues are spent to repay the

bonds, and the proceeds of the bonds either are, on the date of issuance, reasonably expected to be spent before the end of the later of (i) the five-year period, or (ii) a reasonable temporary period within the meaning of the use of that term under section 148(c)(1) of the Internal Revenue Code, or are deposited in a reasonably required reserve or replacement fund;

(3) binding contracts with a third party are entered into for performance of the activity before or within five years after certification of the district and the revenues are spent under the contractual obligation;

(4) costs with respect to the activity are paid before or within five years after certification of the district and the revenues are spent to reimburse a party for payment of the costs, including interest on unreimbursed costs; or

(5) expenditures are made for housing purposes as permitted by subdivision 2, paragraphs (b) and (d), or for public infrastructure purposes within a zone as permitted by subdivision 2, paragraph (e).

(b) For purposes of this subdivision, bonds include subsequent refunding bonds if the original refunded bonds meet the requirements of paragraph (a), clause (2).

(c) For a redevelopment district or a renewal and renovation district certified after June 30, 2003, and before April 20, 2009, the five-year periods described in paragraph (a) are extended to ten years after certification of the district. For a redevelopment district certified after April 20, 2009, and before June 30, 2012, the five-year periods described in paragraph (a) are extended to eight years after certification of the district. This extension is provided primarily to accommodate delays in development activities due to unanticipated economic circumstances.

(d) For a redevelopment district that was certified after December 31, 2017, and before June 30, 2020, the five-year periods described in paragraph (a) are extended to eight years after certification of the district.

EFFECTIVE DATE.

This section is effective for districts for which the request for certification was made after December 31, 2017.

Sec. 4. Minnesota Statutes 2020, section 469.1763, subdivision 4, is amended to read:

Subd. 4. Use of revenues for decertification.

(a) In each year beginning with the sixth year following certification of the district, or beginning with the ninth year following certification of the district for districts whose five-year rule is extended to eight years under subdivision 3, paragraph (d), if the applicable in-district percent of the revenues derived from tax increments paid by properties in the district exceeds the amount of expenditures that have been made for costs permitted under subdivision 3, an amount equal to the difference between the in-district percent of the revenues derived from tax increments paid by properties in the district and the amount of expenditures that have been made for costs permitted under subdivision 3 must be used and only used to pay or defease the following or be set aside to pay the following:

(1) outstanding bonds, as defined in subdivision 3, paragraphs (a), clause (2), and (b);

(2) contracts, as defined in subdivision 3, paragraph (a), clauses (3) and (4);

(3) credit enhanced bonds to which the revenues derived from tax increments are pledged, but only to the extent that revenues of the district for which the credit enhanced bonds were issued are insufficient to pay the bonds and to the extent that the increments from the applicable pooling percent share for the district are insufficient; or

(4) the amount provided by the tax increment financing plan to be paid under subdivision 2, paragraphs (b), (d), and (e).

(b) The district must be decertified and the pledge of tax increment discharged when the outstanding bonds have been defeased and when sufficient money has been set aside to pay, based on the increment to be collected through the end of the calendar year, the following amounts:

(1) contractual obligations as defined in subdivision 3, paragraph (a), clauses (3) and (4);

(2) the amount specified in the tax increment financing plan for activities qualifying under subdivision 2, paragraph (b), that have not been funded with the proceeds of bonds qualifying under paragraph (a), clause (1); and

(3) the additional expenditures permitted by the tax increment financing plan for housing activities under an election under subdivision 2, paragraph (d), that have not been funded with the proceeds of bonds qualifying under paragraph (a), clause (1).

EFFECTIVE DATE.

This section is effective the day following final enactment.

Minnesota Laws 2021, 1st Special Session, Chapter 14, Article 9

Sec. 5. CITIES OF MINNETONKA, RICHFIELD, AND ST. LOUIS PARK; TEMPORARY TRANSFER OF INCREMENT AUTHORIZED.

Subdivision 1. Transfer of increment.

- (a) The city of Minnetonka, or its economic development authority, may transfer tax increment accumulated for housing development purposes under Minnesota Statutes, section 469.1763, subdivision 2, paragraph (b) or (d), to the housing trust fund established by the city of Minnetonka under Minnesota Statutes, section 462C.16. Increment transferred under this paragraph must be used as provided in subdivision 2.
- (b) (b) The city of Richfield, or its housing and redevelopment authority, may transfer tax increment accumulated for housing development purposes under Minnesota Statutes, section 469.1763, subdivision 2, paragraph (b) or (d), to the housing trust fund established by the city of Richfield under Minnesota Statutes, section 462C.16. Increment transferred under this paragraph must be used as provided in subdivision 2.

- (c) The city of St. Louis Park, or its economic development authority, may transfer tax increment accumulated for housing development purposes under Minnesota Statutes, section 469.1763, subdivision 2, paragraph (b) or (d), to the housing trust fund established by the city of St. Louis Park under Minnesota Statutes, section 462C.16. Increment transferred under this paragraph must be used as provided in subdivision 2.

Subd. 2. Allowable use. Tax increment transferred under subdivision 1 must be used only to:

- (1) make grants, loans, and loan guarantees for the development, rehabilitation, or financing of housing; or
- (2) match other funds from federal, state, or private resources for housing projects.

Subd. 3. Annual financial reporting.

Tax increment transferred under this section is subject to the annual reporting requirements under Minnesota Statutes, section 469.175, subdivision 6.

Subd. 4. Legislative report.

By February 1, 2024, and February 1, 2026, each city must issue a report to the chairs and ranking minority members of the legislative committees with jurisdiction over taxes and property taxes. The report must include detailed information relating to each housing project financed with increment transferred under this section, including, when applicable, the percentage of area median income relative to each housing project, the total cost per housing project, the number of units per housing project, and income and rent limitations required under federal, state, or local law for each housing project.

Subd. 5. Expiration. The authority to make transfers under subdivision 1 expires December 31, 2026.

EFFECTIVE DATE.

- (a) Subdivision 1, paragraph (a), is effective the day after the governing body of the city of Minnetonka and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.
- (b) Subdivision 1, paragraph (b), is effective the day after the governing body of the city of Richfield and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.
- (c) Subdivision 1, paragraph (c), is effective the day after the governing body of the city of St. Louis Park and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

BILL NO. _____

AN ORDINANCE ESTABLISHING AN AFFORDABLE HOUSING TRUST FUND

THE CITY OF RICHFIELD DOES ORDAIN:

Section 1. Preamble.

1.01. In order to provide the City of Richfield (the "City") with additional tools to support the rehabilitation and preservation of existing affordable housing within the City, promote the development of additional affordable housing within the City, and assist individuals with rental and down payment assistance, the City has determined to create an Affordable Housing Trust Fund.

Section 2. Definitions.

2.01. *Persons of very low income* means families and individuals whose incomes do not exceed 50 percent of area median income, as median income was most recently determined by the United States Department of Housing and Urban development for the Minneapolis-St. Paul- Bloomington, Minnesota Metropolitan Statistical Area, as adjusted for smaller and larger families.

2.02. *Persons of low income* means families and individuals whose incomes do not exceed 80 percent of the area median income, as median income was most recently determined by the United States Department of Housing and Urban development for the Minneapolis-St. Paul- Bloomington, Minnesota Metropolitan Statistical Area, as adjusted for smaller and larger families.

2.03. *Persons of moderate income* means families and individuals whose incomes exceed 80 percent, but do not exceed 120 percent, of area median income, as median income was most recently determined by the United States Department of Housing and Urban development for the Minneapolis-St. Paul-Bloomington, Minnesota Metropolitan Statistical Area, as adjusted for smaller and larger families.

Section 3. Establishing Affordable Housing Trust Fund.

3.01. Pursuant to the authority granted to the City under Minnesota Statutes Section 462C.16, an affordable housing trust fund is established for the following purposes: provide loans and grants to for-profit and non-profit housing developers for the acquisition and capital and soft costs necessary for the creation of new affordable rental and owner-occupied housing, for the rehabilitation and preservation of existing multi-family residential rental housing including naturally occurring affordable housing and rental assistance and homeownership assistance to persons of very low, low, and moderate income.

Section 4. Funding Sources.

4.01. The Affordable Housing Trust Fund shall be funded by an annual budgeted allocation of funds from the Housing and Redevelopment Authority in and for the City of Richfield (HRA) levy and funds from the Richfield Economic Development Authority (EDA) levy, as approved by the City Council. Other sources of funding may include, but are not limited to:

- (a) Private cash donations from individuals and corporations designated for the Affordable Housing Trust Fund.
- (b) Payments in lieu of participation in current or future affordable housing programs.
- (c) Matching funds from a federal or state affordable housing trust fund; or a state program designated to fund an affordable housing trust fund.
- (d) Principal and interest from Affordable Housing Trust Fund loan repayments and all other income from Affordable Housing Trust Fund activities.
- (e) The sale of real and personal property.
- (f) Local government appropriations, development fees and other funds as designated from time to time by the City Council.
- (g) Tax Increment Finance (TIF) pooled funds.

Section 5. Purpose of Affordable Housing Trust Fund.

5.01. The City may use money from the Affordable Housing Trust Fund to assist proposed projects or programs to develop or preserve affordable housing for persons of very low, low, and moderate income to include:

- (a) Making loans at interest rates below or at market rates in order to strengthen the financial feasibility of proposed projects;
- (b) Guaranteeing of loans;
- (c) Providing gap financing for affordable housing developments;
- (d) Financing the acquisition, demolition, and disposition of property for affordable housing projects;
- (e) Financing construction of public improvements and utilities to aid proposed affordable residential developments;

- (f) Financing the rehabilitation, remodeling, or new construction of affordable housing;
- (g) Tenant and project based rental assistance;
- (h) Funding for acquisition and rehabilitation in conjunction with or related to affordable housing projects;
- (i) Funding to facilitate affordable homeownership opportunities including down payment assistance, second mortgages, closing costs, etc.;
- (j) Administrative costs associated with affordable housing programs that do not exceed ten percent of the balance fund;
- (k) Interim financing of public costs for affordable housing projects in anticipation of a permanent financing source (i.e. construction financing, bond sale, etc.); and
- (l) Other uses as permitted by law and approved by the City Council.

Section 6. Administration of Affordable Housing Trust Fund.

6.01. The Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (the "Authority") shall administer the Affordable Housing Trust Fund on behalf of the City.

6.02 The Authority shall determine the terms and conditions of repayment of loans and grants from the Affordable Housing Trust Fund including the appropriate security and interest, if any, should repayment be required. Interest on loans and grants shall be as established by the Authority from time to time or at the time of approval of a specific project or program.

6.03. The Authority shall report annually to the City on the use of the funds in the Affordable Housing Trust Fund, including the number of loans and grants made, the number and types of residential units assisted, and the number of households for which rental assistance or down payment assistance were provided. The City shall post the annual report on its Website.

6.04. The expenditures of funds from the Affordable Housing Trust Fund to provide assistance for persons of moderate income must be approved by a supermajority of the City Council.

Section 7. Council Action.

7.01. The City Council of the City of Richfield hereby ordains the implementation of the Affordable Housing Trust Fund.

7.02. This Ordinance shall be effective on the 30th day following the publication of a summary of this ordinance approved by the City Council of the City of Richfield in the official newspaper of the City of Richfield.

7.03. The summary of this Ordinance was reviewed and approved by the City Council of the City of Richfield and the City Council finds that the summary of this Ordinance clearly informs the public of the intent and effect of this Ordinance.

Section 8. This Ordinance will be effective in accordance with Section 3.09 of the City Charter.

Adopted by the City Council of the City of Richfield, Minnesota on _____, 2020.

Maria Regan Gonzalez, Mayor

Attest:

Beth Vanhooose, City Clerk

Action on this ordinance:

Date of introduction: May12, 2020

Date of adoption: _____, 2020

Motion for adoption:

Seconded by:

Voted in favor of:

Voted against:

Abstained:

Absent:

Ordinance adopted.

Date of publication:

I hereby certify that the foregoing is a true and correct copy of an ordinance adopted by the City Council of the City of Richfield, Minnesota, at a meeting held on May 26, 2020.

Beth Vanhoose, City Clerk

650776v2(JAE)
RC125-377



STAFF REPORT NO. 21
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
5/16/2022

REPORT PREPARED BY: Kate Aitchison, Housing Specialist

OTHER DEPARTMENT REVIEW:

EXECUTIVE DIRECTOR REVIEW: Melissa Poehlman, Executive Director
5/10/2022

ITEM FOR COUNCIL CONSIDERATION:

Consideration of the approval of a Contract for Private Development between the Housing and Redevelopment Authority and Tao Gong and Huan Ma for the redevelopment of 6644 Logan Avenue South under the Richfield Rediscovered Credit Program.

EXECUTIVE SUMMARY:

Tao Gong and Huan Ma (Owners) are applying for a Richfield Rediscovered Credit (Credit) to remove the existing substandard home on their double-lot at 6644 Logan Avenue South and construct a new home. Approval for the Credit would offer the Owners a \$50,000 contribution towards the construction of their new home.

The Owners purchased the home in October 2021 with the intention of building a new home. They have hired Denis Cherniy with DVC Co. Renovations and Exteriors to act as their general contractor (Builder) for the project.

The new home would be a one-story home with a walk-out basement. It would have three bedrooms, three bathrooms and an attached three-car garage. The new home will have 2,786 finished square feet with a minimum end-value of \$420,000. Additionally, the Owners are prioritizing energy efficiency in the design of the home, and are planning to install a geothermal heating system, and to utilize Insulated-Concrete-Forms (ICF) for the construction of the home. This will result in a highly efficient home.

RECOMMENDED ACTION:

By motion: Approve and authorize execution of a Contract for Private Development between the Housing and Redevelopment Authority and Tao Gong and Huan Ma for the redevelopment of 6644 Logan Avenue South.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- The Owners purchased the existing home on October 29, 2021.
- The existing home was inspected and qualified as substandard, per the Credit program guidelines.
 - The existing structure had insufficient wall, attic and foundation-level insulation, in addition to substandard windows. Significant damage to the foundation was present, in addition to severe water damage in the basement and along the exterior of the home.
- The Owners have submitted a complete application for a \$50,000 Credit to redevelop the property.

- The proposed 2,786 square-foot house will have three bedrooms, three bathrooms and a three-car attached garage. Future work to finish the basement will allow for an additional two bedrooms, one bathroom and additional 1,300 square-feet of living space.

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

- The proposed project meets the objectives of the Credit program:
 - Removes substandard, functionally obsolete housing and eliminates its blighting influence.
 - Provides new, higher valued housing.
 - Alleviates a shortage of 'move-up' housing for families.
 - Facilitates the Housing and Redevelopment Authority's (HRA) efforts to add new, market-rate, owner-occupied housing that meets the needs of modern families.
- The project meets the Housing Design and Site Development Criteria, as defined in the Credit program guidelines.
- Approval of the Credit would be within the guidelines of the HRA's Inclusionary Housing Policy: over a three-year period, at least 20% of the scattered site units constructed must be affordable at 80% of the Area Median Income (AMI).
 - From 2021-2023, the HRA is anticipating the construction or rehabilitation of four market rate homes and four affordable homes (50% affordable).

C. CRITICAL TIMING ISSUES:

- Due to supply-chain concerns and delays, the Owners are eager to move forward and begin construction.

D. FINANCIAL IMPACT:

- Under the terms of the Contract for Private Development (Contract), the \$50,000 will be distributed in one installment, due and payable upon completion of construction.
- The 2022 Credit budget allows for two Credit projects.

E. LEGAL CONSIDERATION:

- The HRA Attorney has reviewed the terms of the Contract.
- Mailed notification is not required on this item, however, a courtesy notice will be mailed to nearby property owners once building permits are submitted.

ALTERNATIVE RECOMMENDATION(S):

- Do not execute the Contract.
- Amend the Contract and direct staff to work with the Builder to revise the proposal.

PRINCIPAL PARTIES EXPECTED AT MEETING:

Tao Gong and Huan Ma, Owners Denis Cherniy, General Contractor

ATTACHMENTS:

Description	Type
□ Contract for Private Development	Contract/Agreement
□ House Plan, 6644 Logan	Backup Material
□ Site Plan, 6644 Logan	Backup Material
□ Photos, 6644 Logan	Backup Material

CONTRACT FOR PRIVATE DEVELOPMENT

Between

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

and

Tao Gong and Huan Ma

Related to Property Located at

6644 Logan Avenue South

This Instrument Drafted by:

**Housing and Redevelopment Authority
in and for the City of Richfield
6700 Portland Avenue South
Richfield, MN 55423
612-861-9760**

CONTRACT FOR PRIVATE DEVELOPMENT

THIS AGREEMENT, made and entered into as of this ____ day of _____, 2022, by and between the Housing and Redevelopment Authority in and for the City of Richfield, a public body corporate and politic under the laws of the State of Minnesota, having its principal office at 6700 Portland Avenue, Richfield, Minnesota (HRA), and Tao Gong and Huan Man, wife and husband. (Buyer).

WITNESSETH:

WHEREAS, the City of Richfield (City) and the HRA have previously created and established a Redevelopment Project (Project) pursuant to the authority granted in Minnesota Statutes, Sections 469.001 through 469.047 (the Act); and

WHEREAS, pursuant to the Act, the City and the HRA have previously adopted a redevelopment plan (Redevelopment Plan) to finance all or a portion of the public development costs of the Project; and

WHEREAS, in order to achieve the objectives of the Redevelopment Plan and particularly to make specified land in the Project available for development by private enterprise for and in accordance with the Redevelopment Plan, the HRA has determined to provide substantial aid and assistance to finance development costs in the Project; and

WHEREAS, the Buyer has proposed a development as hereinafter defined within the Project which the HRA has determined will promote and carry out the objectives for which the Project has been undertaken, will assist in carrying out the obligations of the Redevelopment Plan, will be in the vital best interests of the City and the health, safety and welfare of its residents and is in accord with the public purposes and provisions of the applicable state and local laws and requirements under which development in the Project has been undertaken and is being assisted.

NOW, THEREFORE, in consideration of the mutual covenants and obligation of the HRA and the Buyer, each party does hereby represent, covenant and agree with the other as follows:

ARTICLE I.

DEFINITIONS, EXHIBITS, RULES OF INTERPRETATION

Section 1.1. Definitions. In this Agreement, the following terms have the meaning given below unless the context clearly requires otherwise:

Buyer. Tao Gong and Huan Ma, wife and husband.

City. The City of Richfield, Minnesota.

Closing. The date on which Buyer closes on the Purchase of the Property.

Construction Plans. The construction plans approved by the HRA pursuant to Section 4.1 of this Agreement. The Construction Plans include a schedule for construction of the Improvements, preliminary plans and schematics of the Improvements to be constructed, and a landscaping plan.

Development. The Property and the Improvements to be constructed thereon according to the Construction Plans approved by the HRA.

Event of Default. Event of Default has the meaning given such term in Section 8.1.

Guidelines. The Richfield Rediscovered Program Guidelines for the Redevelopment Credit Program, revised February 21, 2017 and attached as Exhibit A to this Agreement.

xh

HRA. The Housing and Redevelopment Authority in and for the City of Richfield, Minnesota.

Improvements. Each and all of the structures and site improvements constructed on the Property by the Buyer, as specified in the Construction Plans approved by the HRA.

Minimum Market Value. \$420,000, which is the minimum market value for the Property and Improvements as confirmed by the Hennepin County Assessor.

Property. The real property legally described as:

Lot 5, Block 3, Fairwood Park, Hennepin County, Minnesota

having a street address of:

6644 Logan Avenue South

Redevelopment Project or Project. The Redevelopment Project established by the HRA pursuant to Minnesota Statutes Sections 469.001 through 469.047 and described in the Redevelopment Plan.

Redevelopment Plan. The plans for implementation of the Redevelopment Project adopted by the HRA pursuant to Minnesota Statutes Sections 469.001 through 469.047.

Unavoidable Delays. Delays which are the direct result of strikes, labor troubles, fire or other casualty to the Improvements, litigation commenced by third parties which results in delays or acts of any federal, state or local government, except those contemplated by this Agreement, which are beyond the control of the Buyer.

Section 1.2 Exhibits. The following Exhibits are attached to and by reference made a part of this Agreement:

- A. Program Guidelines
- B. Certificate of Completion

Section 1.3 Rules of Interpretation.

(a) This Agreement shall be interpreted in accordance with and governed by the laws of the State of Minnesota.

(b) The words "herein" and "hereof" and words of similar import, without reference to any particular section or subdivision refer to this Agreement as a whole rather than any particular section or subdivision hereof.

(c) References herein to any particular section or subdivision hereof are to the section or subdivision of this Agreement as originally executed.

(d) Any titles of the several parts, articles and sections of this Agreement are inserted for convenience and reference only and shall be disregarded in construing or interpreting any of its provisions.

ARTICLE II.

REPRESENTATIONS AND UNDERTAKINGS

Section 2.1 By the Buyer. The Buyer makes the following representations and undertakings:

(a) The Buyer has the legal authority and power to enter into this Agreement and has duly authorized the execution, delivery and performance of this Agreement;

(b) The Buyer has the necessary equity capital or will obtain commitments for financing necessary for construction of the Improvements;

(c) The Buyer will construct the Improvements in accordance with the terms of this Agreement and all local, state and federal laws and regulations;

(d) The Buyer will obtain, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, the requirements of all local, state and federal laws and regulations which must be obtained or met before the Improvements may be constructed; and

(e) The plans for the Improvements have been prepared by a qualified draftsman or architect.

(f) The Buyer intends to reside at the Property following completion of construction of the Improvements and is not acquiring the Property for the purpose of resale or speculation.

(g) The Buyer has read and understands the Guidelines and agrees to be bound by them.

Section 2.2 By the HRA. The HRA makes the following representations as the basis for the undertaking on its part herein contained:

(a) The HRA is authorized by law to enter into this Agreement and to carry out its obligations hereunder; and

(b) The HRA will, in a timely manner, subject to all notification requirements, review and act upon all submittals and applications of the Buyer and will cooperate with the efforts of Buyer to secure the granting of any permit, license, or other approval required to allow the construction of the Improvements.

ARTICLE III.

ACQUISITION OF PROPERTY; CONVEYANCE TO BUYER

Section 3.1 Purchase of Property by Buyer. The Buyer has already, or will utilize its best efforts to enter into a binding agreement to purchase the Property. If no binding purchase agreement is entered into within 30 days from the date of this Agreement, either the HRA or the Buyer may declare this Agreement null and void, and the parties will thereby be released from any further obligation hereunder.

Section 3.2 Closing. Closing on the Property took place on October 29, 2021 and property was transferred via Warranty Deed to the buyers.

ARTICLE IV.

CONSTRUCTION OF IMPROVEMENTS

Section 4.1. Construction of Improvements. The Buyer shall submit to the HRA the Construction Plans for approval by the HRA staff. The Buyer shall cause the Improvements to be constructed on the Property in accordance with the Guidelines and the Construction Plans, shall cause the Improvements to meet or exceed the Minimum Market Value, and shall maintain, preserve and keep the Improvements in good repair and condition.

Section 4.2. Building Plans. No building permit will be issued by the City unless the building plans are in conformity with the Guidelines contained in Exhibit A, the Construction Plans, the required Minimum Market Value, other requirements contained in this Agreement, and all local, state and federal regulations. The Buyer shall provide the HRA with a set of building plans to be used in connection with any application for a building permit. The HRA shall, within 25 days of receipt of the building plans submitted in application for a building permit, review such building plans to determine whether the foregoing requirements have been met. If the HRA determines such building plans to be deficient, it shall notify the Buyer in writing stating the deficiencies and the steps necessary for correction. Issuance of the building permit by the City shall be a conclusive determination that the building plans have been approved and shall satisfy the provisions of this Section 4.2.

Section 4.3 Schedule of Construction. Subject to Unavoidable Delays, construction of the Improvements shall be completed prior to April 1, 2023. All construction shall be in conformity with the approved Construction Plans and the Guidelines. Periodically during construction the Buyer shall make reports in such detail as may reasonably be requested by the HRA concerning the actual progress of construction. If at any time prior to completion of construction the HRA has cause to believe that the Buyer will be unable to complete construction of the Improvements in the time permitted by this Section 4.3, it may notify the Buyer and demand assurances from the Buyer regarding the Buyer's construction schedule. If such assurances are not forthcoming or are deemed by the HRA at its sole discretion to be inadequate, the HRA may declare an Event of Default and may avail itself of any of the remedies specified in Section 8.2 of this Agreement.

Section 4.4 Certificate of Completion. Promptly after notification by the Buyer of completion of construction of the Improvements, the HRA shall inspect the construction to determine whether the Improvements have been completed in accordance with the Construction Plans and the terms of this Agreement, including the date of the completion thereof. In the event that the HRA is satisfied with the construction, the HRA shall furnish the Buyer with a Certificate of Completion in the form attached hereto as Exhibit B. Such certification by the HRA shall be a conclusive determination of satisfaction and termination of the agreements and covenants in this Agreement with respect to the obligation of the Buyer to construct the Improvements.

If the HRA shall refuse or fail to provide certification in accordance with the provisions of this Section 4.4, the HRA shall within 15 days of such notification provide the Buyer with a written statement, indicating in adequate detail in what respects the Buyer has failed to complete the Improvements in accordance with the provisions of this Agreement necessary, in the opinion of the HRA, for the Buyer to take or perform in order to obtain such certification.

Section 4.5 Failure to Construct. In the event that construction of the Improvements is not completed as provided in Section 4.3 of this Agreement, an Event of Default shall be deemed to have occurred, and the HRA may proceed with its remedies under Section 8.2.

ARTICLE V.

REDEVELOPMENT ASSISTANCE

Section 5.1 Redevelopment Credit. As consideration for the Buyer's covenant to construct the Improvements, and subject to all of the conditions of this Agreement, the HRA agrees to provide the Buyer with a Redevelopment Credit in the amount of \$50,000. If the Buyer is in compliance with its obligations under this Agreement, the Redevelopment Credit will be paid to the Buyer in one installment on the date of the issuance of a Certificate of Completion evidencing that the Improvements have been completed, including the landscaping.

ARTICLE VI.

FINANCING

Section 6.1 Financing. Within 20 days of the date of execution of this Agreement, the Buyer shall submit to the HRA evidence of financing for the Improvements in compliance with the provisions of Section 2.1(b) of this Agreement. If the HRA finds that the financing is adequate in amount to provide for the construction of the Improvements, the HRA shall notify the Buyer of its approval.

If the HRA rejects the evidence of financing as inadequate, the Buyer shall have 30 days or such additional period of time as the Buyer may reasonably require from the date of such notification to submit evidence of financing satisfactory to the HRA. If the Buyer fails to submit such evidence or fails to use due diligence in pursuing financing, the HRA may terminate this Agreement and both parties shall be released from any further obligation or liability hereunder, except for the HRA's remedies pursuant to Section 4.5 of this Agreement.

Section 6.2 Copy of Notice of Default to Lender. Whenever the HRA shall deliver any notice or demand to the Buyer with respect to any Event of Default by the Buyer in its obligations or covenants under this Agreement, the HRA shall at the same time forward a copy of such notice or demand to each holder of any mortgage at the last address of such holder shown in the records of the HRA.

ARTICLE VII.

PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER

Section 7.1 Representation as to Redevelopment. The Buyer represents and agrees that its undertakings pursuant to the Agreement, are for the purpose of development of the Property and not for speculation in land holding. The Buyer further recognizes that, in view of the importance of the Development to the general welfare of Richfield and the substantial financing and other public aids that have been made available by the HRA for the purpose of making the Development possible, the qualification and identity of the Buyer are of particular concern to the HRA. The Buyer further recognizes that it is because of such qualifications and identity that the HRA is entering into this Agreement, and, in so doing, is further willing to rely on the representations and undertakings of the Buyer for the faithful performance of all undertakings and covenants agreed by the Buyer to be performed.

Section 7.2 Prohibition Against Transfer of Property and Assignment of Agreement.

(a) The HRA and the Buyer acknowledge that in furtherance of construction of the Improvements the Buyer may make an assignment of the property to the Construction Contractor, with a reassignment of the property to the Buyer following completion of construction of the Improvements.

(b) Other than as provided above, no transfer of the Property or assignment of the Agreement prior to the issuance of a Certificate of Completion will be permitted absent the written approval of the HRA.

ARTICLE VIII.

EVENTS OF DEFAULT

Section 8.1 Events of Default Defined. The following shall be deemed Events of Default under this Agreement and the term shall mean, whenever it is used in this Agreement, unless the context otherwise provides, any one or more of the following events:

- (a) Failure by the Buyer to pay when due the payments required to be paid or secured under any provision of this Agreement;
- (b) Failure by the Buyer to observe and substantially perform any covenant, condition, obligation or agreement on its part to be observed or performed hereunder, including the time for such performance;
- (c) If the Buyer shall admit in writing its inability to pay its debts generally as they become due, or shall file a petition in bankruptcy, or shall make an assignment for the benefit of its creditors, or shall consent to the appointment of a receiver of itself or of the whole or any substantial part of the Property;
- (d) If the Buyer, on a petition in bankruptcy filed against it, be adjudicated as bankrupt, or a court of competent jurisdiction shall enter an order or decree appointing, without the consent of the Buyer, a receiver of the Buyer or of the whole or substantially all of its property, or approve a petition filed against the Buyer seeking reorganization or arrangement of the Buyer under the federal bankruptcy laws, and such adjudication, order or decree shall not be vacated or set aside or stayed within 60 days from the date of entry thereof; or
- (e) If the Buyer is in default under any mortgage recorded against the Property and has not entered into a work-out agreement with the holder of the mortgage.

Section 8.2 Remedies on Default. Whenever any Event of Default occurs, the HRA may, in addition to any other remedies or rights given the HRA under this Agreement, take any one or more of the following actions following written notice by the HRA to the Buyer as provided in Section 9.3 of this Agreement:

- (a) Suspend its performance under this Agreement until it receives assurances from the Buyer, deemed reasonably adequate by the HRA, that the Buyer will cure its default and continue its performance under this Agreement;
- (b) Cancel or rescind this Agreement;
- (c) Withhold the Certificate of Completion; or
- (d) Take whatever action at law or in equity may appear necessary or desirable to the HRA to enforce performance and observance of any obligation, agreement, or covenant of the Buyer under this Agreement; provided, however, that any exercise by the HRA of its rights or remedies hereunder shall always be subject to and limited by, and shall not defeat, render invalid or limit in any way (a) the lien of any mortgage and (b) any rights or interest provided in this

Agreement for the protection of the holders of a mortgage; and provided further that should any mortgagee succeed by foreclosure of the mortgage or deed in lieu thereof to the Buyer's interest in the Property, it shall, notwithstanding the foregoing, be obligated to perform the obligations of the Buyer under this Agreement to the extent that the same have not therefore been performed by the Buyer.

Section 8.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the HRA is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the HRA or the Buyer to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in this Article VIII.

Section 8.4 No Additional Waiver Implied by One Waiver. In the event of the occurrence of any Event of Default by either party, which Event of Default is thereafter waived by the other party, such waiver shall be limited to the particular Event of Default so waived and shall not be deemed to waive any other concurrent, previous or subsequent Event of Default.

ARTICLE IX.

ADDITIONAL PROVISIONS

Section 9.1 Conflict of Interests; Representatives Not Individually Liable. No HRA officer who is authorized to take part in any manner in making this Agreement in his or her official capacity shall voluntarily have a personal financial interest in this Agreement or benefit financially there from. No member, official, or employee of the HRA shall be personally liable to the Buyer, or any successor in interest, for any Event of Default by the HRA or for any amount which may become due to the Buyer or successor or on any obligations under the terms of this Agreement.

Section 9.2 Non-Discrimination. The provisions of Minnesota Statutes Section 181.59, which relate to civil rights and non-discrimination, and any affirmative action program of the City shall be considered a part of this Agreement and binding on the Buyer as though fully set forth herein.

Section 9.3 Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand or other communication under this Agreement by either party to the other shall be sufficiently given or delivered if it is sent by mail, postage prepared, return receipt requested or delivered personally:

(a) As to the HRA:

Richfield HRA
Attn: Housing Specialist
6700 Portland Avenue South
Richfield, MN 55423

(b) As to the Buyer:

Tao Gong and Huan Ma
5717 Kemrich Drive
Edina, MN 55439

or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this Section 9.3.

Section 9.4 Counterparts. This Agreement may be simultaneously executed in any number of counterparts, all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

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

By _____
Its Chairperson

By _____
Its Executive Director

STATE OF MINNESOTA)
) SS
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this _____ day of _____, 2022, by _____, the Chairperson of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (HRA), a public body corporate and politic under the laws of Minnesota, on behalf of the HRA.

Notary Public

STATE OF MINNESOTA)
) SS
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this _____ day of _____, 2022, by _____, the Executive Director of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (HRA), a public body corporate and politic under the laws of Minnesota, on behalf of the HRA.

Notary Public

BUYER



Tao Gong



Huan Ma

STATE OF MINNESOTA)
) SS
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this 10th day of May, 2022, by Tao Gong and Huan Ma, wife and husband.



Notary Public

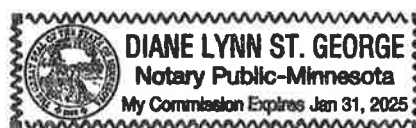


EXHIBIT A

**RICHFIELD REDISCOVERED
PROCEDURAL GUIDELINES
REDEVELOPMENT CREDIT PROGRAM**

Revised: February 21, 2017

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This document has been developed as a guidance tool for program administration. It should not be interpreted as constituting any contractual agreement or liability by the City or Housing and Redevelopment Authority (HRA).

I. Program Objectives

- To remove substandard, functionally obsolete housing on scattered sites throughout the city with new, higher-valued housing
- To eliminate the blighting influence of substandard housing, thus improving residential neighborhoods.
- To alleviate the shortage of housing choices for families.
- To facilitate "Market Rate Initiatives" which include:
 - Larger three- to four-bedroom, owner-occupied homes designed for families

These objectives will be achieved through the acquisition of property by private Buyers and the development of newly constructed homes.

II. Definitions

Buyer: An individual(s) who will build, own and occupy a new single-family home in Richfield.

The Buyer will occupy the property and not offer it for rent. The Buyer may not also function as the Builder on a Richfield Rediscovered project. The Buyer and Builder must be unrelated separate legal entities. A speculative project by a Buyer may be considered if all other program requirements can be met. However, neither the Buyer, the Buyer's Builder or Builder's subcontractors, or the Builder's realty agents may occupy or purchase the property.

Buyers, unless licensed in the trade specified, may not put any sweat equity into the construction of the foundation, wall/roof framing, shingling, exterior work, electrical/plumbing/HVAC systems or interior carpentry.

A Buyer, and all members of his/her household, is limited to building a home through the program no more than once every seven years.

Builder: Contractor who has signed contract with the Buyer to build a single-family home on the lot identified in the application.

Contract for Private Development: A contract between the HRA and the Buyer or Builder that establishes the conditions under which the lot will be sold and the proposed house will be developed.

Green Community Concepts Plan: A written plan indicating how the proposed development will incorporate green building features and concepts. Priority will be given to projects that incorporate green building features.

HRA: Housing and Redevelopment Authority in and for the City of Richfield.

Seller: Owner of property identified as eligible by the HRA based on condition, size and marketability.

Redevelopment Credit: To offset costs of acquisition and demolition, a redevelopment credit of \$50,000 is available from the HRA for a Buyer who acquires the property directly from the seller for redevelopment.

III. Program Basics

- Program is first-come, first-serve, subject to funding availability.
- Buyer purchases property, hires builder to demolish existing structures and constructs a new single-family home in conformance with program requirements.

- A \$50,000 Redevelopment Credit is available per completed property.
- Projects must be completed within one year of HRA approval of the project.
- A Buyer, and all members of his/her household, is only eligible to receive a Redevelopment Credit once every seven years

IV. Application Requirements

The following must be submitted for application to the program:

1. \$550 application fee
An application fee, in the form of a certified cashier's check made out to the Richfield HRA, must be paid at the time of application. This fee is non-refundable and is not part of the lot price.
2. Project Information Sheet
3. Purchase agreement
The Buyer must present a valid purchase agreement for the lot it proposes to redevelop. The closing must be scheduled after the date of the HRA meeting.
4. Blueprints
The layout of all levels, including basement and unfinished space, must be provided.
5. Elevations
Elevations of all four sides of the house, including view of garage shall be provided.
6. Site plan
The site plan shall indicate the location of the new house, walkways and garage.
7. Landscaping plan
A landscaping plan may be hand-drawn by the applicants, but must indicate the location and type of trees, shrubbery, flowers and landscaping materials (e.g. rocks, mulch). The entire grounds shall be landscaped and be aesthetically pleasing in all seasons. Land forms and plant materials shall be used to define the site and blend neatly with adjoining properties. Specific lot line blending requirements may be required, as appropriate, for specific sites.
8. Green Community Concepts Plan
The plan should indicate what Green Community Concepts will be incorporated into the project.
9. Detail of construction materials to be used on the project.
10. Construction timeline
Construction must be completed with one year of the purchase of the property.
11. Signed contract with Builder
12. Financial capability statement
 - a. A statement from a financial institution indicating willingness, with standard contingencies, to provide sufficient construction capital to complete the project.
13. Builder References
 - a. Five previous customers
 - b. Three major suppliers, one being the construction supplier

- c. Building inspectors from two cities where the Builder has constructed new housing within the past three years
- 14. Proof of Builder's Comprehensive General Liability with Property Damage Protection.
- 15. Proof of sufficient worker's compensation insurance coverage by the Builder.
- 16. Written warranty program
 - a. To be provided to the Buyer, which guarantees at a minimum, warranted repairs as required by Minnesota State Statute.

V. Securing a Site

Participants identify a property on their own or from a list of Richfield Rediscovered-eligible properties provided by HRA staff. If the property has not already been qualified for the program, it must be evaluated for substandardness or market obsolescence. Upon request of a prospective Buyer, HRA staff may research the property, and arrange for a "Substandard Evaluation" to be conducted. An evaluator will inspect the interior for substandard qualification.

The Buyer is responsible for negotiating with the Seller on a purchase price. Once a purchase agreement between the Seller and Buyer has been signed, the Buyer should submit an application form and required supporting documents. Only when HRA staff has received a complete application, can the \$50,000 Redevelopment Credit be reserved. The reservation of funds is not an approval by the HRA. All applications must be brought to the HRA at a regularly-scheduled meeting for approval.

VI. Property Evaluation Considerations and Procedures

Properties with the lowest market values, poorest visibility, and/or a history of code violations, will be considered first for the program.

To be eligible for the Richfield Rediscovered program, a house must be structurally substandard and meet at least of one of the criteria in **Criteria A** and all of **Criteria B**.

Criteria A

- Obsolete design for block and area in which it is located.
- Deteriorated to the point that it has caused blight to other adjoining properties.
- Detrimental to the health or safety of abutting properties.
- Less than \$140,000 in value, as determined by the City of Richfield Assessing Department.

Criteria B

- Site can be developed with a new home within city code requirements, including conformance with the Zoning Code and the Comprehensive Plan
- Property does not cause negative impact on other redevelopment projects. Redevelopment projects may include:
 - Established commercial redevelopment areas
 - Right-of-way improvement projects such as I-494, I-35W, Crosstown Highway 62, , TH 77 and 66th Street
 - Negative airport noise zones
 - Stormwater/flood prevention improvement projects

- Other, as determined by the HRA

At the request of an interested Buyer, staff will research the property and if it is believed that the property may qualify for the Richfield Rediscovered program, a "Substandard Evaluation" will be arranged. An evaluator will inspect the interior for substandard qualification.

If a property meets the substandard test during the independent "Substandard Evaluation", application procedures can continue. If the substandard test cannot be met, the property cannot be considered for the Richfield Rediscovered program.

At the discretion of staff, properties over 50 years old may also be required to be evaluated for historical significance through the Minnesota Historical Society.

VII. House Design and Site Development Requirements

Housing design is a critical element of the program. Siding materials, exterior façade presentation, roof, window, siding and building line variability, finished landscape, interior space function and use are all important issues of design to the HRA. The criteria were created to ensure that the homes built on the identified lots blend in with the surrounding neighborhood and respond to the specific concerns of the HRA.

All new houses built under the Richfield Rediscovered Program must meet the requirements of the City's Zoning Code and additional criteria, as listed in this document.

The development of all sites shall meet the development criteria listed below, as reviewed and approved by the HRA. To maximize the development of a given lot, the HRA reserves the right to explore all development options without obligating the HRA to support any specific proposal, idea or solicitation.

A. New Home Standards

1. Existing buildings must be demolished. If an existing garage is in good condition, it may be retained upon review by HRA staff and the Building Official.
2. New dwelling must be owner-occupied and single-family.
3. Three finished bedrooms are required.
4. Two finished bathrooms are required.
5. Two-car garage is required.
6. A full basement is required, unless the selected design results in a split-level or a garden-level type of basement. In the case of an "accessible" house, a basement may be omitted if it would otherwise prohibit accessible design elements.

B. Site Standards

1. After construction, the site must be fully landscaped, including plantings around the foundation. The entire grounds shall be landscaped and be aesthetically pleasing in all seasons. Land forms and plant materials shall be used to define the site and blend neatly with adjoining properties. Specific lot line blending requirements may be required, as appropriate, for specific sites.

At a minimum, the applicant must meet the "Landscaping and Screening Requirements" in the City's Zoning Code under Section 544.03, Subd. 4, General landscaping requirements and Subd. 5, Residential sites. The code is available on the City's website: <http://www.cityofrichfield.org>.

To the greatest extent possible, existing trees should be preserved. Any trees removed must be replaced (they do not have to be the same species or in the same location) and should be labeled on the required landscape plan.

2. Utility meters shall be screened from street view and locations must be specified on plans.
3. Site drainage should be accommodated on the site so that water is directed away from the new home and the neighboring properties. Neighboring properties must not be disturbed by the creation of drainage swales. Specific storm water management requirements may be required, as appropriate, including the addition of gutters for specific sites. Construction and the finished structure must not have detrimental impact on storm water drainage patterns in the neighborhood.
4. All air conditioning units must be located in the rear yard of the house or as approved by the HRA.

C. Construction Requirements

1. Existing trees must be protected during construction. A tree wrap with board reinforcements shall be used on trees directly adjacent to active grading and construction area. Damaged or destroyed trees must be replaced.
2. The construction site, neighboring properties and adjacent public streets shall be kept free of construction debris at all times.
3. No construction workers, construction equipment or construction material shall encroach upon neighboring properties.
4. The property shall have a new sanitary service line installed to the city sanitary sewer main consisting of schedule 40 PVC or equivalent. If there is an existing 6" sewer stub at the property line, it must be lined with 4" schedule 40 PVC or equivalent to the city's sanitary main, and it must include a "donut" at the end with cement.

The line must be televised after installation to ensure the following:

1. There are no obstructions in the line.
2. The PVC liner is not protruding into the city's sanitary sewer main line.

D. General Standards

1. The value of the new home must meet or exceed the minimum value specified in the Contract for Private Redevelopment.
2. All homes in the Richfield Rediscovered Program must be stick-built or high-quality modular, new construction.
3. Exterior materials (siding, soffit, doors and windows) should be low-maintenance and durable. Brick, aluminum, vinyl and fiber cement siding are preferred. Natural cedar lap is acceptable if properly stained or painted. Hardboard panels or hardboard lap siding are prohibited. Roof valleys should have metal valleys and not be woven.
4. Unit height and mass of the new house shall be compatible with the scale of the surrounding homes in the neighborhood.
5. Plans must present a balanced and pleasing distribution of wall, door and window areas from all views.
6. The dominance of the garage door must be minimized through placement, architectural detail, door design and utilization and design of windows. Front-loaded garages (where the garage door faces the street), shall not be located closer to the front lot line than the foremost facade of the principal building facing the front property line. Garage sidewalls that face the street should appear to contain habitable space. This can be accomplished by incorporating windows and other

design elements into the garage wall that are in character with the remainder of the dwelling. For lots that have alley access, the garage should be oriented to access the alley.

7. All building plans must have been prepared in consultation with an architect or qualified draftsman. All requirements by the Building Inspections Division must be met.
8. All Richfield Rediscovered houses must meet or exceed Minnesota Energy Code requirements.
9. All new homes should be built to provide high quality sound insulation. Recommendations for sound insulation measures may be provided on a site-by-site basis. All construction must conform to sound attenuation building standards as required by Zoning Ordinance Section 541.19 for properties located within the 2007 60-62 DNL Contour and 2007 63 or greater DNL contours.
10. If a variance is required to construct the proposed development, the HRA may, at its sole discretion, choose to reject the application.
11. If the HRA accepts an application that needs a variance(s), sale of the property will be contingent upon the applicant obtaining the necessary variance(s). The Applicant is responsible for applying for the variance(s) at its own expense.

E. Green Community Concepts

Priority will be given to projects incorporating the green community concepts listed below. Any concepts the applicant would like considered during the application process should be explained in a cover letter submitted with the application.

1. *Protect and conserve water and soil.* To reduce water consumption, consider the use of water-conserving appliances, fixtures, and landscaping. Steps should be taken to minimize the loss of soil and sediment during construction and occupancy to reduce storm-water sediment and air pollution.
2. *Minimize energy consumption.* Reduce energy consumption by taking advantage of natural heating, cooling and day lighting, and by using energy-efficient appliances, equipment and lighting.
3. *Enhance indoor environmental quality.* Use non-toxic materials, ventilation and exhaust systems, and moisture control products and systems.
4. *Use environmentally-preferable materials and resources.* Use locally-produced, salvaged and/or manufactured materials, products with recycled content or from renewable sources, recyclable or reusable materials, and low-VOC-emitting materials.
5. *Reduce waste.* Reduce and manage wastes generated during the construction process and operation of buildings. When demolition occurs, consider the sorting and recycling of leftover materials and debris.

VIII. City Review Procedure

1. Applicant reviews proposed project with HRA staff before plans are finalized.
2. HRA Staff will review application to ensure conformance with House Design and Site Development Requirements.
3. HRA staff prepares a report and recommendation for the HRA.
4. A Contract for Private Redevelopment is reviewed and signed by applicants in advance of the HRA meeting.

5. HRA reviews application and takes action at the HRA meeting.
6. If approved, the Contract for Private Redevelopment is executed by the HRA.
7. Upon approval by the HRA, the applicant is responsible for acquiring the necessary building and demolition permits with the City of Richfield Inspections Department. If changes are required, the Buyer must notify HRA staff.

IX. Disbursement of Funds

Approved projects are eligible for a \$50,000 Redevelopment Credit. The Credit will be dispersed upon completion of the project (including landscaping) and the issuance of a Certificate of Completion by the Building Official. A lender may require a portion of the Redevelopment Credit be held as an escrow as part of the interim financing of the project, only to be released upon project completion.

The Buyers may also request the Redevelopment Credit to be issued in three installments. The first installment of \$20,000 would be issued at the time of closing, the second for \$20,000 when permits are pulled and the third for \$10,000 when the project has been completed and a Certificate of Completion has been issued by the Building Official. A mortgage will be filed and a lien put on the house until the project has been completed. Filing fees are the responsibility of the applicant.

The disbursement of funds will be outlined in the Contract for Private Redevelopment, to be executed by the HRA and the Buyer.

X. Solicitation of New Development Proposals

The HRA will advertise the Richfield Redevelopment program in publications or newspapers, by direct mail, or other methods as deemed appropriate, to solicit interest.

When the HRA has property information, it will provide the address of the property, lot dimensions and contact information of the seller. Interested parties may contact the owners directly. All purchase negotiations and timing issues must be resolved between the parties.

Properties identified by the applicant may also qualify. The HRA will review each one on a case-by-case basis.

A program information package will be available upon request to interested Buyers. The information packet will include the following:

- Richfield Rediscovered Procedural Guidelines
- Sample Contract for Private Redevelopment
- Application Cover Sheet
- Project Information Sheet
- Lot List

XI. General Program Marketing

Richfield Rediscovered program marketing is entirely at the discretion of the HRA. It may include the following:

1. *Buyer Solicitation.* The HRA may market the program to potential Buyers through promotional articles, direct mail, the Internet, or other methods as deemed appropriate. Buyers may be any financially capable individual or family, including first-time buyers, move-up buyers or empty-nesters.

2. *Public Promotion.*

- a. The HRA will periodically provide information about the program through articles in city publications, on the City's web site, on the Community Cable channel, or via press releases to promote community awareness.
- b. A public open house may be held to provide an opportunity for residents and other interested parties to collectively view the finished homes. The Parade of Homes Fall Showcase and Spring Preview may also accomplish this.
- c. .

XII. Data Privacy

The HRA is subject to Minnesota Statutes Chapter 13 (the "Minnesota Government Data Practices Act"). Under the Minnesota Government Data Practices Act, the names and addresses of applicants for or recipients of assistance under this program and the amount of assistance received under this program are public data. All other financial information submitted to the HRA for purposes of the program application is considered private data.

FORM OF CERTIFICATE OF COMPLETION

DATED: _____

By: _____
Its: Executive Director

Notary Public

410517v2 JAE RC125-65



1 3D View 1
12" = 1'-0"

PLAN INFORMATION

FRAMING NOTES:
-ALL EXTERIOR WALLS TO BE 2X6 @ 16" O.C. WITH A DOUBLE TOP PLATE UNLESS OTHERWISE NOTED.
-WALL FRAMING SHALL BE S.P.F. STUD GRADE OR BETTER UNLESS NOTED OTHERWISE (U.N.O.)
-ALL HEADERS SHALL BE (2) - 2X10 U.N.O.
-EXTERIOR SHEATHING SHALL BE 7/16" MATERIAL CONSISTING OF ORIENTED STRAND BOARD (OSB).
-ALL FLOOR AND CEILING SYSTEMS TO CHECKED AND DESIGNED BY THE DESIGNATED MANUFACTURER. TRUSS PLANS TO BE ON SITE @ TIME OF FRAMING
-PRESSURE TREATED WOOD IS TO BE USED WHERE WOOD IS IN CONTACT WITH CONCRETE AND AT 2X8 MUD SILL. TREATED MEMBERS TO BE S.Y.P. #2 OR BETTER.
-FOR OPENINGS IN EXTERIOR WALLS (OR WALLS WITH LATERAL LOADING:
a) 0'-0" - 4'-0" = 1 JACK STUD
b) 4'-0" - 8'-0" = 2 JACK STUDS
c) 8'-0" - 12'-0" = 3 JACK STUDS
d) GREATER THEN 12' = CONSULT ENGINEER.
-POSTS CALLED OUT ARE NUMBER OF KING STUDS REQUIRED PER SIDE OF OPENING.

CONCRETE NOTES:
-ALL CONCRETE FOOTINGS AND FOUNDATION SYSTEMS ARE DESIGNED FOR A 2000 P.S.F. SOIL
-FOUNDATION WALLS SHALL BE FULL HEIGHT AT UNBALANCED FILL GREATER THEN 3'-4"
-1/2" ANCHOR BOLTS EMBEDDED 7" MINIMUM @ 4' O.C. MAX. 12" MIN. FROM EACH END. MINIMUM OF 2 BOLTS IN EACH SILL PLATE
-PAD FOOTINGS REINFORCEMENT IS TO BE LOCATED 3" FROM BOTTOM OF FOOTING TYP. (WHEN REQUIRED)
-CONTRACTOR IS RESPONSIBLE FOR ALL STEEL REBAR SIZING PER STATE AND LOCAL BUILDING CODES
-**MIN. 5000 PSI CONCRETE @ ALL FOOTINGS**

INSULATION:
-ALL EXTERIOR WALLS TO HAVE A MINIMUM RATING OF R-21
-ALL ATTIC SPACES ARE TO HAVE A MINIMUM RATING OF R-60
-ALL FLOOR SPACES OVER UNCONDITIONED SPACE OR CANTILEVERED ARE TO HAVE A MINIMUM RATING OF R-30
SHEATHROCK:
-ALL CEILINGS ARE TO HAVE 5/8" NON-SAG GYPSUM BOARD U.N.O.
-ALL WALLS ARE TO HAVE 1/2" GYPSUM BOARD U.N.O.
-GARAGE CEILING AND WALLS THAT ADJOIN HOUSE WALLS ARE TO BE 5/8" TYPE "X" GYPSUM BOARD U.N.O.
-ALL EXTERIOR WALLS OF GARAGE AND HOUSE THAT ARE WITHIN 5' SETBACK TO HAVE 5/8" TYPE "X" EXTERIOR GRADE GYPSUM BOARD ON EXTERIOR SIDE OF WALL AND 5/8" TYPE "X" ON INTERNAL SIDE OF WALL.
DOORS AND WINDOWS:
ALL WINDOWS AND DOORS TO NE DOUBLE GLASS PANELS WITH LOW-E RATINGS.
-ANY WINDOW WITHIN 24" OF A DOOR SWING MUST BE TEMPERED
-ANY WINDOW ABOVE A TUB MUST BE TEMPERED
-ANY WINDOW WITHIN A STAIRWAY MUST BE TEMPERED
-WINDOW GLAZING MUST BE AT LEAST 18" ABOVE FINISHED FLOOR WHEN WINDOW IS ABOVE 6' FROM GRADE
-ALL BEDROOMS TO HAVE AT LEAST ONE WINDOW THAT HAS A CLEAR EGRESS OPENING OF 5.7 SQ. FT. WITH MIN. DIMENSIONS OF 24" IN HEIGHT AND 20" IN WIDTH. SILL HEIGHT NOT TO BE GREATER THEN 44" ABOVE FINISHED FLOOR.
-WINDOWS WITH SILLS WITHIN 3' OF THE FLOOR THEY SERVE AND ARE 72" ABOVE GRADE MUST EITHER HAVE A FALL PREVENTION OR OPENING LIMITER DEVICE PER CODE.
MECHANICAL & ELECTRICAL:
-ALL ELECTRICAL AND MECHANICAL EQUIPMENT TO BE VERIFIED AND INSTALLED PER CODE BY APPROVED TRADES AND INSTALLERS.

CODE INFORMATION

CODE INFORMATION:
SINGLE FAMILY CONSTRUCTION TYPE IRC-1
-2020 MINNESOTA STATE RESIDENTIAL CODE
-2020 NATIONAL ELECTRICAL CODE
-2020 MINNESOTA STATE MECHANICAL&FUEL GAS CODE
-2020 MINNESOTA STATE FIRE CODE
-2020 MINNESOTA PLUMBING CODE

SOIL TYPE:
DESIGNED WITH 2000 PSF SOILS. ALL FOUNDATION CONSTRUCTION MUST FACTOR IN THIS AT MINIMUM.
WIND EXPOSURE:
DESIGNED WITH "EXPOSURE B" CLASSIFICATIONS AND WIND GUSTS OF 115 MPH PER 2020 MN IRC CODE REGULATIONS.

GENERAL NOTES:
-ALL FOUNDATION WALL STRUCTURAL INFORMATION USED TO CONSTRUCT THE FOUNDATION SYSTEM IS TO BE ON SITE WHEN POURING OR BUILDING WALLS.
-ALL STRUCTURAL BEAMS, POSTS & TALL WALLS ARE TO BE BUILT PER H LEVEL SPECIFICATIONS.
-ALL MANUFACTURED FLOORS & ROOF TRUSSES ARE TO BE INSTALLED PER MANUFACTURERS SPECIFICATIONS.
-ALL MANUFACTURED FLOOR & ROOF TRUSS SPECIFICATIONS ARE TO BE ON SITE DURING INSTALLATION.

WINDOW FALL PREVENTION DEVICES AND WINDOW GUARDS SHALL COMPLY WITH THE REQUIREMENTS OF ASTM F 2090

WINDOW AND EXTERIOR DOOR U-FACTOR TO BE 0.30 OR BETTER GLASS SOLAR HEAT GAIN COEFFICIENT (SHGC) TO BE 0.28 OR BETTER

Sheet List	
Sheet Number	Sheet Name
A101	Cover Page
A102	Elevations
A103	Basement Plan
A104	First Floor Plan
A105	Section
A106	Radon and Roof Plans
A107	ICF Details

Area Schedule		
Area	Level	Name
2682 SF	Basement Level	Basement
195 SF	Basement Level	Mechanical
159 SF	Basement Level	Storage below front porch
3137 SF	Main Level	Main Level
200 SF	Main Level	Front Porch
187 SF	Main Level	Screen Porch
947 SF	Main Level	Garage



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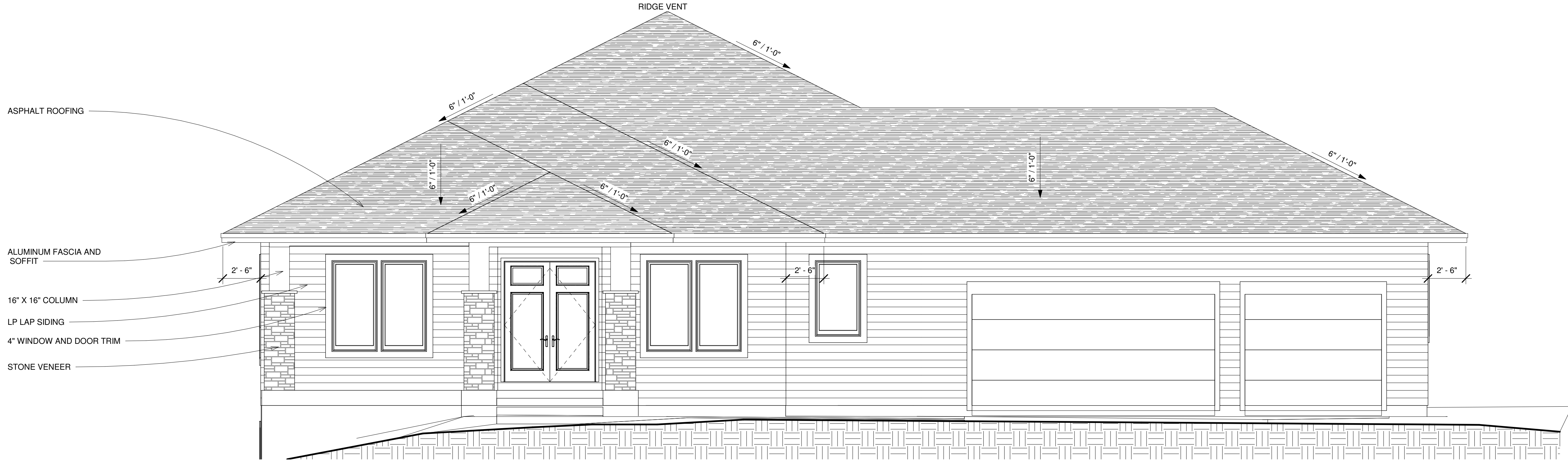
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Cover Page

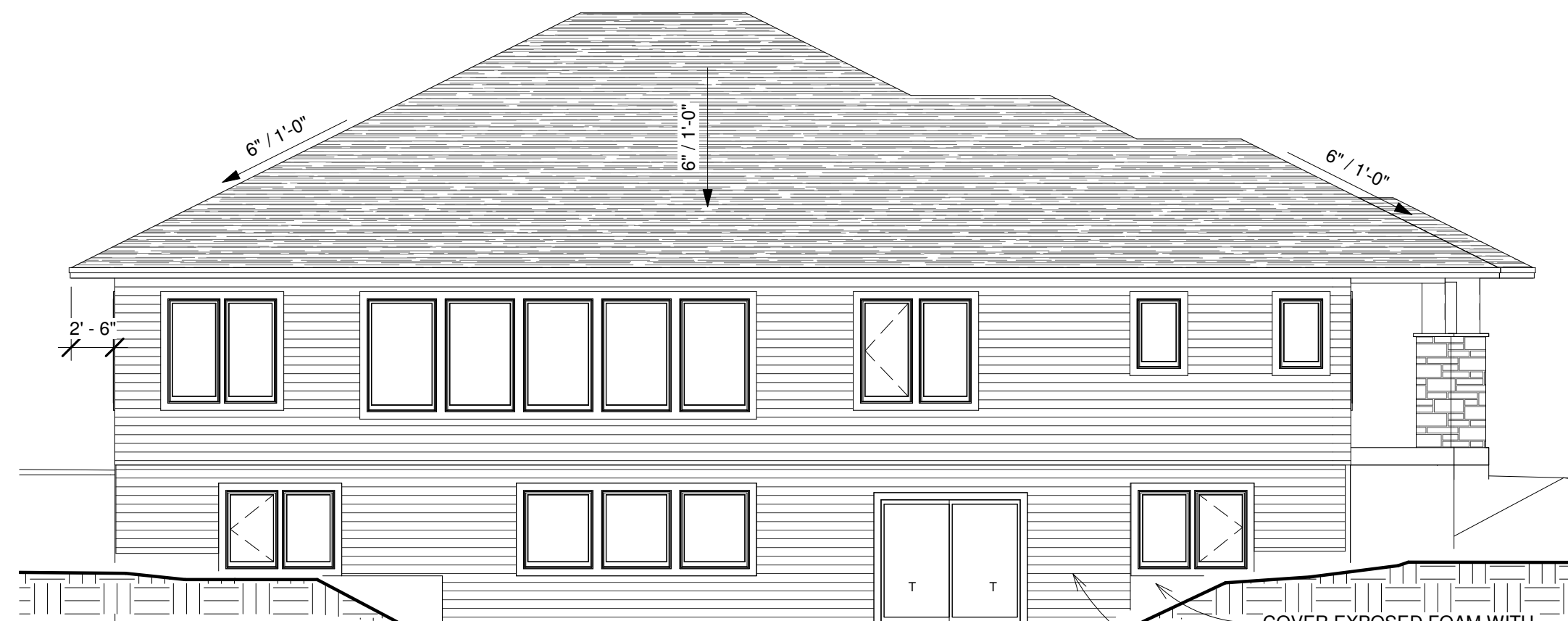
Project number 6644
Date 12/9/2021
Drawn by Alexander Bocharnikov

A101

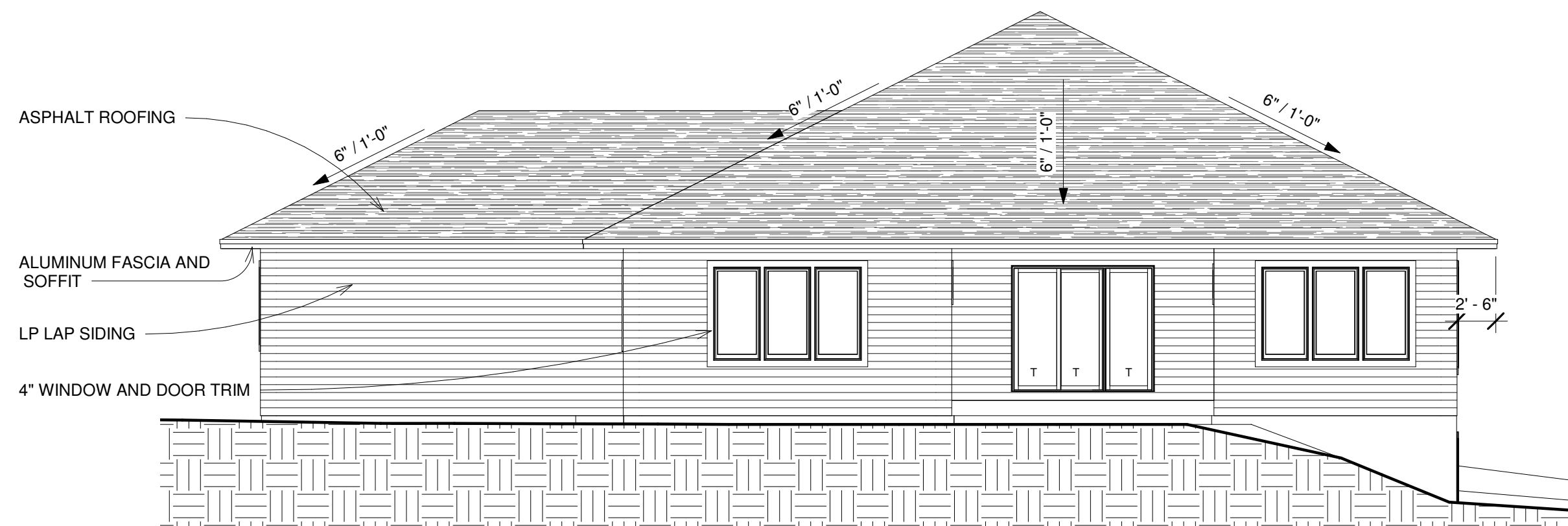
Scale 12" = 1'-0"



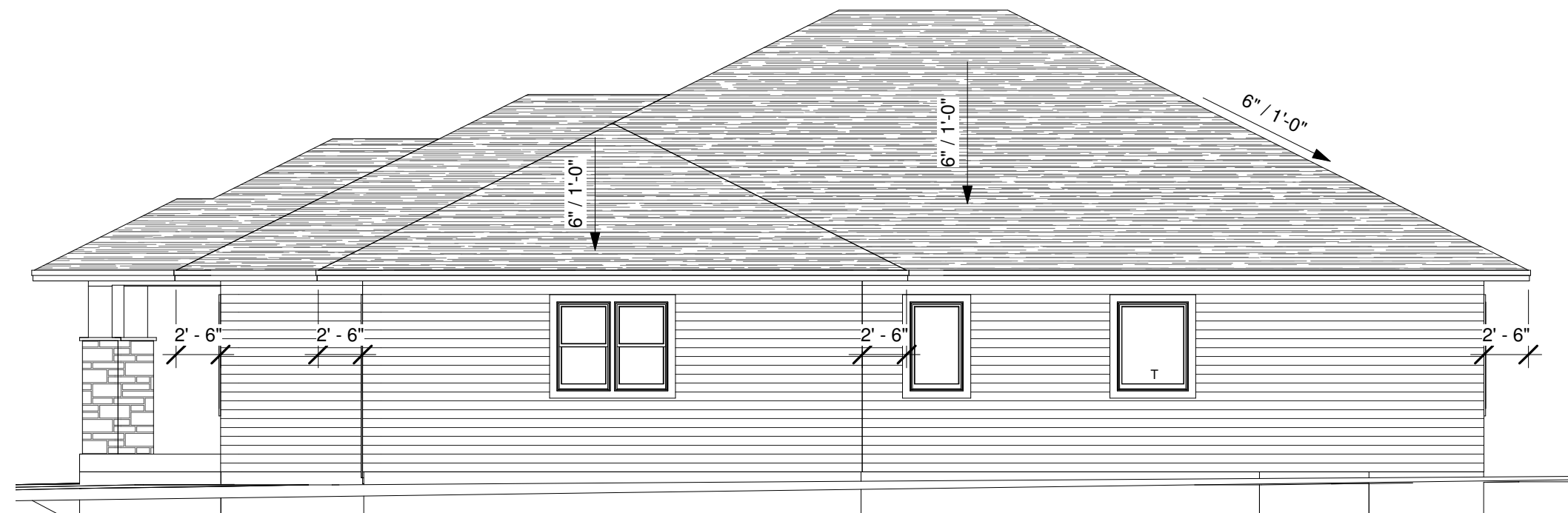
① Front
1/4" = 1'-0"



② Left
1/8" = 1'-0"



④ Rear
1/8" = 1'-0"



③ Right
1/8" = 1'-0"



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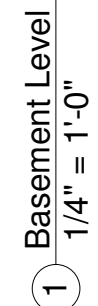
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Elevations

Project number 6644
Date 12/9/2021
Drawn by Alexander Bocharnikov

A102

Scale As indicated

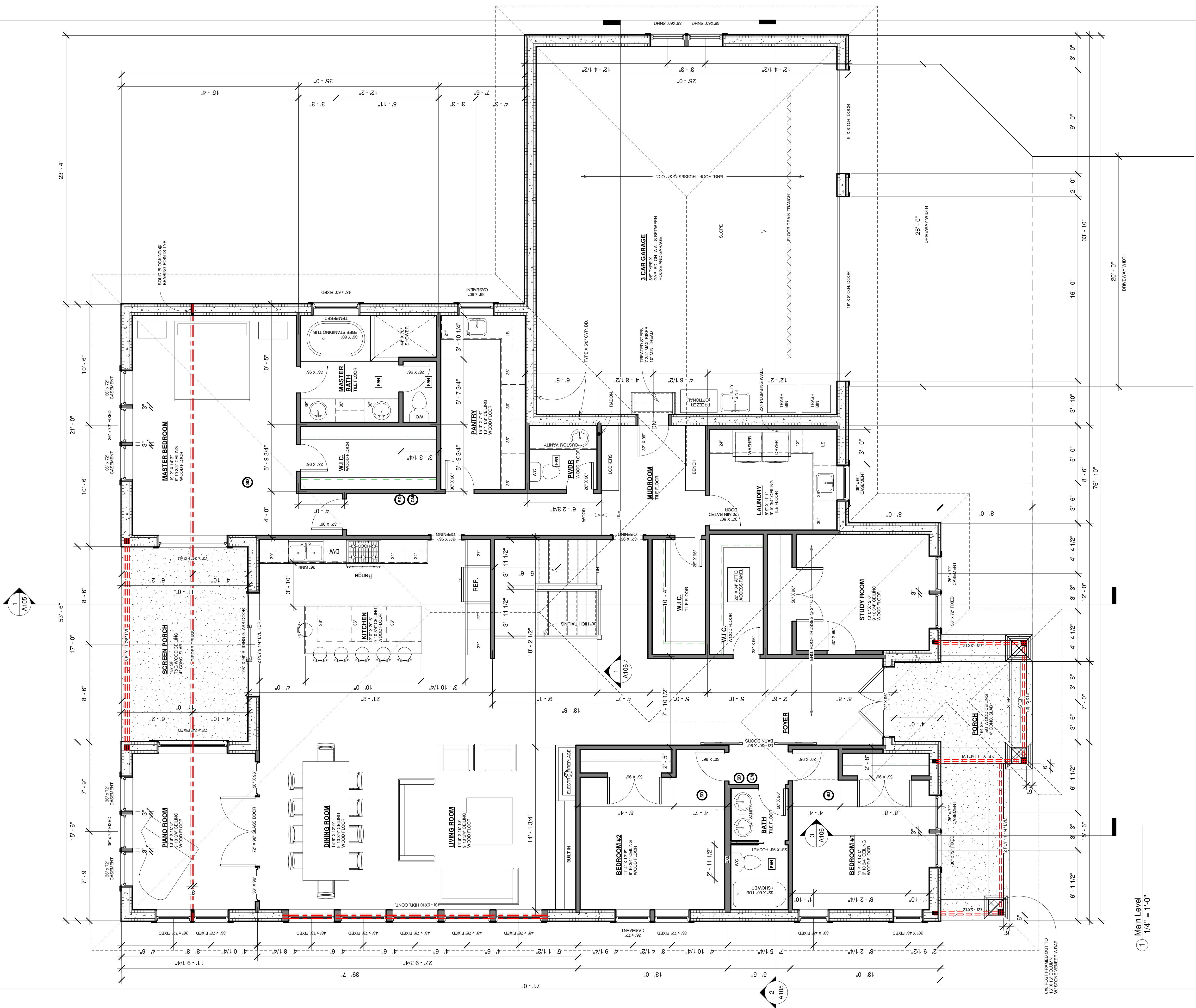


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Basement Plan

A103

Scale	1/4" = 1'-0"
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First Floor Plan

Project number	6644
Date	12/9/2021
Drawn by	Alexander Bocharnikov

A104

Scale	1/4" = 1'-0"
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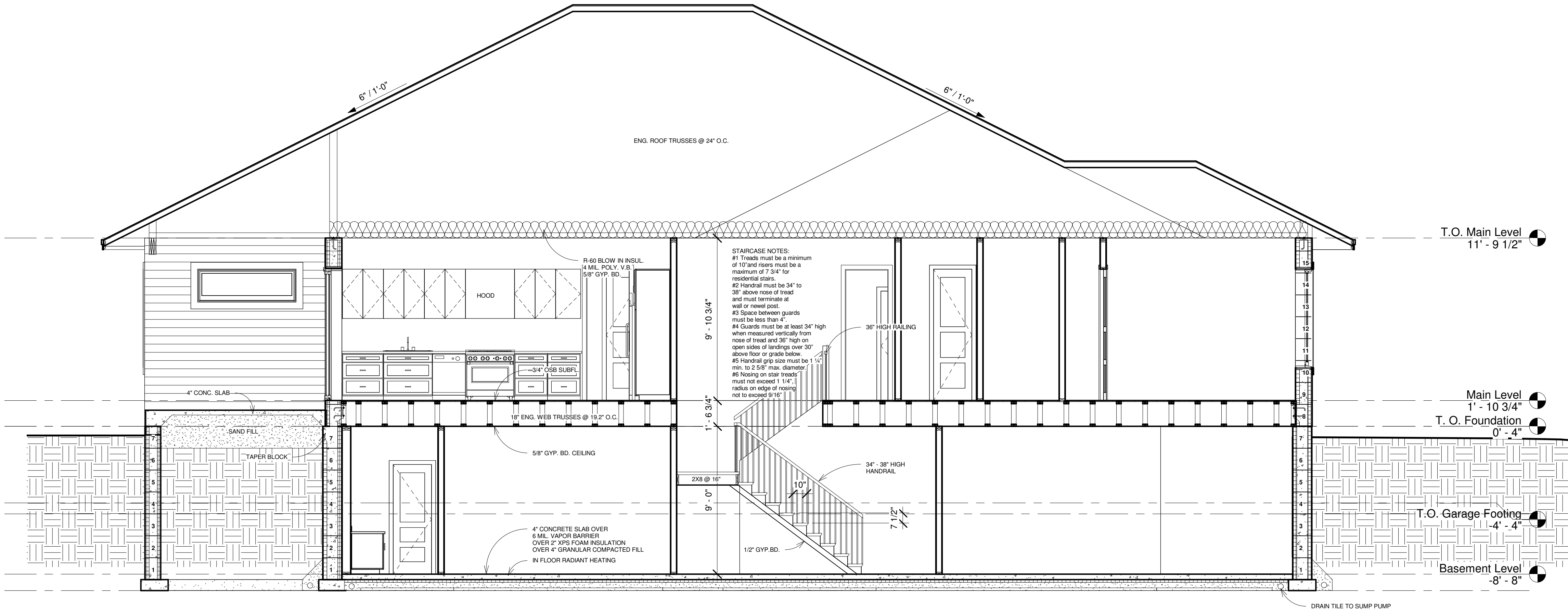
ROOF:
VENT ROOF 1/300 TH. VALLEYS &
ALL ROOF/WALL INTERSECTIONS
30 YR ARCHITECTURAL ASPHALTIC SHINGLES
15# ASPHALT FELT
ICE & WATER SHIELD (FIRST 6'-0"
AND ALL VALLEYS AS PER CODE)
1/2" PLYWD. SHTG. W/ CLIPS
ENG. ROOF TRUSSES @ 24" O.C.
AIR CHUTE (PROVIDE UNOBSTRUCTED AIR FLOW)
(R-49) BLOW IN INSULATION
4 MIL. POLY VAPOR BARRIER
5/8" GYP. CEILING BD.

FASCIA:
2X6 SUB FASCIA
6" ALUMINUM FASCIA
ALUMINUM VENTED SOFFIT

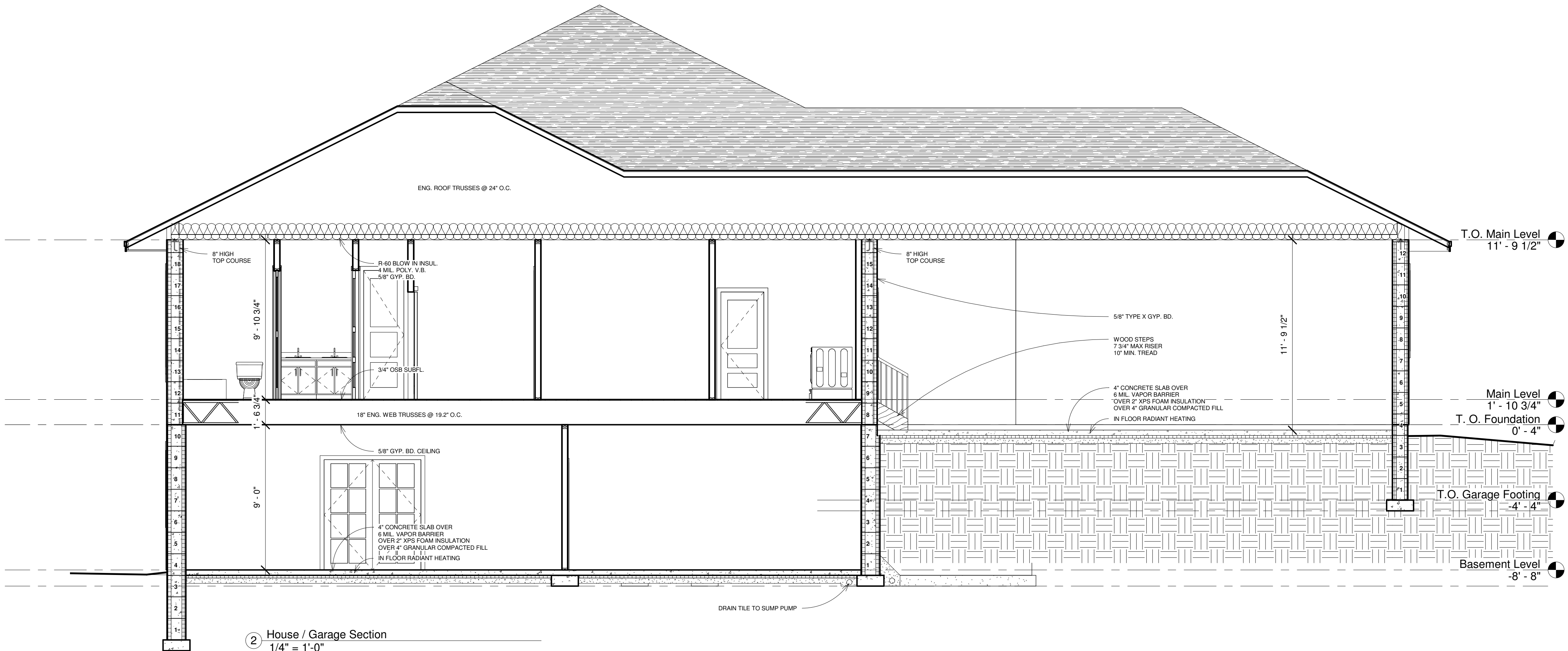
EXTERIOR WALL:
1/2" GYP. BD. TYP.
6" CONCRETE A-ONE ICF WALL. SEE
STRUCTURAL FOR REBAR
SIDING PER ELEVATION

FLOOR:
3/4" OSB SUBFLOOR
18" ENG. WEB TRUSSES @ 19.2" O.C.
2X10 LEDGER BD. ATTACHED TO CONC. WALL W/ SIMPSON
ICFVL-CW AT 32" O.C. FOR TRUSSES PERPENDICULAR TO
LEDGER (BEARING)
AND SIMPSON ICFVL-CW AT 48" O.C.
FOR TRUSSES PARALLEL TO LEDGER
(NON-BEARING)

FOUNDATION:
STUCCO OR SIMILAR
WEATHER RESISTANT OPAQUE PROTECTIVE COATING
TO 6" BELOW GRADE MIN.
NUDURA MEMBRANE WATERPROOFING OR SIMILAR
8" A-ONE ICF WALL AS PER PLAN
42" BELOW GROUND MIN. SEE STRUCTURAL FOR REBAR
20" X 8" CONC. FTG. W/ (2) - #4 REBAR
5000 PSI MIN COMPRESSIVE STRENGTH
DRAIN TILE TO SUMP PUMP



① House / Stairs Section
1/4" = 1'-0"



② House / Garage Section
1/4" = 1'-0"



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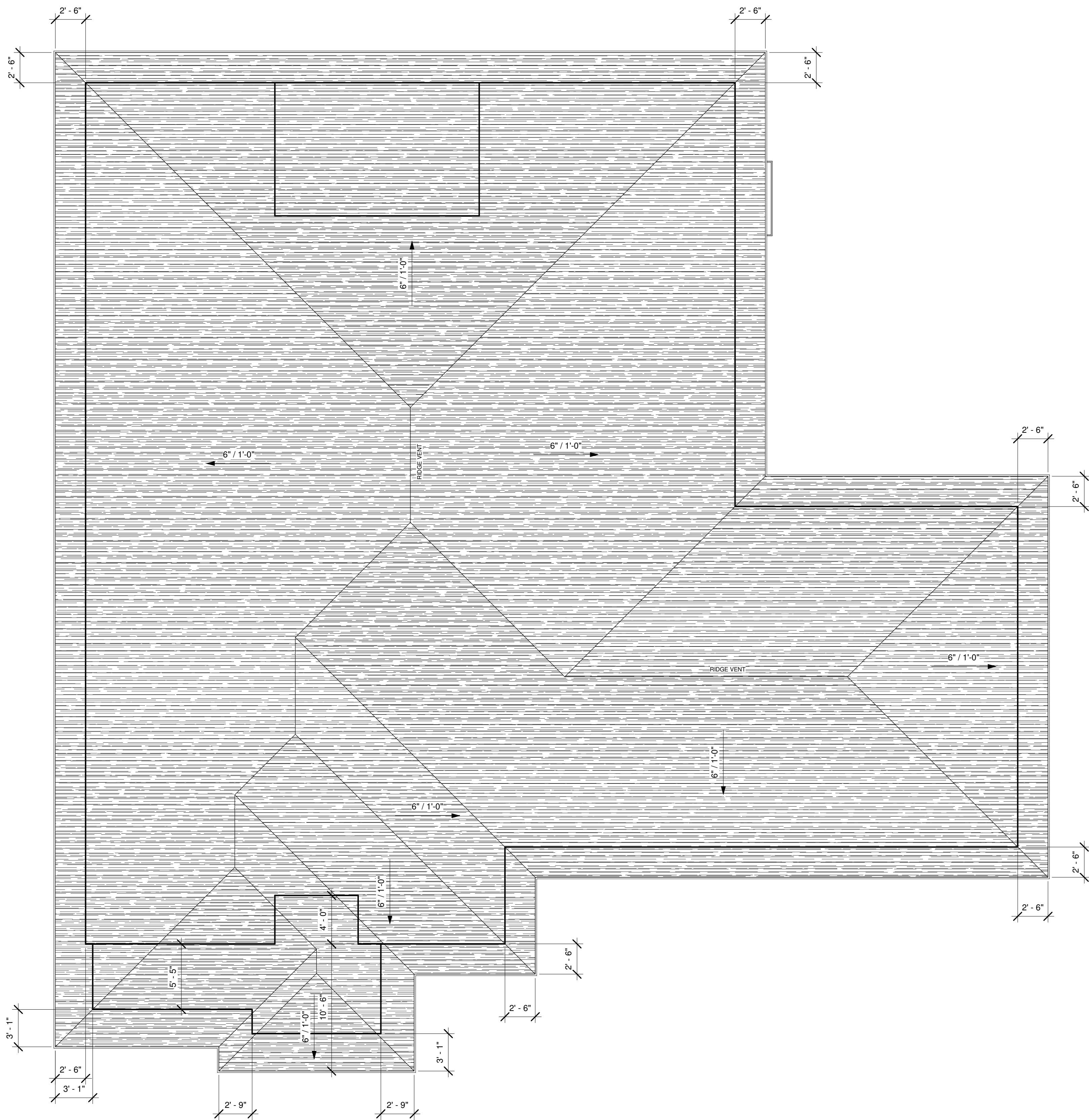
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Section

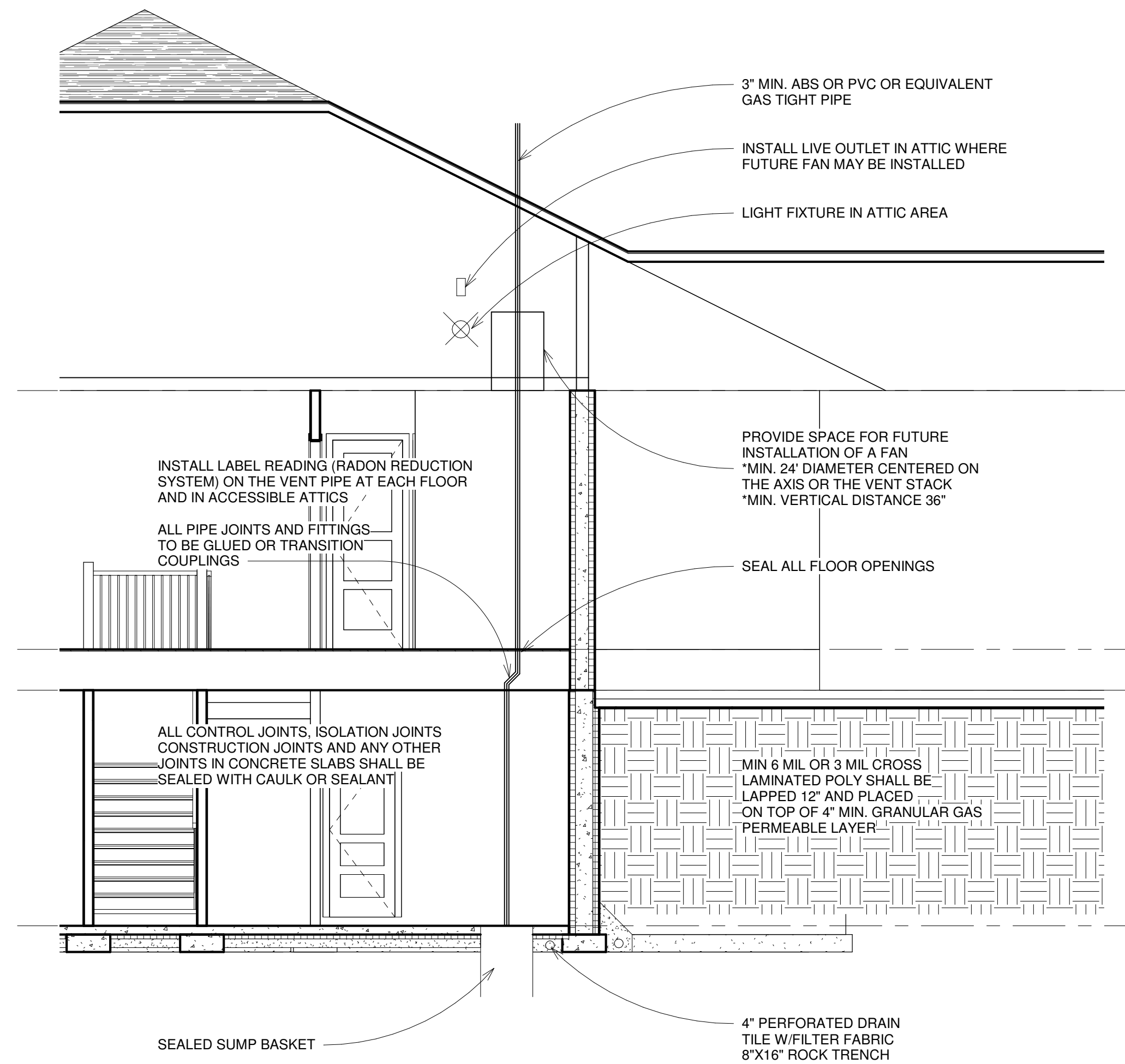
Project number 6644
Date 12/9/2021
Drawn by Alexander Bocharnikov

A105

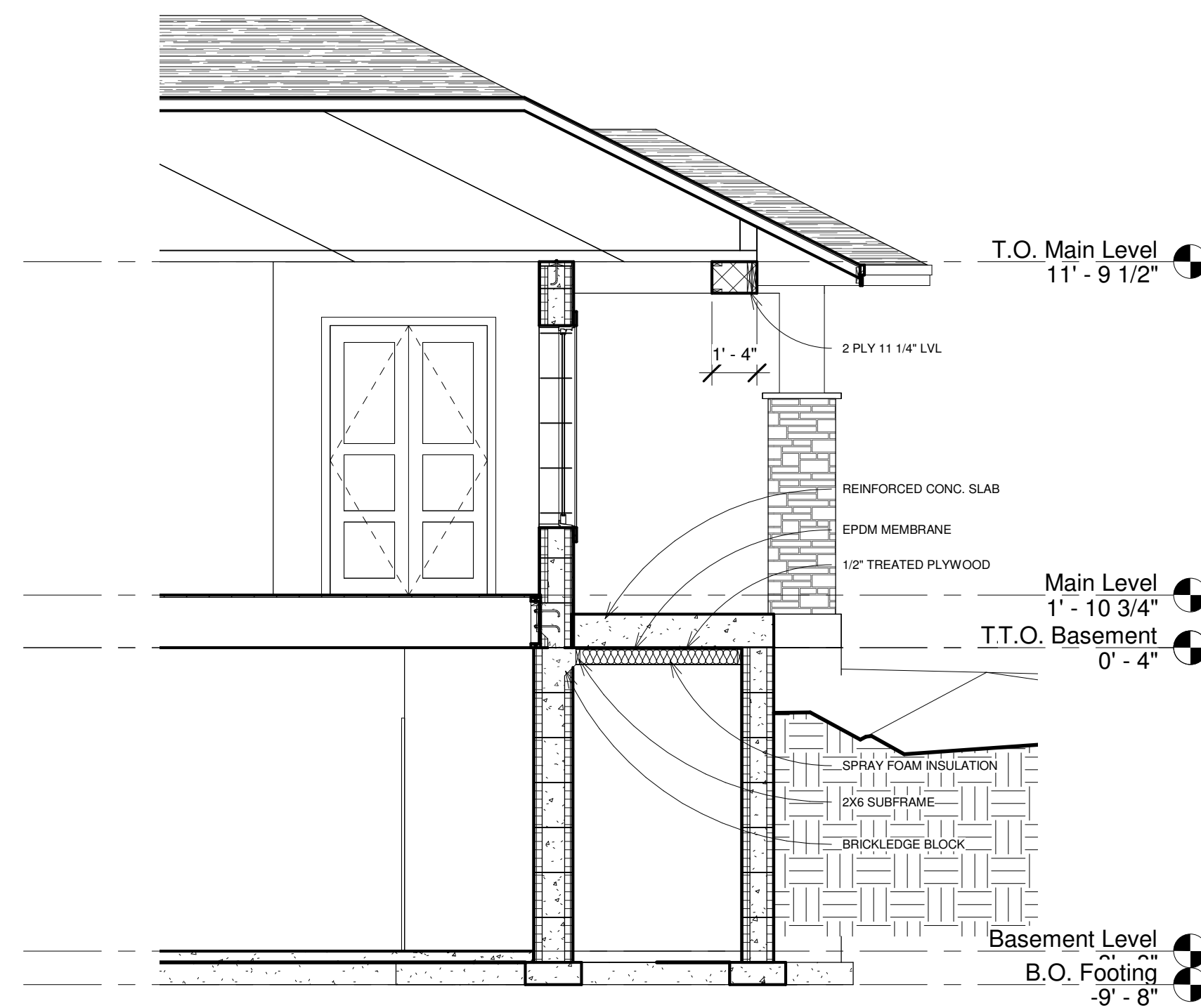
Scale 1/4" = 1'-0"



② Roof Plan
3/16" = 1'-0"



① Radon Detail
1/4" = 1'-0"



③ Front Porch Section
1/4" = 1'-0"



6644 Logan Ave S
Richfield MN

Radon and Roof Plans

Project number 6644
Date 12/9/2021
Drawn by Alexander Bocharnikov

A106

Scale As indicated

Diagram showing I-JOIST OR 2 x FLOOR SYSTEM and TRUSS FLOOR SYSTEM connections. Includes details for anchor bolts, ledger connections, and spacing requirements. Form fields for project information and revision table.

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Diagram showing FLOOR SYSTEM LEDGER CONNECTIONS - NON-BRG. Includes details for ledger connections, blocking, and spacing requirements. Form fields for project information and revision table.

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Diagram showing ABOVE GRADE WALL SECTION. Includes details for wall construction, reinforcement, and connections. Form fields for project information and revision table.

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Diagram showing SINGLE LEDGER BOARD and DOUBLE LEDGER BOARD connections. Includes tables for anchor bolt requirements and assumptions. Form fields for project information and revision table.

Table showing 6" & 8" A-ONE ICF BASEMENT WALL VERTICAL REINFORCING REQUIREMENTS. Includes tables for flat form and full height ICF walls, and an equivalent vertical rebar substitution table. Form fields for project information and revision table.

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Table showing TABLE ONE: FULL HEIGHT ICF WALLS and TABLE TWO: BELOW GRADE ICF WALLS WITH WOOD FRAMING ABOVE. Includes tables for structure height, full height brick veneer, and footing size. Form fields for project information and revision table.

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SEE A-ONE INSULATED FORMS
INSTALLATION MANUAL
FOR ALL STRUCTURAL DETAILS
AND INSTALLATION SPECIFICATIONS
OF ICF BLOCK



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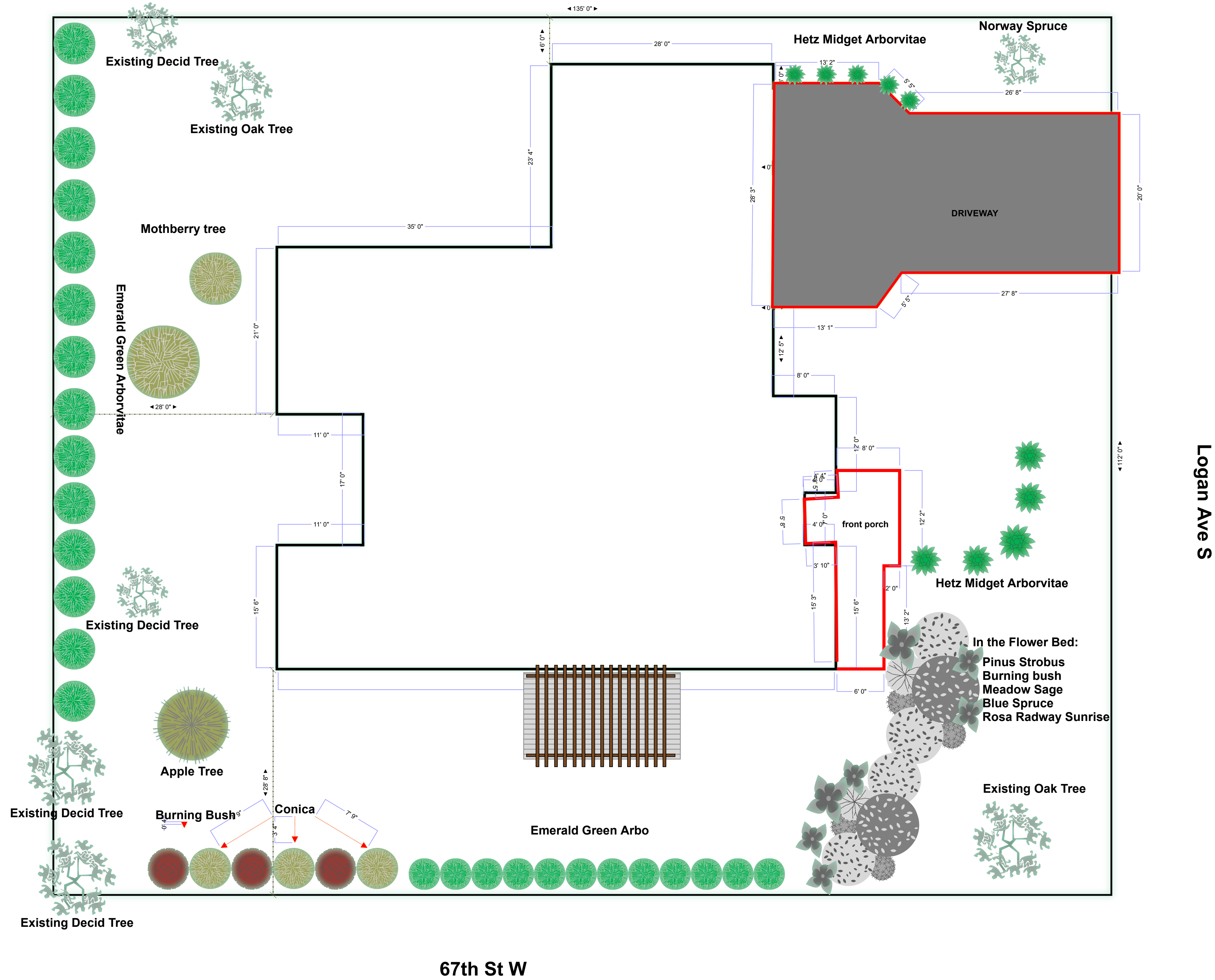
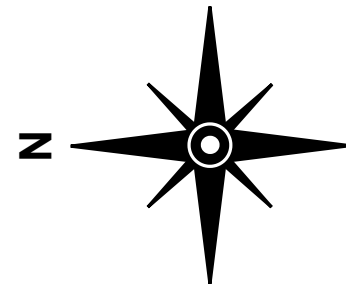
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ICF Details

Project number 6644
Date 12/9/2021
Drawn by Alexander Bocharnikov

A107

Scale



Site:	6644 Logan Ave S	Drawing:		Project:		Drawn:	DVC RENOVATIONS	Notes:	DVC RENOVATIONS 10020 ELM AVE N BROOKLYN PARK, MN 55443
Title:	Site Plan	Scale:	1/4" = 1' 0"	Date:	04/13/2022	Rev:			

