



**REGULAR CITY COUNCIL MEETING  
RICHFIELD MUNICIPAL CENTER, COUNCIL CHAMBERS  
NOVEMBER 28, 2023  
7:00 PM**

**INTRODUCTORY PROCEEDINGS**

Call to order

Pledge of Allegiance

Open forum

***Call into the open forum by dialing 1-415-655-0001 Use webinar access code: 2631 142 7966 and password: 1234.***

***Please refer to the Council Agenda & Minutes web page for additional ways to submit comments.***

Approval of the Minutes of the (1) City Council Work Session of November 14, 2023; (2) City Council Meeting of November 14, 2023; and (3) Special Council Work Session of November 11, 2023.

**AGENDA APPROVAL**

1. Approval of the Agenda

**PRESENTATIONS**

2. Human Rights Commission annual presentation given by Chair Walter Burk.
3. Sustainability Commission annual presentation given by Chair Amanda Kueper.
4. **Consent Calendar contains several separate items, which are acted upon by the City Council in one motion. Once the Consent Calendar has been approved, the individual items and recommended actions have also been approved. No further Council action on these items is necessary. However, any Council Member may request that an item be removed from the Consent Calendar and placed on the regular agenda for Council discussion and action. All items listed on the Consent Calendar are recommended for approval.**
  - A. Consider approval for a Temporary On-Sale Intoxicating Liquor license for the Blessed Trinity Catholic School, located at St. Richard's Catholic Church, 7540 Penn Avenue South, for their 2023 Annual Gala taking place December 2, 2023.

Staff Report No. 154
  - B. Consider the approval of setting a public hearing to be held on December 12, 2023, to consider the renewal of the Pawnbroker and Secondhand Goods Dealer license for 2024 for Metro Pawn and Gun, Inc.

Staff Report No. 155
  - C. Consider approval of the first reading of an ordinance amendment to allow micro units as an accessory use to religious institutions, and schedule a second reading for December 12, 2023.

Staff Report No. 156

- D. Consider a modification to the Tax Increment Financing Plan, Tax Increment Financing District 2018-1, RF64, withdrawing parcels from the District.

Staff Report No. 157

- E. Consider a resolution designating the existing structure at 500 - 78th Street East as structurally substandard within the Richfield Redevelopment Project Area.

Staff Report No. 158

- 5. Consideration of items, if any, removed from Consent Calendar

### **PUBLIC HEARINGS**

- 6. Public Hearing and consider the second reading of a proposed Franchise Ordinance and Agreement with CenterPoint Energy Minnesota Gas ("CenterPoint Energy") allowing and setting terms for CenterPoint Energy's use of the City right-of-way.

Staff Report No. 159

### **PROPOSED ORDINANCES**

- 7. Consider a request for a Comprehensive Plan Amendment, a Second Reading of an Ordinance Rezoning the Subject Property, Preliminary Plat, Site Plan Approval and two Variances, for 38 units of affordable housing at 6613-6625 Portland Avenue South.

Staff Report No. 160

- 8. Consider a second reading and summary publication of an ordinance amendment to Section 408.01, subdivision 6, clarifying that escrows submitted under the Point of Sale Program can be subject to forfeiture if improvements are not made, and to Section 408.01, subdivision 4, correcting a code reference relating to the appeals process.

Staff Report No. 161

### **OTHER BUSINESS**

- 9. Consider the appointments to City advisory board and commissions.

Staff Report No. 162

- 10. Consider a resolution affirming that Aster Commons received approvals from the City and is authorized to apply for an Environmental Response Fund grant from Hennepin County for environmental assessment.

Staff Report No. 163

### **CITY MANAGER'S REPORT**

- 11. City Manager's Report

### **CLAIMS AND PAYROLLS**

- 12. Claims and Payroll

### **COUNCIL DISCUSSION**

- 13. Hats Off to Hometown Hits

- 14. 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.**



# CITY COUNCIL MEETING MINUTES

Richfield, Minnesota

## Special City Council Work Session

### November 11, 2023

#### CALL TO ORDER

The retreat was called to order by Mayor Supple at 8:00 a.m. held in the Bartholomew Room.

*Council Members Present:* Mary Supple, Mayor; Mary Supple; Ben Whalen; Sharon Christensen; and Sean Hayford O'leary

*Council Members Absent:* Simon Trautmann

*Staff Present:* Kelly Wynn, Administrative Assistant

<b>Item #1</b>	<b>MEETINGS WITH APPLICANTS OF THE CITY'S ADVISORY COMMISSIONS</b>
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The City Council held meetings with the following applicants for appointment to City Advisory Boards and Commissions:

David Gepner  
Eli Straub  
Jeff Klein  
Kris Anderson  
Kelly Hauer  
Grace Bronken  
Callmie Dennis

Brenan Kennealy  
Amanda McKnight  
Stephanie Hollman  
Madeline Vukson  
Valerie Hurst-Baker  
Adam Knosalla

Tiffany Bighley  
Walter Burk  
Jim Reilly  
Jaz Warren  
Cheryl Gunness  
McKenzie Burke

#### ADJOURNMENT

The work session was adjourned by unanimous consent at 3:15 p.m.

Date Approved: November 28, 2023

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Mary B. Supple  
Mayor

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Kelly Wynn  
Administrative Assistant

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Katie Rodriguez  
City Manager



# CITY COUNCIL MEETING MINUTES

## Richfield, Minnesota

### City Council Work Session

## November 14, 2023

#### CALL TO ORDER

Mayor Supple called the work session to order at 5:30 p.m. in the Bartholomew Room.

*Council Members Present:* Mary Supple, Mayor; Sean Hayford Oleary; Ben Whalen; and Sharon Christensen

*Council Members Absent:* Simon Trautmann

*Staff Present:* Katie Rodriguez, City Manager; Dustin Leslie, City Clerk; Chris Swanson, Management Analyst; Jennifer Anderson, Health Administrator; Mike Dobesh, Fire Chief; Joe Powers, City Engineer; Matt Hardegger, Transportation Engineer

*Guests:* Scott Barshun, Communications Strategist; Dr. Nick Kelley, Bloomington Public Health Administrator

#### ITEM #1

#### **PRESENTATION AND DISCUSSION ON PUBLIC EDUCATION AND OUTREACH CAMPAIGN MATERIALS FOR PROPOSED CHANGES TO MUNICIPAL SPEED LIMITS.**

City Manager Rodriguez introduced Scott Barshun, Communications Strategist, who gave the presentation covering: the Richfield Drives 25 campaign vision, communication strategies, visual themes, process, and action steps.

Mayor Supple asked if the city had permission to use all photographs with residents. Communications Strategist Barshun confirmed that they did but he would double check with certain residents.

Council Member Hayford Oleary asked how much was budgeted for printing materials. City Engineer Powers stated there was about \$200,000 budgeted for the whole project.

Council Member Hayford Oleary stated that while the new images were an improvement, the pixelated colors still made the messages illegible and preferred simplified colors. Communications Strategist Barshun stated solid color signs would not stand out as much as the multi-colored signs.



Council Member Whalen spoke about the design aspects and that some appeared to be too busy and loud.

Mayor Supple stated she liked the vision statement and the focus on positive messaging. She also stated she preferred the pixelated colors over the blurred images. Mayor Supple asked if people who were colorblind would be able to read the signs. Communications Strategist Barshun confirmed that they would be able to read the signs.

Council Member Hayford Oleary stated he preferred a solid background for the Richfield Drives 25 against the pixelated colors so it was easier to read. He also talked about minimizing the appearance of the Richfield logo.

City Manager Rodriguez summarized the discussion and next steps.

<b>ITEM #2</b>	<b>UPDATE ON REGIONAL OPIOID RESPONSE WORK FROM BLOOMINGTON PUBLIC HEALTH.</b>
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Dr. Nick Kelley, Bloomington Public Health Administrator, gave the presentation covering: hospital visits due to opioids in Hennepin County, opioid-related deaths in Hennepin County, settlement funds overview, fund-use guidelines, communication strategies, the opioid workgroup, the opioid workplan, program areas, action steps, and upcoming milestones.

Mayor Supple spoke about the pilot project being done in Bloomington and asked if it would eventually be done in Richfield Dr. Kelley stated they would see how things worked out from the pilot and plan next steps afterwards.

There was a conversation between the Council and Dr. Kelley about how mental health issues figure into the opioid epidemic and how it is affecting different communities in the area.

The Council asked Dr. Kelley to keep them updated with any new developments.

<b>ADJOURNMENT</b>
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Mayor Supple adjourned the work session at 6:32 pm.

Date Approved: November 28, 2023

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Mary B. Supple  
Mayor

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Dustin Leslie  
City Clerk

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Katie Rodriguez  
City Manager



# CITY COUNCIL MEETING MINUTES

## Richfield, Minnesota

### Regular Council Meeting

**November 14, 2023**

#### CALL TO ORDER

The meeting was called to order by Mayor Supple at 7:00 p.m. in the Council Chambers.

*Council Members Present:* Mary Supple, Mayor; Sharon Christensen; Sean Hayford Oleary; and Ben Whalen

*Council Members Absent:* Simon Trautmann

*Staff Present:* Katie Rodriguez, City Manager; Mary Tietjen, City Attorney; Melissa Poehlman, Community Development Director; Karl Huemiller, Acting Recreation Services Director; Jennifer Anderson, Support Services Manager; Matt Hardegger, Transportation Engineer; Mike Dobesh, Fire Chief; Joe Powers, City Engineer; Chris Swanson, Management Analyst; and Dustin Leslie, City Clerk

*Others Present:* Civil Service Commission President Jeffrey Bruzek; Transportation Commission Chair Husniyah Bradley; Community Services Commission Chair Tessa Johanson.

#### PLEDGE OF ALLEGIANCE

Mayor Supple led the Pledge of Allegiance.

<b>ITEM #1</b>	<b>APPROVAL OF THE AGENDA</b>
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Mayor Supple recognized the 18<sup>th</sup> Annual Great Pumpkin Giveaway Coloring Contest Winners including Madeline Guzman Cruz and Audrey Holman. She thanked the whole team who sponsored the event.

#### OPEN FORUM

Mayor Supple reviewed the options to participate:

- Participate live by calling 1-415-655-0001 during the open forum portion
- Call prior to meeting 612-861-9711
- Email prior to meeting [kwynn@richfieldmn.gov](mailto:kwynn@richfieldmn.gov)

Rodney Sather, 63<sup>rd</sup> and Thomas, expressed concern about the City's unregulated short-term rentals and people running "unregulated hotels," which changed the character of the neighborhood. He believed it was time for the City to establish rules and regulations for short-term rentals.

Meghan Webster indicated she strongly supported the Aster Commons housing development. She believed the development would greatly benefit the city. She acknowledged some neighbors had concerns about the impact of the development and wanted residents to approach concerns with an open mind and base their judgments on facts rather than misconceptions or fear.

Kathleen Balaban, 65<sup>th</sup> and Stevens, requested Council remove the Whitecaps Agreement from the consensus calendar and decline the offer to buy out the remainder of their five-year term. She asked staff to recalculate whether this was an adequate offer as her calculations came up with the City losing money. She also stated she did not want the Council to be giving away their authority to change City Code to staff members. She indicated staff members could recommend changes, but the Council should be the only ones with the authority to change the City Code.

Scott Dahlquist noted over the years he has seen the value of his home greatly increase, which was good for him, but he did not believe the City did a good job of providing housing for low-income individuals. He urged the Council to support Aster Commons development as they provided a much-needed service and were assets to their communities.

<b>APPROVAL OF MINUTES</b>
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M/Whalen, S/Hayford Oleary to approve the minutes of the: (1) City Council Work Session of October 24, 2023; (2) Regular City Council Meeting of October 24, 2023; and (3) Special City Council Meeting of November 1, 2023.

Mayor Supple noted she was absent for the Special City Council Meeting of November 1, 2023 and requested that change be made to the Minutes.

Motion carried: 5-0

<b>ITEM #2</b>	<b>APPROVAL OF THE AGENDA</b>
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M/Hayford Oleary, S/Whalen to approve the agenda.

Motion carried: 5-0

<b>ITEM #3</b>	<b>PROCLAMATION CELEBRATING NATIVE AMERICAN HERITAGE MONTH</b>
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Mayor Supple invited Tyler Olson to accept the proclamation and read aloud the proclamation.

<b>ITEM #4</b>	<b>PROCLAMATION CELEBRATING SMALL BUSINESS SATURDAY</b>
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Mayor Supple invited Kelsey Nagel to accept the proclamation and read aloud the proclamation.

<b>ITEM #5</b>	
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	<b>CIVIL SERVICE COMMISSION ANNUAL PRESENTATION GIVEN BY PRESIDENT JEFFREY BRUZEK</b>
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Civil Service Commissioner President Jeffrey Bruzek gave the annual Civil Service Commission presentation.

<b>ITEM #6</b>	<b>TRANSPORTATION COMMISSION ANNUAL PRESENTATION GIVEN BY CHAIR HUSNIYAH BRADLEY</b>
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Transportation Commission Chair Husniyah Bradley gave the annual Transportation Commission presentation.

Council Member Hayford Oleary expressed his gratitude for the Commission as their liaison and for their willingness to meet with the public outside of the normal time.

Mayor Supple thanked the Commission for going above and beyond.

<b>ITEM #7</b>	<b>COMMUNITY SERVICES COMMISSION ANNUAL PRESENTATION GIVEN BY CHAIR TESSA JOHANSON</b>
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Community Services Commission Chair Tessa Johanson gave the annual Community Services Commission presentation.

Council Member Whalen indicated as the Council liaison he appreciated the hard work the Commission has done, and he looked forward to working with them to help spread the word and educate people about the options they have ahead of them.

<b>ITEM #8</b>	<b>CONSENT CALENDAR</b>
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City Manager Rodriguez presented the consent calendar.

- A. Consider approval of the final reading of an ordinance rezoning property at 6613-6625 Portland Avenue South to MU-N "Mixed Use Neighborhood" and schedule a second reading for November 28, 2023 (Staff Report No. 144)
- B. Consider the approval of first reading of an ordinance amendment to Section 408.01, subdivision 6, clarifying that escrows submitted under the Point-of-Sale program can be subject to forfeiture if improvements are not made, and to Section 408.01, subdivision 4, correcting a code reference relating to the appeals process (Staff Report No. 145)
- C. Consider a resolution designating buildings formally located at 7700 and 7730 Portland Avenue South as structurally substandard within the Richfield Redevelopment Project Area (Staff Report No. 146)

#### **RESOLUTION NO. 12140**

#### **RESOLUTION DESIGNATING BUILDINGS FORMALLY LOCATED AT 7700 AND 7730 PORTLAND AVENUE**

**SOUTH AS STRUCTURALLY SUBSTANDARD WITHIN  
THE RICHFIELD REDEVELOPMENT PROJECT AREA**

- D. Consider the approval of the mutual termination rental agreement between the City of Richfield and the MN Whitecaps Professional Women's hockey team (Staff Report No. 147)
- E. Consider the approval of a contract with Grayont (WI), LLC for the purchase of 1,400 tons of quick lime for water treatment in the amount of \$302,120.00 (Staff Report No. 148)
- F. Consider adoption of resolutions of support for Richfield's applications for federal capital construction funding for five projects through the Metropolitan Council's Regional Solicitation. (Staff Report No. 149)

**RESOLUTION NO. 12141 - 12145**

**RESOLUTIONS OF SUPPORT FOR RICHFIELD'S APPLICATIONS FOR  
FEDERAL CAPITAL CONSTRUCTION FUNDING FOR FIVE PROJECTS THROUGH  
THE METROPOLITAN COUNCIL'S REGIONAL SOLICITATION**

- G. Consider authorizing the City Manager to sell Richfield Fire Ladder Truck Unit #3789 to the City of Grand Marais Fire Department for \$65,000 (Staff Report No. 150)
- H. Consider rescinding acceptance of the Midwest Playscapes proposals for the replacement of play equipment at Donaldson Park and the replacement of play equipment at Fairwood Park, reject all proposals, and authorize the Interim Recreation Services Director to issue new requests for proposals (Staff Report No. 151)

M/Whalen, S/Hayford Oleary to approve the consent calendar.

Mayor Supple stated she had looked into the questions regarding the Whitecaps agreement (Item D) and after doing due diligence it was her belief that this was a fiscally prudent and fair agreement. She did not believe this would do harm to the City and might benefit the City. She thanked staff for all of their work they put into this and residents who had made comments. She stated she had listened to the comments and did hear what was said.

Council Member Hayford Oleary noted he had also received concerns about the Whitecaps agreement. He stated it was his understanding the differences between not approving this and approving this was that they could immediately lease the ice to a new group as opposed to the current agreement where they had exclusive rights under the contract and if nothing was done, there would be an empty ice arena until the contract was over.

City Manager Rodriques stated the city wanted to continue to host the Minnesota Whitecaps, but they were no longer a team as they had merged into one league and the hockey arena was too small now and the team would be playing at the Excel Center. She explained why the staff recommended this. She noted ice time was in demand and the city would be able to rent it while still getting 2 years' worth of lease payments.

Council Member Whalen thanked everyone who came to the meeting for the proposal at 66 and Portland. He expressed excitement for that project. He thanked the staff who worked on this.

Motion carried: 4-0

<b>ITEM #9</b>	<b>CONSIDERATION OF ITEMS, IF ANY, REMOVED FROM CONSENT CALENDAR</b>
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None.

<b>ITEM #10</b>	<b>CONSIDER APPROVAL OF A FIRST READING OF AN ORDINANCE AMENDING SECTION 1305 OF THE RICHFIELD CITY CODE, AUTHORIZING THE CITY ENGINEER TO SET SPEED LIMITS ON MUNICIPAL ROADWAYS (STAFF REPORT NO. 152)</b>
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Council Member Whalen presented Staff Report 152.

M/Whalen, S/Hayford Oleary to approve the First Reading of an Ordinance Amending Section 1305 of the Richfield City Code, authorizing the City Engineer to set speed limits on municipal roadways and set the second reading for December 12, 2023.

Council Member Hayford Oleary requested the City Manager address the comment at the beginning of the Open Forum as to why this defers to the City Engineer. City Manager Rodriques explained the State had changed the Statute that now allowed the City Engineer to set the speed limits on local roads.

Council Member Hayford Oleary asked if other cities had similar language around speed limits. City Manager Rodriques responded they did.

Council Member Hayford Oleary noted this was not the only tool available to the city and there was another option such as using the urban speed limit designation. He shared his perspective on 76<sup>th</sup> Street and 77<sup>th</sup> Street indicating it was a serious equity issue to allow only the west end where there were single-family homes, wealthier neighborhoods, and wider neighborhoods to continue to maintain the 30-mph speed limit but have the lower income part of the City with similar speed characteristics go to 35 mph. He believed this was a fairness issue and it did not represent the City's equity values. He noted ten percent of the city lived along 77<sup>th</sup> Street and a lot of people would be affected by this decision.

Council Member Hayford Oleary emphasized this was generally an equity issue for them to consider 30 mph on that road would be very consistent with the rest of the corridor and what other cities have done. He indicated no city that he could find had a 35-mph zone in front of apartments like this and he did not want Richfield to be the lead in this. He wanted the speed limit to be 30 mph.

Council Member Hayford Oleary supported the action and asked residents to let him know their thoughts on this.

Council Member Whalen noted at the work session he did not have a strong opinion on this, but he understood Council Member Hayford Oleary's points and thanked him for bringing this up. He noted they had discussed working with the County to lower the speed limit on County roads also, and he agreed if the County should reduce their streets to 30 mph and if people wanted to drive faster, they should go on a nearby freeway. He noted the difference between five miles per hour faster was not going to significantly change how people would get places, but it would significantly impact safety. He thanked everyone who had worked on this.

Council Member Christensen echoed the other Council Members' opinions and research. She noted there needed to be consistency on the roads they drive on every day.

Mayor Supple believed this was a good decision because it would make the speed limit consistent throughout the city. She noted slowing down to 25 mph on many of the streets was very helpful and they would need to go through the process with the County with respect to the County roads. She indicated she supported the proposal. She indicated if this was approved, the city was going to have to do a lot of public relations to make sure people knew what the speed limit was going to be. She stated she wanted to make sure they were not setting this up to have a safety hazard with speed differentials. She requested staff investigate what that impact would be. She expressed concern about crashes with one person speeding and one person going slow and the conflict points that sets up.

Mayor Supple indicated they also had to educate people about slowing down and she did not want to have enforcement problems. She wanted to ensure enforcement was equitable and fair across the city and that they had not set up an area that was going to essentially be a speed trap.

Mayor Supple stated she wanted them to really investigate the unintended consequences of this and if they would be creating an enforcement nightmare.

Council Member Whalen requested for the final reading staff have a map on the screen for people who were watching the recording could see it.

Council Member Hayford Oleary asked with respect to speed differentials concerns, they have a unique case in the city that has three different speed limits in the same corridor. He asked what crashes were associated with those speed differentials and asked staff for comparisons of the existing 30 mph one to the existing higher speed zones.

Motion carried: 4-0

<b>ITEM #11</b>	<b>CONSIDER THE APPOINTMENT OF A YOUTH MEMBER TO THE HUMAN RIGHTS COMMISSION. (STAFF REPORT NO. 153)</b>
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Council Member Christensen presented Staff Report 153.

M/Christensen, S/Whalen to approve the appointment of Beatrice Hernandez Guerrero to the Human Rights Commission as a Youth Commissioner.

Motion carried: 4-0

<b>ITEM #12</b>	<b>CITY MANAGER'S REPORT</b>
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City Manager Rodriguez stated she had no report.

Council Member Hayford Oleary requested the City Manager report back at the next meeting regarding the comment made at Open Forum regarding short-term rentals. City Manager Rodriguez noted short-term rentals did need a license and staff is currently doing research around this item. She requested the residents if they believe there were short-term rentals in their neighborhood to inform the city of that as staff was keeping an inventory.

Mayor Supple noted for Bed and Breakfasts were different situation than short-term rentals and staff should do more education around this matter.

<b>ITEM #13</b>	
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	<b>CLAIMS AND PAYROLL</b>
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M/Whalen, S/Hayford Oleary that the following claims and payrolls be approved:

<b><u>U.S. BANK</u></b>	<b><u>11/10/2023</u></b>
A/P Checks: 324776 - 325193	\$3,049,534.61
Payroll: 182995 – 183299; 43667 - 43676	<u>\$1,571,153.85</u>
<b>TOTAL</b>	<b>\$4,620,688.46</b>

Motion carried: 4-0

<b>ITEM #14</b>	<b>HATS OFF TO HOMETOWN HITS</b>
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City Clerk Leslie gave hats off to everyone who assisted in making the School Board election a success. Mayor Supple thanked City Clerk Leslie for leading the effort and his work on this.

Council Member Hayford Oleary gave hats off to the voters who showed up for the recent election.

Council Member Christensen noted that Small Business Saturday was coming up after Thanksgiving. She recommended breakfast at Flynn's on 66<sup>th</sup>. She mentioned the annual Richfield Fall Boutique was this Saturday at the Community Center on 78<sup>th</sup> and Nicollet.

Council Member Whalen wished everyone a Happy Thanksgiving.

Mayor Supple echoed the thanks given to the voters for turning out to vote. She thanked everyone who worked and participated in the annual Friends of Woodlake dinner and fundraiser. She gave a shout out to the volunteers who have been helping remove buckthorn and create soft landings at Veterans Park. She thanked STEM for honoring family members who were veterans and recommended residents watch STEM's YouTube channel. She thanked everyone who applied and participated in the Commission interviews. She noted the City was still accepting applications for the HRA and EDA.

<b>ITEM #15</b>	<b>ADJOURNMENT</b>
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M/Hayford Oleary, S/Christensen to adjourn the meeting at 8:15 p.m.

Motion carried: 4-0

Date Approved: November 28, 2023

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Mary Supple  
Mayor

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Dustin Leslie  
City Clerk

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Katie Rodriguez  
City Manager





**STAFF REPORT NO. 154**  
**CITY COUNCIL MEETING**  
**11/28/2023**

REPORT PREPARED BY:  
DEPARTMENT DIRECTOR REVIEW:

Jennifer Anderson, Support Services Manager  
Jay Henthorne, Director of Public Safety/Chief of Police  
10/11/2023

OTHER DEPARTMENT REVIEW:  
CITYMANAGER REVIEW:

N/A  
Katie Rodriguez, City Manager  
10/18/2023

**ITEM FOR COUNCIL CONSIDERATION:**

**Consider approval for a Temporary On-Sale Intoxicating Liquor license for the Blessed Trinity Catholic School, located at St. Richard's Catholic Church, 7540 Penn Avenue South, for their 2023 Annual Gala taking place December 2, 2023.**

**EXECUTIVE SUMMARY:**

On September 28, 2023, the City received application materials for a Temporary On-Sale Intoxicating Liquor license for the Blessed Trinity Catholic School, located at St. Richard's Catholic Church, 7540 Penn Avenue South, for their 2023 Annual Gala taking place December 2, 2023. They will serve intoxicating liquor, wine and 3.2 percent malt liquor from 6:00 p.m. to 10:00 p.m. on Saturday, December 2, 2023, only.

They will provide a dinner. The Blessed Trinity Catholic School has contacted food sanitarians from the City of Bloomington to ensure proper food handling practices are followed.

The Director of Public Safety has reviewed all required information and documents and has found no basis for denial.

The City Council has previously granted this license in conjunction with this event.

**RECOMMENDED ACTION:**

**By motion: Approve issuance of a Temporary On-Sale Intoxicating Liquor license for the Blessed Trinity Catholic School, located at St. Richard's Catholic Church, 7540 Penn Avenue South for their 2023 Annual Gala taking place December 2, 2023.**

**BASIS OF RECOMMENDATION:**

**A. HISTORICAL CONTEXT**

The applicant has satisfied the following requirements for the issuance of this license:

- The required licensing fee has been paid.
- Proof of liquor liability insurance has been provided showing the Catholic Mutual Relief Society of America affording the coverage.

**B. EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS**

This is standard business.

**C. POLICIES (resolutions, ordinances, regulations, statutes, exc):**

Richfield City Code Section 1202.05 requires all applicants to comply with all of the provisions of this code, as

well as the provisions of Minnesota Statute Chapter 340A.

**D. CRITICAL TIMING ISSUES:**

The event takes place on December 2, 2023; therefore, consideration of the license is required at the City Council's November 28, 2023 meeting.

**E. FINANCIAL IMPACT:**

The required licensing fees have been received.

**F. LEGAL CONSIDERATION:**

There are no legal considerations.

**ALTERNATIVE RECOMMENDATION(S):**

The Council could deny the approval of the Temporary On-Sale Intoxicating Liquor license for the Blessed Trinity Catholic School. This would mean the applicant would not be able to serve intoxicating liquor, wine or 3.2 percent malt liquor; however, Public Safety has not found any basis for denial.

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

Blessed Trinity Catholic staff has been notified of the date of this meeting.

**ATTACHMENTS:**

Description	Type
□ Temp liquor - Dec 2 Blessed Trinity	Cover Memo



## CITY OF RICHFIELD

### Application for Temporary Liquor License

LOGIS # 5779

**PAID** SEP 28 2023  
check # 72146

For Temporary On-Sale Intoxicating Liquor and 3.2 Percent Malt Liquor licenses, you must also complete the enclosed Minnesota Department of Public Safety Alcohol and Gambling Enforcement Division application. The forms should be submitted to the City **at least 60 days before the event** for which the temporary license is issued to ensure review by the City and the State of Minnesota.

#### TYPE OF TEMPORARY LICENSE

(You must select temporary intoxicating liquor and wine if interested in serving strong beer)

- ☒ Temporary On-Sale Intoxicating Liquor & Wine **\$145.00**  
☐ Temporary On-Sale 3.2 Percent Malt Liquor only **\$72.00**

Name of Applicant: Patrick O'Keefe Title: Principal  
Organization Name: Blessed Trinity Catholic School  
Address: 7540 Penn Ave S City: Richfield Zip: 55423  
Date organized: 1994 Tax Exempt number: ES 34892  
Contact Person: Patrick O'Keefe Phone: 612-767-1786 Email: o'keefep@btcsmn.org

Event name and location where license will be used: Gala  
St. Richards Catholic Church  
7540 Ave S Richfield  
Date(s) and exact times when alcohol will be served: December 2nd 6-10 pm

Briefly describe the nature of your event, including any food that will be served and entertainment for the event- \* Also include a drawing showing where alcohol is being served and describe how alcohol will be monitored: Annual fund raising gala with a dinner

**\*If serving food, a temporary food license with the city is required.**

### Temporary On-Sale 3.2 Percent Malt Liquor License Applicants

- 1) Are you a club, charitable, religious, or nonprofit organization? Yes ☒ No ☐
- 2) If prior temporary on-sale 3.2 percent malt liquor licenses have been granted to Applicant in the past twelve months, state the date each license was granted: 2-2023
- \_\_\_\_\_
- \_\_\_\_\_

### Temporary On-Sale Intoxicating Liquor License Applicants

- 1) Are you a club, charitable, religious, or nonprofit organization that has existed for at least three years? Yes ☒ No ☐
- 2) Are you a political committee registered under Minn. Stat. § 10A.14? Yes ☐ No ☒
- 3) Are you a State university seeking temporary license in connection with a social event? Yes ☐ No ☒
- 4) If prior temporary on-sale intoxicating liquor licenses have been granted to Applicant in the past twelve months, state 1) the dates each license was granted; 2) the number of days (one, two, three, four) the license was in effect; and 3) the location for which the license was issued:
- 2/ 2023
- \_\_\_\_\_
- \_\_\_\_\_
- 5) If a prior temporary on-sale intoxicating liquor license has been granted to Applicant in the past 30 days, was the license issued in connection with an event officially designated by a community celebration by the City? Yes ☐ No ☒ N/A
- If "Yes," state the name and date of the event, the date(s) the license was in effect, and the location for which the license was issued: \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

6) Is Applicant contracting for intoxicating liquor catering services with the holder of a full-year on-sale intoxicating liquor license issued by the City or any other municipality? Yes \_\_\_\_\_ No ☒

If "Yes," state the name and contact number of the on-sale intoxicating liquor licensee with which Applicant is contracting:

Name: \_\_\_\_\_ Phone: \_\_\_\_\_

7) You must provide proof of liquor liability insurance. Has the required proof of liquor liability insurance been provided? Yes ☒ No \_\_\_\_\_

### **APPLICANT'S STATEMENT**

I declare that the information I have provided on this application is truthful and I understand the disclosure of information on this form is voluntary and that I am not legally required to provide it. However, I understand the City may not be able to process this application without the information. After issuance of the license, all information in this application will be public pursuant to Minnesota Statutes, Chapter 13. I understand that falsification of answers on this application will result in denial of the application.

I hereby authorize the City of Richfield to have access to all sources of information which may be consulted to verify the information I have provided above. This includes authorization to check criminal history records if any have been asked to provide that information.

  
Applicant Signature

9/28/23  
Date

Patrick O'Keefe  
Printed Name of Applicant

Form  
Sp:C1

## City of Richfield

### License Applicant Information

Under Minnesota Law (M.S. 270C.72), the agency issuing you this license is required to provide to the Minnesota Commissioner of Revenue your Minnesota business tax identification number and the Social Security number of each license applicant.

Under the Minnesota Government Data Practices Act and the Federal Privacy Act of 1974, we must advise you that:

- This information may be used to deny the issuance, renewal, or transfer of your license if you owe the Minnesota Department of Revenue delinquent taxes, penalties, or interest;
- The licensing agency will supply it only to the Minnesota Department of Revenue. However, under the Federal Exchange of Information Act, the Department of Revenue is allowed to supply this information to the Internal Revenue Service;
- Failing to supply this information may jeopardize or delay the issuance of your license or processing your renewal application.

Please fill in the following information and return this form along with your application to the agency issuing the license. Do not return this form to the Department of Revenue.

*Please print or type*

Name of license being applied for or renewed: Temporary Liquor License

Licensing Authority (Name of city, county, or state agency issuing license): City of Richfield

Licensing (or renewal) date: \_\_\_\_\_

### Personal Information:

N/A

Applicant's last name	First name and initial	SSN or ITIN (if applicable)
-----------------------	------------------------	-----------------------------

Applicant's address	City	State	Zip Code
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### Business Information (if applicable):

Blessed Trinity Catholic School  
Business name

7540 Penn Ave S	Richfield	MN	55423
Business address	City	State	Zip Code

ES 34892	41-1787370
Minnesota tax identification number	Federal tax identification number

*If a Minnesota tax identification number is not required, please explain on the reverse side of this form.*

Signature <u>[Signature]</u>	Title <u>Principal</u>	Date <u>9/20/23</u>
------------------------------	------------------------	---------------------

**APPLICATION FOR LICENSE INVOLVING  
PRIVATE OR CONFIDENTIAL INFORMATION  
(Tennessen Warning)**

IN CONNECTION WITH YOUR REQUEST FOR A LICENSE, THE CITY HAS ASKED THAT YOU PROVIDE IT WITH INFORMATION ABOUT YOURSELF WHICH IS CLASSIFIED AS EITHER PRIVATE OR CONFIDENTIAL BY THE MINNESOTA GOVERNMENT DATA PRACTICES ACT (M.S.A 13.04). ACCORDINGLY, THE CITY IS REQUIRED TO INFORM YOU OF THE FOLLOWING:

1. The Purpose and intended use of the information requested is: To determine if you are eligible for a license from the City of Richfield.
2. You are not legally obligated to supply the requested information.
3. The known consequences of supplying the requested information is: The information or further investigation could disclose information, which could cause your application to be denied.
4. The known consequences of refusing to supply the requested information is: Your request for a license cannot be processed.
5. The following persons and entities are authorized by law to receive the information if provided: Staff of Richfield Public Safety Department, Bureau of Criminal Apprehension, Hennepin County Warrant Office, Ramsey County Warrant Office, State of Minnesota – Driver License Section, Hennepin County Auditor, and other governmental agencies necessary to process your application.

The undersigned, by signing this notice, acknowledges that he/she has read and understood the contents of this notice.

SIGNATURE: \_\_\_\_\_



DATE: \_\_\_\_\_

9/28/23

## PROOF OF WORKERS' COMPENSATION INSURANCE COVERAGE

Minnesota Statute Section 176.182 requires every state and local licensing agency to withhold the issuance or renewal of a license or permit to operate a business in Minnesota until the applicant presents acceptable evidence of compliance with the workers' compensation insurance coverage requirement of Section 176.181, Subd. 2. The information required is: The name of the insurance company, the policy number, and dates of coverage or the permit to self-insure. This information will be collected by the licensing agency and put in their company file. It will be furnished, upon request to the Department of Labor and Industry to check for compliance with Minnesota Statute Sec. 176.181, Subd. 2.

This information is required by law, and licenses and permits to operate a business may not be issued or renewed if it is not provided and/or is falsely reported. Furthermore, if this information is not provided and/or falsely reported, it may result in a \$1,000 penalty assessed against the applicant by the Commissioner of the Department of labor and Industry payable to the Special Compensation Fund.

Provide the information specified above in the spaces provided, or certify the precise reason your business is excluded from compliance with the insurance coverage requirement for workers' compensation.

Insurance Company Name: Catholic Mutual Relief Society of America  
(NOT the insurance agency)

Policy Number or Self-Insurance Permit Number: 8589

Dates of Coverage: 7/1/23 - 6/30/24

(or)

I am not required to have workers' compensation liability coverage because:

( ) I have no employees covered by law.

( ) Other (Specify): \_\_\_\_\_

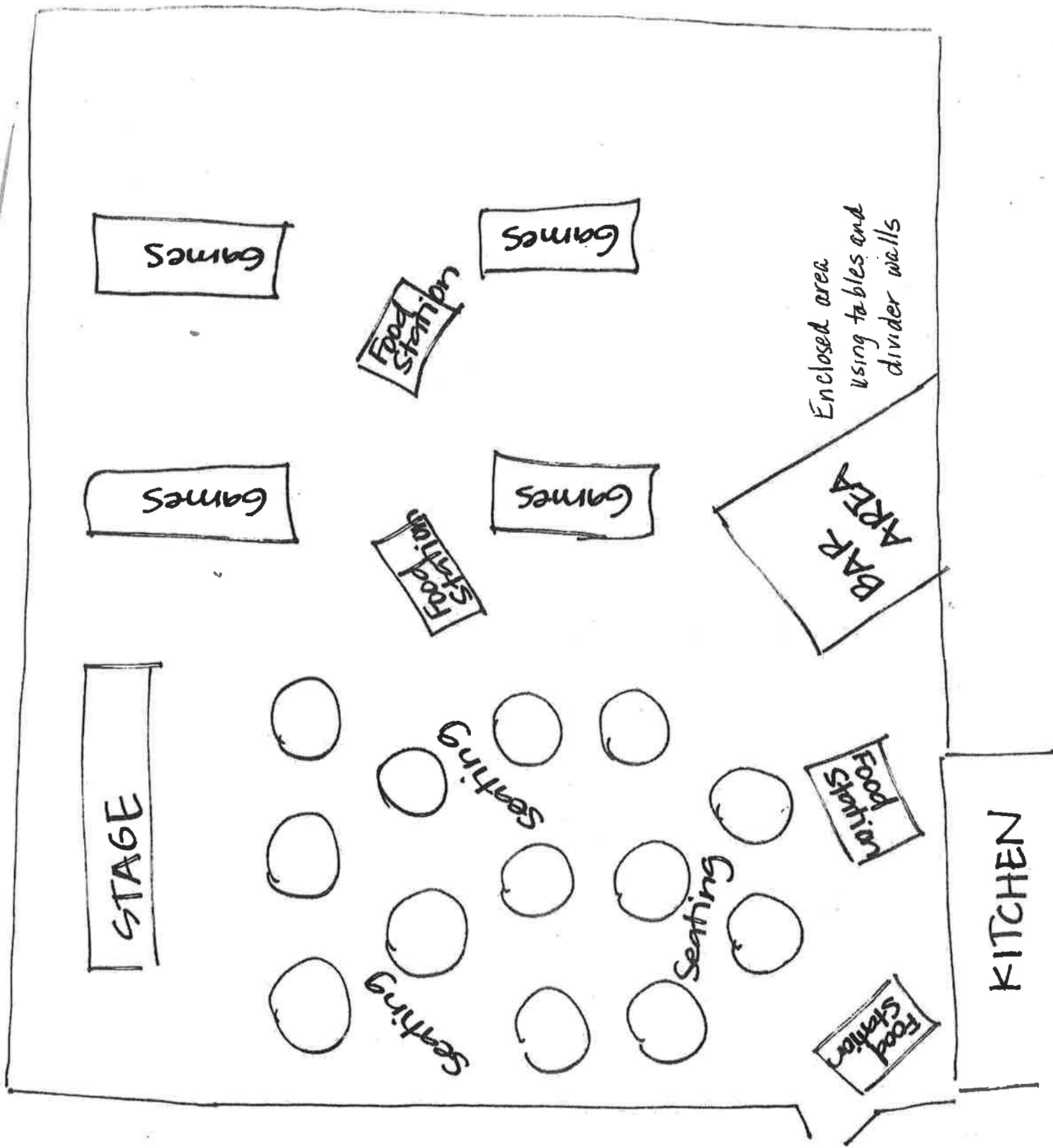
\_\_\_\_\_  
\_\_\_\_\_

I HAVE READ AND UNDERSTAND MY RIGHTS AND OBLIGATIONS WITH REGARDS TO BUSINESS LICENSES, PERMITS AND WORKERS' COMPENSATION COVERAGE, AND I CERTIFY THAT THE INFORMATION PROVIDED IS TRUE AND CORRECT.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date





# Certificate of Coverage

Date: 9/26/2023

**Certificate Holder**  
Archdiocese of Saint Paul and Minneapolis  
Chancery Office  
777 Forest Street  
St. Paul, MN 55106

This Certificate is issued as a matter of information only and confers no rights upon the holder of this certificate. This certificate does not amend, extend or alter the coverage afforded below.

**Company Affording Coverage**

THE CATHOLIC MUTUAL RELIEF  
SOCIETY OF AMERICA  
10843 OLD MILL RD  
OMAHA, NE 68154

**Covered Location**  
Blessed Trinity Catholic School  
7540 Penn Avenue South  
Richfield, MN 55423

**Coverages**

This is to certify that the coverages listed below have been issued to the certificate holder named above for the certificate indicated, notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the coverage afforded described herein is subject to all the terms, exclusions and conditions of such coverage. Limits shown may have been reduced by paid claims.

	Type of Coverage	Certificate Number	Coverage Effective Date	Coverage Expiration Date	Limits	
	Property				Real & Personal Property	
	D. General Liability	8589	7/1/2023	7/1/2024	Each Occurrence	500,000
	<input checked="" type="checkbox"/> Occurrence				General Aggregate	
	<input type="checkbox"/> Claims Made				Products-Comp/OP Agg	
					Personal & Adv Injury	
					Fire Damage (Any one fire)	
					Med Exp (Any one person)	
	Excess Liability	8589	7/1/2023	7/1/2024	Each Occurrence	500,000
					Annual Aggregate	
	Other				Each Occurrence	
					Claims Made	
					Annual Aggregate	
					Limit/Coverage	

Description of Operations/Locations/Vehicles/Special Items (the following language supersedes any other language in this endorsement or the Certificate in conflict with this language)  
Coverage is verified with regard to Covered Location's Grand Gala Event to be held at the St. Richard Catholic Church facilities, 7540 Penn Ave S, Richfield MN, December 2, 2023.

Includes Liquor Liability and Fidelity of Charitable Gambling

**Holder of Certificate**

City of Richfield  
6700 Portland Avenue  
Richfield, MN 55423

**Cancellation**

Should any of the above described coverages be cancelled before the expiration date thereof, the issuing company will endeavor to mail 30 days written notice to the holder of certificate named to the left, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.

Authorized Representative

*Michael A. Antunovich*

0111014164



**STAFF REPORT NO. 155**  
**CITY COUNCIL MEETING**  
**11/28/2023**

REPORT PREPARED BY:  
DEPARTMENT DIRECTOR REVIEW:

Jennifer Anderson, Support Services Manager  
Jay Henthorne, Director of Public Safety/Chief of Police  
11/14/2023

OTHER DEPARTMENT REVIEW:  
CITY MANAGER REVIEW:

Katie Rodriguez, City Manager  
11/19/2023

**ITEM FOR COUNCIL CONSIDERATION:**

Consider the approval of setting a public hearing to be held on December 12, 2023, to consider the renewal of the Pawnbroker and Secondhand Goods Dealer license for 2024 for Metro Pawn and Gun, Inc.

**EXECUTIVE SUMMARY:**

Richfield City ordinance requires that the City Council conduct a public hearing to consider the Pawnbroker and Secondhand Goods Dealer license renewals and a date be set for the public hearing. This request is for the approval of setting the public hearing for December 12, 2023, to consider this license renewal.

**RECOMMENDED ACTION:**

By motion: Approve the setting of a public hearing to be held on December 12, 2023, for the consideration of the renewal of the Pawnbroker and Secondhand Goods Dealer license for 2024 for Metro Pawn and Gun, Inc.

**BASIS OF RECOMMENDATION:**

**A. HISTORICAL CONTEXT**

- The Pawnbroker and Secondhand Goods Dealer licenses will expire on December 31, 2023.
- Hearings must be scheduled and held before a renewal license may be considered.
- The renewal process has been initiated.
- Holding the public hearing on December 12, 2023, will provide ample time to complete the licensing process before January 1, 2024.

**B. EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS**

This is a required process and normal city operations that need to be conducted.

**C. POLICIES (resolutions, ordinances, regulations, statutes, exc):**

Richfield City ordinance provides that the City Council conduct a public hearing to consider the Pawnbroker and Secondhand Goods Dealer license renewals.

**D. CRITICAL TIMING ISSUES:**

Current Pawnbroker and Secondhand Goods Dealer licenses will expire on December 31, 2023.

**E. FINANCIAL IMPACT:**

None

F. **LEGAL CONSIDERATION:**

None

**ALTERNATIVE RECOMMENDATION(S):**

Schedule the hearing for another date; however, this will delay the licensing process.

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

There are no parties expected at the meeting.



**STAFF REPORT NO. 156**  
**CITY COUNCIL MEETING**  
**11/28/2023**

REPORT PREPARED BY:  
 DEPARTMENT DIRECTOR REVIEW:

Sam Crosby, Planner  
 Melissa Poehlman, Community Development Director  
 11/17/2023

OTHER DEPARTMENT REVIEW:  
 CITYMANAGER REVIEW:

Katie Rodriguez, City Manager  
 11/20/2023

**ITEM FOR COUNCIL CONSIDERATION:**

**Consider approval of the first reading of an ordinance amendment to allow micro units as an accessory use to religious institutions, and schedule a second reading for December 12, 2023.**

**EXECUTIVE SUMMARY:**

During their 2023 session, the Legislature passed a bill authorizing religious institutions to construct micro unit dwellings on their property. Development of these micro unit dwellings are being referred to as "Sacred Communities" and they are intended to provide an additional means for faith communities to serve chronically homeless and extremely low-income individuals, living in a community with volunteers.

In summary, the new law sets the following minimum standards for these developments:

- Micro units are defined as no more than 400 gross square feet in size with exterior materials compatible with standard residential construction.
- The units are required to have a toilet, electricity, and smoke and carbon monoxide detectors.
- Between one-third and 40% of the units must be occupied by designated volunteers.
- They must provide the City with a plan that outlines:
  - o water and sewer management,
  - o parking, lighting, and access by emergency vehicles and;
  - o security and severe weather protocols.

The law permits cities to designate these settlements as either conditional uses or permitted uses, but defaults to conditional if not otherwise stated. If allowed to default to a conditional use, the City would have no ability to impose any conditions, creating pointless and futile public hearings. Therefore, staff is proposing an ordinance that would allow Sacred Communities as an accessory use to religious institutions. This would avoid a frustrating and pointless public hearing process. Also, by designating the settlements as an accessory use to the religious institution, the settlement would not continue if the religious institution ceased.

The Zoning Code allows religious institutions as a conditional use in the R-Low Density Residential, the MR-2-Multi-Family Residential, and the MR-3- High Density Multi-Family Residential districts. Religious Institutions are also listed as a permitted use in the C-2-General Commercial zoning district. The proposed ordinance creates a definition for the term Sacred Community (as defined by the new law) and adds language to each of these districts, to specify that sacred communities are allowed as accessory uses to approved religious institutions.

The Planning Commission just held the public hearing for the proposed ordinance on Monday, November 27th. A summary of the Planning Commission's public hearing will be included in the

December 12th staff report. The first reading of an ordinance amendment does not obligate the Council to approve the ordinance upon second reading. A second reading will be considered by the Council on December 12th.

**RECOMMENDED ACTION:**

**By motion: Approve a first reading of an ordinance amendment to allow micro units as an accessory use to religious institutions, and set December 12, 2023 as the date for the second reading.**

**BASIS OF RECOMMENDATION:**

**A. HISTORICAL CONTEXT**

The law, Chapter 53, Article 11, Section 57, is attached for reference. The effective date is January 1, 2024.

**B. EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS**

Equity and Strategic considerations:

- By allowing sacred communities as an accessory uses to approved religious institutions we can help ensure everyone in our community, regardless of their current economic situation, has a place to live.

**C. POLICIES (resolutions, ordinances, regulations, statutes, exc):**

- The new law states:  
“Unless the municipality has designated Sacred Communities meeting the requirements of this section as permitted uses, a sacred community meeting the requirements of this section shall be approved and regulated as a conditional use without the application of additional standards not included in this section. When approved, additional permitting is not required for individual micro units.”
- Under guidance from the City Attorney, the last sentence means that the City cannot require ANY additional permitting, including land use and/or building permits, regardless of whether the City passes this proposed ordinance amendment or not. The statute outlines the minimum construction requirements for the micro units and the City cannot go beyond that. If a micro unit connects to utilities such as water, sewer, gas or electric, then those City permits and inspections apply. The law does require that all units be inspected and certified for compliance with the provisions of the law by a licensed MN professional engineer or qualified third-party inspector. And each settlement must also annually certify to the City that it continues to comply with the eligibility requirements of the law.
- If a City has setback regulations for mobile homes, those are the only regulations a city can impose. Otherwise, the default setback chosen by the legislature is 10 feet. The City of Richfield does not regulate mobile homes, so the 10 foot setback would apply.
- The City’s Zoning Code does not define the term religious institution. The new law defines it as “a church, synagogue, mosque, or other religious organization organized under State Statute Chapter 315.” It is preferable that there is no city definition that could potentially conflict with State Statute. The City would apply the statutory definition if questions arose.

**D. CRITICAL TIMING ISSUES:**

- The law sets the effective date as January 1, 2024.
- Since it is a City-initiated amendment, the 60-day clock does not apply.
- The first reading is scheduled for the day after the Planning Commission meeting and the second reading is anticipated for Tuesday, December 12, 2023, so that the effective date of the ordinance amendment can be as close to the effective date of the new law as possible.

**E. FINANCIAL IMPACT:**

None.

**F. LEGAL CONSIDERATION:**

- Notice of the public hearing was published in the Sun Current newspaper on November 16, 2023.
- The Planning Commission held a public hearing on Monday, November 27th.
- The result of the Planning Commission's public hearing will be included in the December 12th staff report for the second reading.

**ALTERNATIVE RECOMMENDATION(S):**

None; it is a first reading.

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

None

**ATTACHMENTS:**

Description	Type
□ Draft Sacred Communities Ordinance	Ordinance
□ Chapter 53, Article 11, Section 57	Backup Material

BILL NO. \_\_\_\_\_

**AN ORDINANCE AMENDMENT MODIFYING VARIOUS SECTIONS OF THE ZONING CODE  
IN RELATION TO “SACRED COMMUNITIES”**

**THE CITY OF RICHFIELD DOES ORDAIN:**

Section 1 Subsection 507.07, Subd. 111, of the Richfield Zoning Code is amended to add a definition, all subsequent items to remain unchanged, to read as follows:

Subd. 111. “Sacred Communities” are micro unit dwellings on religious institutional property, as defined by State Statutes Chapter 53, Article 11, Section 57.

Section 2 Subsection 514.05, of the Richfield Zoning Code is amended to add a Subdivision 12, for the purpose of listing sacred communities as an accessory use in the R zoning district, to read as follows:

Subd. 12. Sacred Communities as an accessory use to an approved Religious Institution (conditional use permit amendment not required).

Section 3 Subsection 525.05, of the Richfield Zoning Code is amended to add Subd. 9, for the purpose of listing sacred communities as an accessory use in the MR-2 zoning district, to read as follows:

Subd. 12. Sacred Communities as an accessory use to an approved Religious Institution (conditional use permit amendment not required).

Section 4 Subsection 527.05, of the Richfield Zoning Code is amended to add Subd. 10, for the purpose of listing sacred communities as an accessory use in the MR-3 zoning district, to read as follows:

Subd. 10. Sacred Communities as an accessory use to an approved Religious Institution (conditional use permit amendment not required).

Section 5 Subsection 534.03, Subd. 8, of the Richfield Zoning Code is amended to add language, for the purpose of identifying sacred settlements as an accessory use in the C-2 zoning district, to read as follows:

Subd. 8. Religious institutions and related convents or parsonages, including sacred communities as an accessory use.

Section 6 This Ordinance is effective in accordance with Section 3.09 of the Richfield City Charter.

Passed by the City Council of the City of Richfield, Minnesota this 12<sup>th</sup> day of December, 2023.

\_\_\_\_\_  
Mary B. Supple, Mayor

ATTEST:

\_\_\_\_\_  
Dustin Leslie, City Clerk



Chapter 53, Article 11, Section 57.

**[327.30] SACRED COMMUNITIES AND MICRO-UNIT DWELLINGS.**

**Subdivision 1.**

**Definitions.**

(a) For the purposes of this section, the following terms have the meanings given.

(b) "Chronically homeless" means an individual who:

(1) is homeless and lives or resides in a place not meant for human habitation, a safe haven, or in an emergency shelter;

(2) has been homeless and living or residing in a place not meant for human habitation, a safe haven, or in an emergency shelter continuously for at least one year or on at least four separate occasions in the last three years; and

(3) has an adult head of household, or a minor head-of-household if no adult is present in the household, with a diagnosable substance use disorder, serious mental illness, developmental disability, post-traumatic stress disorder, cognitive impairments resulting from a brain injury, or chronic physical illness or disability, including the co-occurrence of two or more of those conditions.

(c) "Designated volunteers" means persons who have not experienced homelessness and have been approved by the religious institution to live in a sacred community as their sole form of housing.

(d) "Extremely low income" means an income that is equal to or less than 30 percent of the area median income, adjusted for family size, as estimated by the Department of Housing and Urban Development.

(e) "Micro unit" means a mobile residential dwelling providing permanent housing within a sacred community that meets the requirements of subdivision 4.

(f) "Religious institution" means a church, synagogue, mosque, or other religious organization organized under chapter 315.

(g) "Sacred community" means a residential settlement established on or contiguous to the grounds of a religious institution's primary worship location primarily for the purpose of providing permanent housing for chronically homeless persons, extremely low-income persons, and designated volunteers that meets the requirements of subdivision 3.

**Subd. 2. Dwelling in micro units in sacred communities authorized.**

Religious institutions are authorized to provide permanent housing to people who are chronically homeless, extremely low-income, or designated volunteers, in sacred communities composed of micro units subject to the provisions of this section. Each religious institution that has sited a sacred community must annually certify to the local unit of government that it has complied with the eligibility requirements for residents of a sacred community in this section.

**Subd. 3. Sacred community requirements.**

(a) A sacred community must provide residents of micro units access to water and electric utilities either by connecting the micro units to the utilities that are serving the principal building on the lot or by other comparable means, or by providing the residents access to permanent common kitchen facilities and common facilities for toilet, bathing, and laundry with

the number and type of fixtures required for an R-2 boarding house under Minnesota Rules, part 1305.2902. Any units that are plumbed shall not be included in determining the minimum number of fixtures required for the common facilities.

(b) A sacred community under this section must:

(1) be appropriately insured;

(2) have between one-third and 40 percent of the micro units occupied by designated volunteers; and

(3) provide the municipality with a written plan approved by the religious institution's governing board that outlines:

(i) disposal of water and sewage from micro units if not plumbed;

(ii) septic tank drainage if plumbed units are not hooked up to the primary worship location's system;

(iii) adequate parking, lighting, and access to units by emergency vehicles;

(iv) protocols for security and addressing conduct within the settlement; and

(v) safety protocols for severe weather.

(c) Unless the municipality has designated sacred communities meeting the requirements of this section as permitted uses, a sacred community meeting the requirements of this section shall be approved and regulated as a conditional use without the application of additional standards not included in this section. When approved, additional permitting is not required for individual micro units.

(d) Sacred communities are subject to the laws governing landlords and tenants under chapter 504B.

#### **Subd. 4. Micro unit requirements.**

(a) In order to be eligible to be placed within a sacred community, a micro unit must be built to the requirements of the American National Standards Institute (ANSI) Code 119.5, which includes standards for heating, electrical systems, and fire and life safety. A micro unit must also meet the following technical requirements:

(1) be no more than 400 gross square feet;

(2) be built on a permanent chassis and anchored to pin foundations with engineered fasteners;

(3) have exterior materials that are compatible in composition, appearance, and durability to the exterior materials used in standard residential construction;

(4) have a minimum insulation rating of R-20 in walls, R-30 in floors, and R-38 in ceilings, as well as residential grade insulated doors and windows;

(5) have a dry, compostable, or plumbed toilet or other system meeting the requirements of the Minnesota Pollution Control Agency, Chapters 7035, 7040, 7049, and 7080, or other applicable rules;

(7) have minimum wall framing with two inch by four inch wood or metal studs with framing of 16 inches to 24 inches on center, or the equivalent in structural insulated panels, with a floor load of 40 pounds per square foot and a roof live load of 42 pounds per square foot; and

(8) have smoke and carbon monoxide detectors installed.

(b) All micro units, including their anchoring, must be inspected and certified for compliance with these requirements by a licensed Minnesota professional engineer or qualified third-party inspector for ANSI compliance accredited pursuant to either the American Society for Testing and Materials Appendix E541 or ISO/IEC 17020.

(c) Micro units that connect to utilities such as water, sewer, gas, or electric, must obtain any permits or inspections required by the municipality or utility company for that connection.

(d) Micro units must comply with municipal setback requirements established by ordinance for manufactured homes. If a municipality does not have such an ordinance, micro units must be set back on all sides by at least ten feet.

**EFFECTIVE DATE.**

This section is effective January 1, 2024.



**STAFF REPORT NO. 157**  
**CITY COUNCIL MEETING**  
**11/28/2023**

REPORT PREPARED BY:  
DEPARTMENT DIRECTOR REVIEW:

Julie Urban, Asst. Community Development Director  
Melissa Poehlman, Community Development Director  
11/17/2023

OTHER DEPARTMENT REVIEW:  
CITYMANAGER REVIEW:

Katie Rodriguez, City Manager  
11/20/2023

**ITEM FOR COUNCIL CONSIDERATION:**

**Consider a modification to the Tax Increment Financing Plan, Tax Increment Financing District 2018-1, RF64, withdrawing parcels from the District.**

**EXECUTIVE SUMMARY:**

In 2018, the Housing and Redevelopment Authority (HRA) approved a Contract for Private Redevelopment (Contract) with NHH Properties, now doing business as Cedar Point Investments, LLC (Developer), to construct up to 80 townhome units in the Cedar Point II Housing area (63rd to 65th Streets, 16th Avenue to Richfield Parkway). The number of units was later reduced to 64. To facilitate the redevelopment and encourage housing affordability, the HRA and Council approved the creation of a housing Tax Increment Financing (TIF) District and the issuance of two TIF Notes in the amount of \$900,000 each. Each Note was to be issued when construction had begun on each set of 32 units, and payment is contingent upon 95% of the units being sold to households earning up to 100% (family of 1-2) or 115% (family of 3 or more) of the Area Median Income (AMI).

The first Note was issued in 2021, but as construction and sales neared completion of the first 32 units, cost increases impacted the affordability of the project compelling the Developer to ask the HRA to allow the second 32 units to be sold to non-income-qualified buyers. The HRA approved an amendment to the Contract on October 18, 2021, that allows the Developer to sell units as market-rate with the understanding that the second TIF Note would not be issued and any non-qualified parcels removed from the District.

The amendment includes a provision whereby the Developer could resume selling to income-qualified buyers in blocks of eight units, in the event that market conditions improved. Conditions, however, have not improved and have in fact worsened with rising interest rates. Construction is now completed on all 64 units and while 13 units remain to be sold, there is no block of eight units which would meet the amendment requirement, so all 32 units need to be removed from the TIF District for the District to remain in compliance.

As explained in the attached memorandum from Ehler's, the HRA's financial consultant, the proposed modification to the TIF Plan removes 39 parcels from the TIF District, which encompasses the 32 market-rate townhomes and adjacent common areas. The removal will bring the District into compliance with Minnesota Statute.

**RECOMMENDED ACTION:**

**By motion: Adopt a resolution approving a modification to the Tax Increment Financing Plan, Tax**

## **Increment Financing District 2018-1, RF64, withdrawing parcels from the District.**

### **BASIS OF RECOMMENDATION:**

#### **A. HISTORICAL CONTEXT**

- On August 18, 2018, the City Council authorized the creation of the 2018-1 Tax Increment Financing District, a housing district.
- On August 20, 2018, the HRA approved the Contract with NHH Companies, LLC for the townhome portion of the development. The Contract was later assigned to Cedar Point Investments, LLC.
- The first eight townhomes had been reserved by buyers and construction was nearing completion when the pandemic began in 2020.
- On October 18, 2021, the HRA approved an amendment to the Contract allowing the Developer to sell units to non-income-qualified buyers. The combination of rising construction costs, pandemic-related supply chain delays, and high interest rates caused a significant rise in sale prices that made the units out of reach of income-qualified buyers.
- Construction has been completed on all 64 units. 31 of the first 32 units have been sold. 19 of the remaining 32 units have been sold. One unit remains to be sold to an income-qualified buyer, and 13 units remain to be sold at market-rate.
- On November 20, 2023, the HRA approved the Modification.

#### **B. EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS**

- Removing parcels from the TIF District will place the entire valuation in the City's tax base, meeting the Strategic Plan desired outcome to increase the tax base.
- While the townhomes are no longer being sold affordably, the project still advances equity in the community because funds from the sale of the apartment side of the development were transferred to the Affordable Housing Trust Fund and used to provide affordable homeownership opportunities through the HRA's First-Time Homebuyer Program, which provides homeownership opportunities to low-income buyers and has helped buyers who are Black, Indigenous, and People of Color enter the homeownership market.

#### **C. POLICIES (resolutions, ordinances, regulations, statutes, exc):**

- Minnesota Statute requires that at least 95% of the units in a housing district be initially purchased and occupied by individuals whose family income is less than or equal to 100 to 115% of the AMI.
- The RF64 development is part of the larger Cedar Point II redevelopment area, which includes the townhomes as well as 237 units of market-rate apartments to the east. The development was negotiated and approved prior to the adoption of the City's Inclusionary Housing Policy. While the primary goal of the project was redevelopment of the Cedar Corridor area, affordability standards were applied to the development. Specifically 95% of the townhomes were expected to be affordable, 100% of the apartments are market-rate but provide a 10% contribution in TIF to the City's Housing and Redevelopment Fund (HRF). In addition, a portion of the sales proceeds from the apartment side of the development were directed to the City's Affordable Housing Trust Fund.

#### **D. CRITICAL TIMING ISSUES:**

The City's financial consultant recommends that the Modification be approved before the end of the year, so the parcels can be removed from the district before tax increment is collected in 2024.

#### **E. FINANCIAL IMPACT:**

In addition to approving TIF funding, the HRA assisted in the acquisition and land assembly costs for the project, loaning the project \$630,000 for the acquisition of two properties. 20% of the annual tax increment generated by the project is set aside to repay this loan. The amount to be generated to repay the interfund loan is reduced if the TIF District is reduced, so under the terms of the amendment, the Developer makes a payment to the HRA in the amount of \$8,506 at the sale of each market-rate unit to cover any shortfall in increment. This money is currently being held in escrow until the HRA's financial consultant determines the final shortfall amount to be covered by the Developer.

#### **F. LEGAL CONSIDERATION:**

- The proposed modification is required to bring the 2018-1 Housing TIF District into compliance with Minnesota Statute.

- The HRA is legally authorized to approve a modification that removes parcels from a district, but it has been City policy to bring modifications before the City Council as well.

**ALTERNATIVE RECOMMENDATION(S):**

Do not approve the proposed modification.

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

N/A

**ATTACHMENTS:**

Description	Type
▢ Memorandum from Ehlers	Cover Memo
▢ Modification to TIF Plan, RF64	Backup Material
▢ RF64 TIF Plan Mod Map	Backup Material
▢ Resolution	Resolution Letter

## MEMORANDUM

**TO:** Commissioners, Richfield HRA  
**FROM:** Rebecca Kurtz and Jeanne Vogt, Ehlers  
**DATE:** November 7, 2023  
**SUBJECT:** Removal of Parcels from the 2018-1 Tax Increment Financing District: RF64

---

### Background

On August 20, 2018, the City Council approved the establishment of the 2018-1 Tax Increment Financing District: RF 64 (the “TIF District”) for the development of approximately 80 owner occupied townhomes. The TIF District is a housing district, which by Minnesota Statute requires that at least 95 percent of the units be initially purchased and occupied by individuals whose family income is less than or equal to 100 to 115 percent of the area median income. A housing TIF district has a maximum term of 26-years of tax increment; the required termination date is December 2047.

The HRA entered into a Contract for Private Development with Cedar Point Investments, LLC (the “Developer”) on September 17, 2018.

Since entering into Contract, the project has evolved, and the HRA has amended the Contract. The October 18, 2021, amendment recognizes the changing market and amended the development requirements and issuance of the Pay-as-you-go TIF Notes (the “TIF Note”).

The TIF Note in the amount of \$900,000 for Phase 1 – the completion of 32 units meeting the requirements of a housing TIF district – was issued August 1, 2021.

The Developer has determined that due to the changing market conditions, they are not able to complete the remaining townhomes in accordance with the Contract and Statutory requirements of selling the units to people meeting the income requirements.

### Developer Request

To remain in compliance with the TIF Statutes’ requirement that at least 95 percent of the units be initially purchased and occupied by individuals whose family income is less than or equal to 100 to 115 percent of the area median income, the Developer is requesting that the remaining townhomes be removed from the TIF District, and only the 32 qualified townhomes remain in the TIF District.

### HRA Considerations

As of today, several units have been sold to non-income qualifying persons, so the District currently is not in compliance with the Statutory requirement of at least 95 percent of the units being initially purchased and occupied by individuals whose family income is less than or equal to 100 to 115 percent of the area median income.

The HRA may consider the following options:

- Approve the resolution to remove the 39 parcels from the TIF District. (See Appendix A). By removing the remaining townhomes and common areas, the District will consist of the 32 qualifying homes and common areas. (See Appendix B) This action will bring the District into compliance with Minnesota Statutes. Of the 32 units remaining in the TIF District, 31 units comply with the income requirements, and one unit was sold to a person not in compliance. If the resolution is approved, the TIF District would have 96.88 percent of the units sold to income qualified persons.

Any future units may be sold to a person of any income. Since the future homes will not be in the TIF District, the proposed TIF Note for Phase II, will not be issued to the Developer. These homes would be added to the tax base, as any new development not included in a TIF district.

- If the HRA does not approve the removal of parcels from the TIF District, the District will not be in compliance with Minnesota Statutes.



## Appendix A

Parcels to be removed from the RF64 TIF District				
PID : Pay 2023/24		Address	Taxable MV - 2023	Taxable MV - 2024
	26-028-24-11-0086	6363 16th Ave. S.	93,000	457,300
	26-028-24-11-0087	6361 16th Ave. S.	81,000	443,200
	26-028-24-11-0088	6359 16th Ave. S.	81,000	458,000
	26-028-24-11-0089	6357 16th Ave. S.	93,000	452,500
	26-028-24-11-0090	6349 16th Ave. S.	97,000	468,300
	26-028-24-11-0091	6351 16th Ave. S.	85,000	448,000
	26-028-24-11-0092	6353 16th Ave. S.	85,000	458,000
	26-028-24-11-0093	6355 16th Ave. S.	97,000	442,500
	26-028-24-11-0094	6347 16th Ave. S.	92,000	313,300
	26-028-24-11-0095	6345 16th Ave. S.	80,000	438,000
	26-028-24-11-0096	6343 16th Ave. S.	80,000	299,000
	26-028-24-11-0097	6341 16th Ave. S.	92,000	313,300
	26-028-24-11-0098	6333 16th Ave. S.	92,000	482,300
	26-028-24-11-0099	6335 16th Ave. S.	80,000	299,000
	26-028-24-11-0100	6337 16th Ave. S.	80,000	299,000
	26-028-24-11-0101	6339 16th Ave. S.	92,000	31,300
	26-028-24-11-0102	6331 16th Ave. S.	92,000	211,300
	26-028-24-11-0103	6329 16th Ave. S.	80,000	197,000
	26-028-24-11-0104	6327 16th Ave. S.	80,000	197,000
	26-028-24-11-0105	6325 16th Ave. S.	92,000	211,300
	26-028-24-11-0106	6317 16th Ave. S.	92,000	211,300
	26-028-24-11-0107	6319 16th Ave. S.	80,000	197,000
	26-028-24-11-0108	6321 16th Ave. S.	80,000	197,000
	26-028-24-11-0109	6323 16th Ave. S.	92,000	211,300
	26-028-24-11-0110	6315 16th Ave. S.	92,000	122,300
	26-028-24-11-0111	6313 16th Ave. S.	80,000	197,000
	26-028-24-11-0112	6311 16th Ave. S.	80,000	197,000
	26-028-24-11-0113	6309 16th Ave. S.	92,000	211,300
	26-028-24-11-0114	6301 16th Ave. S.	92,000	211,300
	26-028-24-11-0115	6303 16th Ave. S.	80,000	197,000
	26-028-24-11-0116	6305 16th Ave. S.	80,000	197,000
	26-028-24-11-0117	6307 16th Ave. S.	92,000	211,300
	26-028-24-11-0119	Unassigned - Driveway		
	26-028-24-11-0120	Unassigned - Driveway		
	26-028-24-11-0121	Unassigned - Driveway		
	26-028-24-11-0122	Unassigned - Driveway		
	26-028-24-14-0009	6433 16th Ave. S.	Individual home owner	
	26-028-24-14-0002	6509 16th Ave. S.	Mt. Clavary	
	26-028-24-14-0003	6501 16th Ave. S.	Mt. Clavary	
		Pay 2023/24 Market Value Total:	2,776,000	9,280,400

Parcels to be removed from the RF64 TIF District		
PID : Base / Pay 2019	Address	Taxable MV - Pay 2019
26-028-24-11-0033	6309 - 16th Ave. S	192,000
26-028-24-11-0034	6315 - 16th Ave. S.	0
26-028-24-11-0035	6321 - 16th Ave. S.	192,000
26-028-24-11-0036	6327 - 16th Ave. S.	182,000
26-028-24-11-0037	6333 - 16th Ave. S.	0
26-028-24-11-0038	6339 - 16th Ave. S.	186,000
26-028-24-11-0039	6509 - 16th Ave. S.	0
26-028-24-14-0002	6501 - 16th Ave. S.	235,000
26-028-24-14-0003		
Base Market Value Total:		987,000

## Appendix B

Parcels to Remain in the RF64TIF District	
PID : Pay 2023/24	Address
26-028-24-11-0082	6365 16th Ave. S.
26-028-24-11-0083	6367 16th Ave. S.
26-028-24-11-0084	6369 16th Ave. S.
26-028-24-11-0085	6371 16th Ave. S.
26-028-24-14-0150	6457 16th Ave. S.
26-028-24-14-0151	6459 16th Ave. S.
26-028-24-14-0152	6461 16th Ave. S.
26-028-24-14-0153	6463 16th Ave. S.
26-028-24-14-0154	6449 16th Ave. S.
26-028-24-14-0155	6451 16th Ave. S.
26-028-24-14-0156	6453 16th Ave. S.
26-028-24-14-0157	6455 16th Ave. S.
26-028-24-14-0161	6431 16th Ave. S.
26-028-24-14-0162	6429 16th Ave. S.
26-028-24-14-0163	6427 16th Ave. S.
26-028-24-14-0164	6425 16th Ave. S.
26-028-24-14-0165	6417 16th Ave. S.
26-028-24-14-0166	6419 16th Ave. S.
26-028-24-14-0167	6421 16th Ave. S.
26-028-24-14-0168	6423 16th Ave. S.
26-028-24-14-0169	6415 16th Ave. S.
26-028-24-14-0170	6413 16th Ave. S.
26-028-24-14-0171	6411 16th Ave. S.
26-028-24-14-0172	6409 16th Ave. S.
26-028-24-14-0173	6401 16th Ave. S.
26-028-24-14-0174	6403 16th Ave. S.
26-028-24-14-0175	6405 16th Ave. S.
26-028-24-14-0176	6407 16th Ave. S.
26-028-24-14-0177	6379 16th Ave. S.
26-028-24-14-0178	6377 16th Ave. S.
26-028-24-14-0179	6375 16th Ave. S.
26-028-24-14-0180	6373 16th Ave. S.
26-028-24-14-0158	Unassigned - Driveway
26-028-24-14-0159	Unassigned - Driveway
26-028-24-11-0118	Unassigned - Driveway
26-028-24-14-0183	Unassigned - Driveway
26-028-24-14-0182	Unassigned - Driveway
26-028-24-14-0181	Unassigned - Driveway
26-028-24-14-0184	Common Area

Adoption Date: August 21, 2018  
Modification #1: November \_\_\_\_, 2023

# **Richfield Housing & Redevelopment Authority**

**City of Richfield  
Hennepin County, Minnesota**

## **MODIFICATION TO THE TAX INCREMENT FINANCING PLAN**

**Tax Increment Financing District 2018-1: RF 64  
(a housing district)**



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Prepared by:

Ehlers  
3060 Centre Pointe Drive  
Roseville, Minnesota 55113

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**BUILDING COMMUNITIES. IT'S WHAT WE DO.**

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# **Modification to the Tax Increment Financing Plan for Tax Increment Financing District 2018-1: RF 64**

## **FOREWORD**

The Richfield Housing and Redevelopment Authority (the "HRA") and the City of Richfield (the "City"), staff and consultants have prepared the following information to expedite the modification to Tax Increment Financing District 2018-1: RF 64 (the "District"), a housing tax increment financing district, located in the Richfield Redevelopment Project Area.

## **STATEMENT OF OBJECTIVES, AMENDED AS FOLLOWS**

At the time of establishment, the District consisted of 17 parcels of land and adjacent roads and internal rights-of-way. The District was created to facilitate the construction of approximately 80 units of owner occupied townhomes.

In accordance with Minnesota Statutes 469.1761, Subd. 2, 95 percent of the housing units must be initially purchased and occupied by individuals whose family income is less than or equal to 100 percent of area median income for a family of two or less and 115 percent of area median income for families of three or more.

The modification to the District will remove 39 parcels from the District to allow units to be sold to non-income qualifying persons.

The current net tax capacity of the parcels eliminated from the District exceeds the net tax capacity of those parcels in the District's original net tax capacity; therefore, a public hearing is not required.

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

## **DESCRIPTION OF PROPERTY IN THE DISTRICT AND PROPERTY TO BE ACQUIRED, AMENDED AS FOLLOWS**

The District is being amended to remove the following parcels from the District:

**Parcels to be removed from  
RF64 TIF District**

**the**

<b>PID : Pay 2023/24</b>	<b>Address</b>
26-028-24-11-0086	6363 16th Ave. S.
26-028-24-11-0087	6361 16th Ave. S.
26-028-24-11-0088	6359 16th Ave. S.
26-028-24-11-0089	6357 16th Ave. S.
26-028-24-11-0090	6349 16th Ave. S.
26-028-24-11-0091	6351 16th Ave. S.
26-028-24-11-0092	6353 16th Ave. S.
26-028-24-11-0093	6355 16th Ave. S.
26-028-24-11-0094	6347 16th Ave. S.
26-028-24-11-0095	6345 16th Ave. S.
26-028-24-11-0096	6343 16th Ave. S.
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26-028-24-11-0099	6335 16th Ave. S.
26-028-24-11-0100	6337 16th Ave. S.
26-028-24-11-0101	6339 16th Ave. S.
26-028-24-11-0102	6331 16th Ave. S.
26-028-24-11-0103	6329 16th Ave. S.
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26-028-24-11-0121	Unassigned - Driveway
26-028-24-11-0122	Unassigned - Driveway
26-028-24-14-0009	6433 16th Ave. S.
26-028-24-14-0002	6509 16th Ave. S.
26-028-24-14-0003	6501 16th Ave. S.

The property and adjacent roads rights-of-way and abutting roadways identified by the parcels listed below will remain in the District:

Parcels to Remain in the RF64TIF District	
PID : Pay 2023/24	Address
26-028-24-11-0082	6365 16th Ave. S.
26-028-24-11-0083	6367 16th Ave. S.
26-028-24-11-0084	6369 16th Ave. S.
26-028-24-11-0085	6371 16th Ave. S.
26-028-24-14-0150	6457 16th Ave. S.
26-028-24-14-0151	6459 16th Ave. S.
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26-028-24-14-0162	6429 16th Ave. S.
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26-028-24-14-0164	6425 16th Ave. S.
26-028-24-14-0165	6417 16th Ave. S.
26-028-24-14-0166	6419 16th Ave. S.
26-028-24-14-0167	6421 16th Ave. S.
26-028-24-14-0168	6423 16th Ave. S.
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26-028-24-14-0176	6407 16th Ave. S.
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26-028-24-14-0178	6377 16th Ave. S.
26-028-24-14-0179	6375 16th Ave. S.
26-028-24-14-0180	6373 16th Ave. S.
26-028-24-14-0158	Unassigned - Driveway
26-028-24-14-0159	Unassigned - Driveway
26-028-24-11-0118	Unassigned - Driveway
26-028-24-14-0183	Unassigned - Driveway
26-028-24-14-0182	Unassigned - Driveway
26-028-24-14-0181	Unassigned - Driveway
26-028-24-14-0184	Common Area

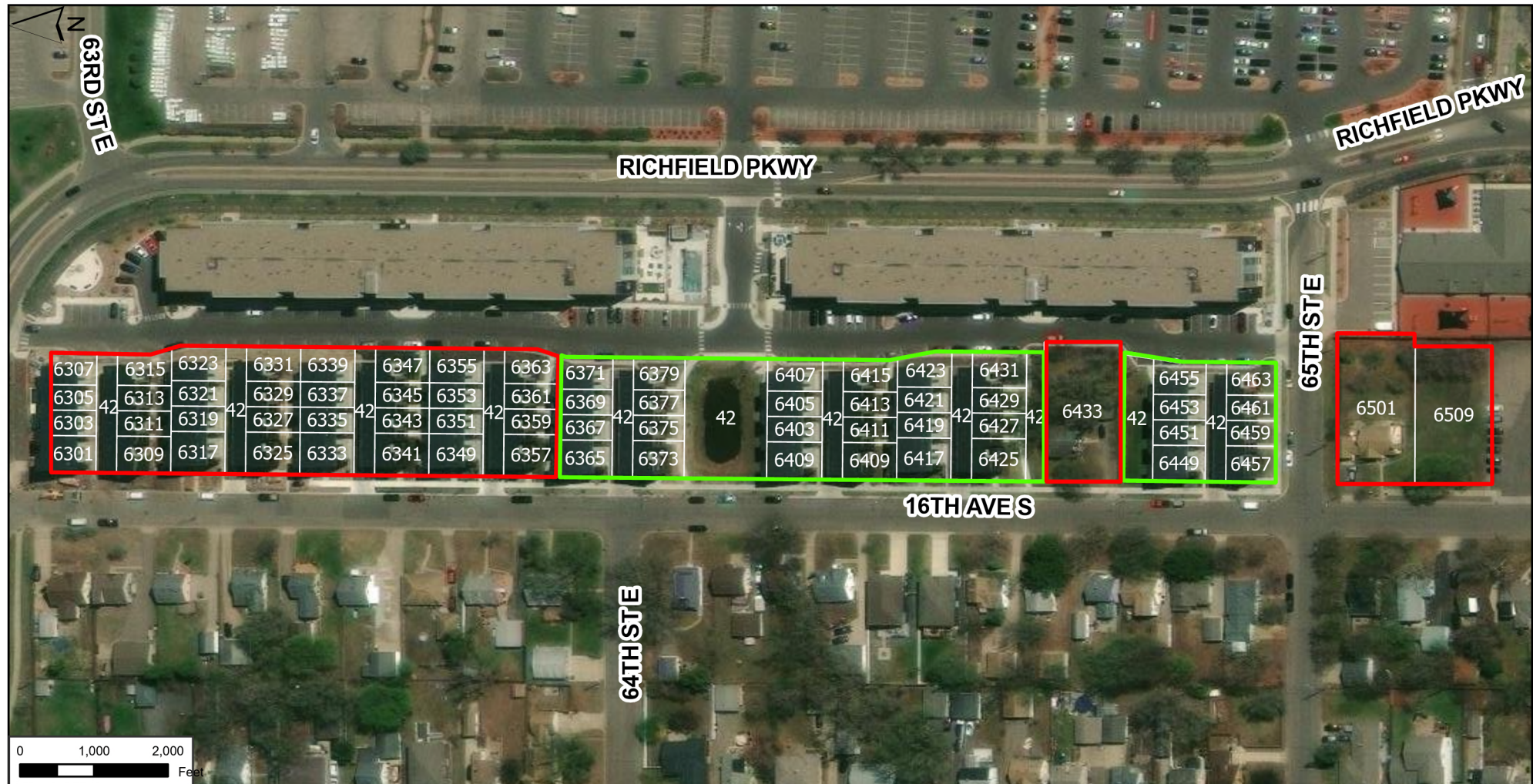


The City may acquire any parcel within the District including interior and adjacent street rights of way. Any properties identified for acquisition will be acquired by the City only in order to accomplish one or more of the following: storm sewer improvements; provide land for needed public streets, utilities and facilities; carry out land acquisition, site improvements, clearance and/or development to accomplish the uses and objectives set forth in this plan.

The City may acquire property by gift, dedication, condemnation, or direct purchase from willing sellers in order to achieve the objectives of this TIF Plan. Such acquisitions will be undertaken only when there is assurance of funding to finance the acquisition and related costs.

The City does not own any of the parcels of property included in the District.

# RF64 TIF District



Parcels to be removed

Parcels to remain

**CITY OF RICHFIELD, MINNESOTA**

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

**RESOLUTION APPROVING THE REMOVAL OF PARCELS FROM  
THE 2018-1 RF64 TAX INCREMENT DISTRICT**

WHEREAS, on August 20, 2018, the City Council authorized the creation of the RF64 Tax Increment District, a housing district (the "TIF District"); and

WHEREAS, the Housing and Redevelopment Authority in and for the City entered into a Contract for Private Development (the "Contract") with Cedar Point Investments, LLC (the "Developer") on September 17, 2018 to build affordable townhomes; and

WHEREAS, a TIF Note in the amount of \$900,000 was issued in August of 2021; and

WHEREAS, the Developer has determined that due to the changing market conditions, they are not able to complete the remaining townhomes in accordance with the Contract; and

WHEREAS, in order to remain in compliance with the Minnesota Statutes, Sections 469.174 through 469.1794 (the "TIF Act"), at least 95% of the units must be initially purchased and occupied by individuals whose family income is less than or equal to 100% to 115% of the area median income; and

WHEREAS, the Developer is requesting that 39 parcels be removed from the TIF District and the 32 qualified townhomes remain in the TIF District; and

WHEREAS, Minn. Stat. Section 469.175, subd. 4 states that the TIF Plan may be modified without a public hearing as long as the only modification is elimination of parcels from the district and the current net tax capacity of the parcels eliminated from the district equals or exceeds the net tax capacity of those parcels in the district's original net tax capacity; and

WHEREAS, Modification #1 for the TIF District has been prepared and made available to the City Council for review; and

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

1. Modification #1 for the TIF District is hereby approved.
2. This resolution shall be in full force and effect as of the date hereof.

Approved by the City Council of the City of Richfield, Minnesota this 20th day of November, 2023.

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Mary B. Supple, Mayor

ATTEST:

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Dustin Leslie, City Clerk

RC125-1 (JAE)  
637083v1



**STAFF REPORT NO. 158**  
**CITY COUNCIL MEETING**  
**11/28/2023**

REPORT PREPARED BY:  
DEPARTMENT DIRECTOR REVIEW:

Melissa Poehlman, Executive Director  
Melissa Poehlman, Executive Director  
11/20/2023

OTHER DEPARTMENT REVIEW:  
CITYMANAGER REVIEW:

Katie Rodriguez, City Manager  
11/20/2023

**ITEM FOR COUNCIL CONSIDERATION:**

**Consider a resolution designating the existing structure at 500 - 78th Street East as structurally substandard within the Richfield Redevelopment Project Area.**

**EXECUTIVE SUMMARY:**

The Minnesota Department of Transportation (Mn-DOT) recently purchased the properties at 7700 and 7730 Portland Avenue South to allow for the reconstruction of the I-494 and Portland Avenue intersection. Following construction of the roadway improvements, remnant land is anticipated to be available for redevelopment.

The Richfield Comprehensive Plan calls for Regional Commercial Development at this major transportation intersection. In order to achieve this, remnant land will need to be combined adjacent property addressed as 7701 - 5th Avenue South (parking lot) and 500 - 78th Street East (vacant former restaurant).

Redevelopment of this land is expected to be very costly. In addition to anticipated high acquisition costs and demolition of building at 500 - 78th Street East, the nature of the previous use of half of the parcels for auto repair makes it likely that environmental clean-up will also be required. To preserve the City's authority to create a Redevelopment Tax Increment Finance (TIF) District in the future, an inspection documenting the condition of the buildings was requested by the Executive Director of the Housing and Redevelopment Authority (HRA).

Under Minnesota law, the City or the HRA is authorized to deem parcels as occupied by structurally substandard buildings before the demolition or removal of the buildings, in order to create a Redevelopment TIF District. The City has three years to create this District, following demolition of the substandard structures.

Several timing issues complicate the future creation of a Redevelopment TIF District and the City will need to approach the State for special legislation related to the area. To begin, this phase of the I-494 project is expected to last three years (through fall 2026). Remnant land is not expected to be available for redevelopment until after final completion of the project. Current law gives the City only three years after demolition of the substandard structures to create a Redevelopment TIF District. The City will need to seek special approval from the legislature for an extension of the time limit.

A finding of substandardness for the properties at 7700 and 7730 Portland Avenue South was made by the Council on November 14, 2023. The report for 500 - 78th Street East was not available in time to include it in this previous action. Findings related to 500 - 78th Street and 7701 - 5th Avenue South have been incorporated into a revised version of the previous letter of finding which is attached.

**RECOMMENDED ACTION:**

**By Motion: Adopt a resolution designating the existing structure at 500 - 78th Street East as structurally substandard within the Richfield Redevelopment Project Area.**

**BASIS OF RECOMMENDATION:**

**A. HISTORICAL CONTEXT**

- Property at the intersection of I-494 and Portland Avenue is guided for Regional Commercial use by the Richfield Comprehensive Plan. Redevelopment in this area is expected to be exceptionally expensive due to anticipated environmental clean-up.
- The properties formerly addressed at 7700 and 7730 Portland Avenue South were acquired by Mn-DOT for the expansion of the interchange with I-494. Remnant land is expected to be available for redevelopment following completion of the project in fall 2026.
- A redevelopment project that serves a regional purpose will require the combination of remnant land with the adjoining parcels at 500 - 78th Street East and 7701 - 5th Avenue South.

**B. EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS**

- Redevelopment of this property will be outside of the dates of the Strategic Plan; however, it will potentially further the goal of increasing the tax base.
- If and when a redevelopment proposal comes forward, the equity impacts of that proposal will be evaluated.

**C. POLICIES (resolutions, ordinances, regulations, statutes, exc):**

In order to establish a Redevelopment TIF District, the property within the proposed District boundaries must be found to be blighted and structurally substandard under the requirements established by Minnesota State Statutes.

**D. CRITICAL TIMING ISSUES:**

- The HRA Attorney recommended that we approve the resolution related to 7700 and 7730 Portland Avenue South as soon as possible given that Mn-DOT had removed the buildings.
- Following approval of substandard resolutions related to 500 - 78th Street East, the property owner will remove the structure which has become a target for thieves and unsheltered persons.

**E. FINANCIAL IMPACT:**

None at this time.

**F. LEGAL CONSIDERATION:**

The attached resolution was prepared with the assistance of the HRA Attorney.

**ALTERNATIVE RECOMMENDATION(S):**

Decide not adopt the resolution certifying the building as substandard, thereby eliminating the possibility of creating a Redevelopment TIF District in the future.

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

N/A

**ATTACHMENTS:**

Description	Type
□ Resolution	Resolution Letter
□ Substandard Letter of Finding	Exhibit



**CITY OF RICHFIELD, MINNESOTA**

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

**RESOLUTION DESIGNATING BUILDINGS AS  
STRUCTURALLY SUBSTANDARD WITHIN THE RICHFIELD  
REDEVELOPMENT PROJECT**

**BE IT RESOLVED** by the City Council (the "City Council") of the City of Richfield, Minnesota (the "City"), as follows:

Section 1. Recitals.

1.01. Under Minnesota Statutes, Section 469.174, subdivision 10(d), the City or the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (the "Authority") is authorized to deem parcels as occupied by structurally substandard buildings before the demolition or removal of the buildings, subject to certain terms and conditions as described in this resolution.

1.02. The City or the Authority intends to cause demolition of the buildings located on the property described in EXHIBIT A attached hereto (the "Designated Property"), and may in the future include the Designated Property in a redevelopment tax increment financing district as defined in Minnesota Statutes, Sections 469.174, subdivision 10, within the Richfield Redevelopment Project.

Section 2. Approvals.

2.01. The City finds that the buildings on the Designated Property are structurally substandard to a degree requiring substantial renovation or clearance, based upon the analysis of such buildings by LHB, Inc., dated November 10, 2023 and on file in City Hall.

2.02. After the date of approval of this resolution, the buildings on the Designated Property may be demolished or removed by the Authority, or such demolition or removal may be financed by the Authority, or may be undertaken by a developer under a development agreement with the Authority.

2.03. The Authority intends to include the Designated Property in a redevelopment tax increment financing district, and to file the request for certification of such district with the Taxpayer Services Division Manager of Hennepin County, Minnesota, as the county auditor (the "County Auditor"), within three (3) years after the date of demolition of the buildings on the Designated Property.

2.04. Upon filing the request for certification of the new tax increment financing district, the Authority will notify the County Auditor that the original tax capacity of the Designated Property must be adjusted to reflect the greater of (a) the current net tax capacity of the parcel, or (b) the estimated market value of the parcel for the year in which the buildings were demolished or removed, but applying class rates for the current year, all in accordance with Minnesota Statutes, Section 469.174, subdivision 10(d).

2.05. City staff and consultants are authorized to take any actions necessary to carry out the intent of this resolution.

Adopted by the City Council of the City of Richfield, Minnesota this 28<sup>th</sup> day of November, 2023.

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Mary B. Supple, Mayor

ATTEST:

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Dustin Leslie, City Clerk



## **EXHIBIT A**

### **POTENTIAL PROPERTY TO BE INCLUDED IN REDEVELOPMENT TIF DISTRICT**

34-028-24-44-0027

34-028-24-44-0023



November 10, 2023

Melissa Poehlman, AICP  
Community Development Director  
City of Richfield  
6700 Portland Avenue South  
Richfield, MN 55423

## TIF ANALYSIS FINDINGS FOR 500 78<sup>TH</sup> STREET EAST, 7700 AND 7730 PORTLAND AVENUE SOUTH

LHB was hired to inspect three buildings on four parcels in Richfield, Minnesota, to determine if they meet the definition of "Substandard" as defined by *Minnesota Statutes, Section 469.174, subdivision 10*. The building parcels may potentially be part of a future Redevelopment TIF District, so will need to be compliant with all the statutes pertaining to a Redevelopment District.

The buildings are located at 500 78<sup>th</sup> Street East, 7700 and 7730 Portland Avenue South (Buildings A, B, and C in Diagram 1).

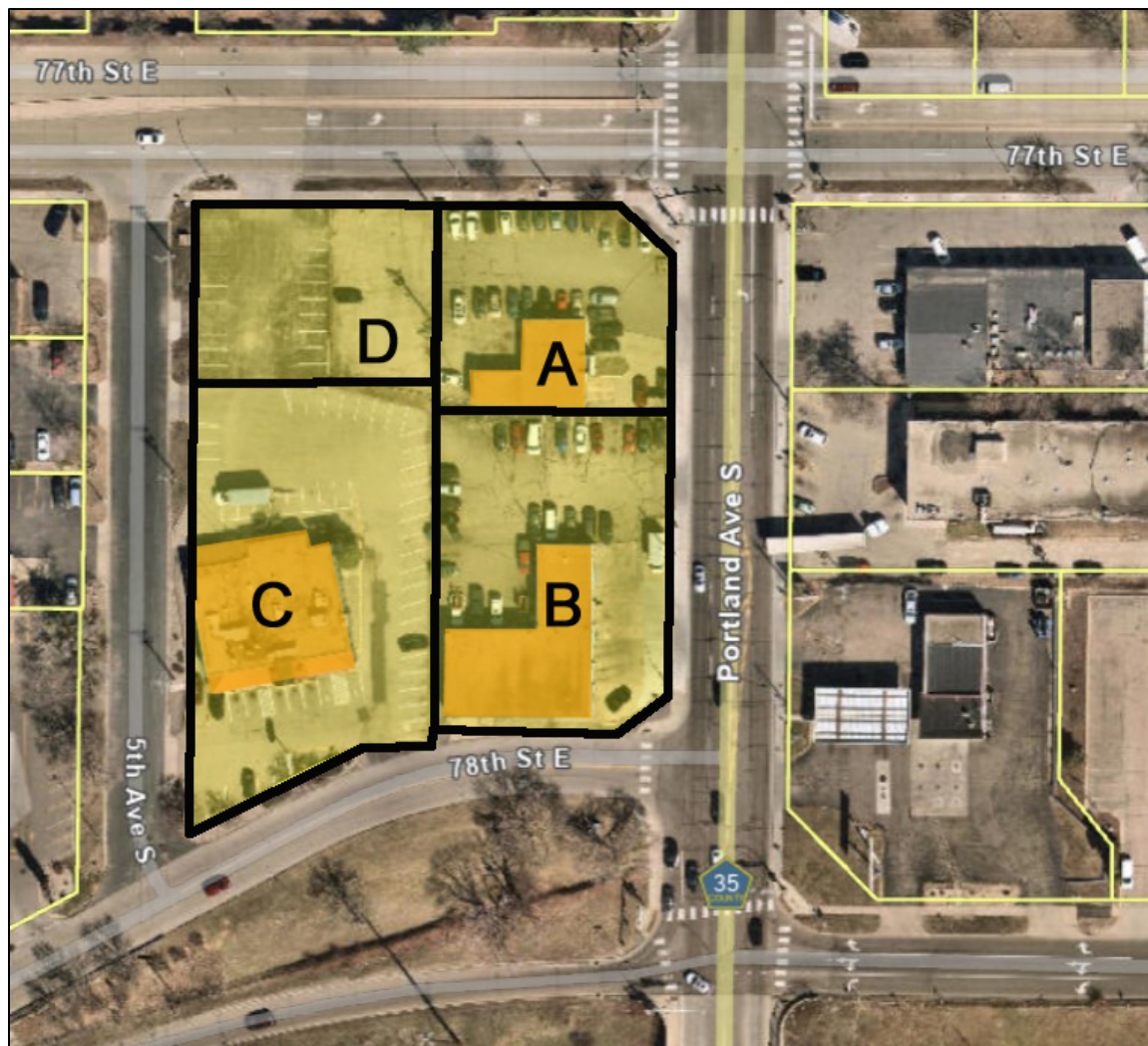


Diagram 1

## CONCLUSION

After evaluating the condition of the buildings on October 25 and November 3, 2023, and applying current statutory criteria for a Redevelopment District under *Minnesota Statutes, Section 469.174, Subdivision 10*, it is our professional opinion that the buildings qualify as substandard.

The remainder of this letter and attachments describe our process and findings in detail.

## MINNESOTA STATUTE 469.174, SUBDIVISION 10 REQUIREMENTS

The properties were inspected in accordance with the following requirements under *Minnesota Statutes, Section 469.174, Subdivision 10(c)*, which states:

### INTERIOR INSPECTION

*"The municipality may not make such determination [that the building is structurally substandard] without an interior inspection of the property..."*

### EXTERIOR INSPECTION AND OTHER MEANS

*"An interior inspection of the property is not required, if the municipality finds that*

*(1) the municipality or authority is unable to gain access to the property after using its best efforts to obtain permission from the party that owns or controls the property; and*

*(2) the evidence otherwise supports a reasonable conclusion that the building is structurally substandard."*

### DOCUMENTATION

*"Written documentation of the findings and reasons why an interior inspection was not conducted must be made and retained under section 469.175, subdivision 3, clause (1)."*

### QUALIFICATION REQUIREMENTS

*Minnesota Statutes, Section 469.174, Subdivision 10 (a) (1)* requires two tests for occupied parcels:

#### 1. Coverage Test

*"...parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, or paved or gravel parking lots..."*

The coverage required by the parcel to be considered occupied is defined under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which states:

*"For purposes of this subdivision, a parcel is not occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures unless 15 percent of the area of the parcel contains buildings, streets, utilities, paved or gravel parking lots, or other similar structures."*

The LHB team reviewed the following parcels:

#### Parcel A ID Number 340282440006

- The parcel is approximately 14,545 sf and is 100 percent covered by buildings, parking lots or other improvements.

**Parcel B ID Number 340282440007**

- The parcel is approximately 22,980 sf and is 100 percent covered by buildings, parking lots or other improvements.

**Parcel C ID Number 340282440023**

- The parcel is approximately 29,176 sf and is 99 percent covered by buildings, parking lots or other improvements.

**Parcel D ID Number 340282440027**

- The parcel is approximately 12,933 sf and is 100 percent covered by buildings, parking lots or other improvements.

## Findings

The parcels are covered by buildings, parking lots or other improvements, exceeding the 15 percent parcel requirement.

## 2. Condition of Buildings Test

*Minnesota Statutes, Section 469.174, Subdivision 10(a)* states:

*"...and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;"*

Structurally substandard is defined under Minnesota Statutes, Section 469.174, Subdivision 10(b), which states:

*"For purposes of this subdivision, 'structurally substandard' shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance."*

We do not count energy code deficiencies toward the thresholds required by *Minnesota Statutes, Section 469.174, Subdivision 10(b)*) defined as "structurally substandard", due to concerns expressed by the State of Minnesota Court of Appeals in the *Walser Auto Sales, Inc. vs. City of Richfield* case filed November 13, 2001.

## Findings

Three buildings exceed the criteria required to be determined a substandard building (see the attached Building Code, Condition Deficiency and Context Analysis Reports).

Buildings are not eligible to be considered structurally substandard unless they meet certain additional criteria, as set forth in *Subdivision 10(c)* which states:

*"A building is not structurally substandard if it follows the building code applicable to new buildings or could be modified to satisfy the building code at a cost of less than 15 percent of the cost of constructing a new structure of the same square footage and type on the site. The municipality may find that a building is not disqualified as structurally substandard under the preceding sentence based on reasonably available evidence, such as the size, type, and age of the building, the average cost of plumbing, electrical, or structural repairs, or other similar reliable evidence."*

*"Items of evidence that support such a conclusion [that the building is not disqualified] include recent fire or police inspections, on-site property tax appraisals or housing inspections, exterior evidence of deterioration, or other similar reliable evidence."*

LHB counts energy code deficiencies toward the 15 percent code threshold required by *Minnesota Statutes, Section 469.174, Subdivision 10(c)*) for the following reasons:

- The Minnesota energy code is one of ten building code areas highlighted by the Minnesota Department of Labor and Industry website where minimum construction standards are required by law.
- Chapter 13 of the *2015 Minnesota Building Code* states, "Buildings shall be designed and constructed in accordance with the International Energy Conservation Code." Furthermore, *Minnesota Rules, Chapter 1305.0021 Subpart 9* states, "References to the International Energy Conservation Code in this code mean the Minnesota Energy Code..."
- Chapter 11 of the *2015 Minnesota Residential Code* incorporates *Minnesota Rules, Chapters, 1322 and 1323 Minnesota Energy Code*.
- The Senior Building Code Representative for the Construction Codes and Licensing Division of the Minnesota Department of Labor and Industry confirmed that the Minnesota Energy Code is being enforced throughout the State of Minnesota.
- In a January 2002 report to the Minnesota Legislature, the Management Analysis Division of the Minnesota Department of Administration confirmed that the construction cost of new buildings complying with the Minnesota Energy Code is higher than buildings built prior to the enactment of the code.

Proper TIF analysis requires a comparison between the replacement value of a new building built under current code standards with the repairs that would be necessary to bring the existing building up to current code standards. For an equal comparison to be made, all applicable code chapters should be applied to both scenarios. Since current construction estimating software automatically applies the construction cost of complying with the Minnesota Energy Code, energy code deficiencies should also be identified in the existing structures.

### Findings

The buildings have code deficiencies exceeding the 15 percent building code deficiency criteria required to be determined substandard (see the attached Building Code, Condition Deficiency and Context Analysis Reports).

## TEAM CREDENTIALS

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### MICHAEL A. FISCHER, AIA, LEED AP - PROJECT PRINCIPAL/TIF ANALYST

Michael has 34 years of experience as project principal, project manager, project designer and project architect on planning, urban design, educational, commercial, and governmental projects. He has become an expert on Tax Increment Finance District analysis assisting over 100 cities with strategic planning for TIF Districts. He is an Architectural Principal at LHB and currently leads the Minneapolis office.

Michael completed a two-year Bush Fellowship, studying at MIT and Harvard in 1999, earning master's degrees in City Planning and Real Estate Development from MIT. He has served on more than 50 committees, boards, and community task forces, including City Council President in Superior, Wisconsin, Chair of the Duluth/Superior Metropolitan Planning Organization, and Chair of the Edina, Minnesota Planning Commission. Most recently, he served as a member of the Edina city council and Secretary of the Edina HRA. Michael has also managed and designed several award-winning architectural projects and was one of four architects in the Country to receive the AIA Young Architects Citation in 1997.

### PHIL FISHER – INSPECTOR

For 35 years, Phil Fisher worked in the field of Building Operations in Minnesota including White Bear Lake Area Schools. At the University of Minnesota, he earned his Bachelor of Science in Industrial Technology. He is a Certified Playground Safety Inspector, Certified Plant Engineer, and is trained in Minnesota Enterprise Real Properties (MERP) Facility Condition

Assessment (FCA). His FCA training was recently applied to the Minnesota Department of Natural Resources Facilities Condition Assessment project involving over 2,000 buildings.

## ATTACHMENTS

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We have attached a Building Code, Condition Deficiency and Context Analysis Report, Replacement Cost Report, Code Deficiency Report, and thumbnail photo sheets for each substandard building.

Please contact me at (612) 752-6920 if you have any questions.

LHB, INC.

A handwritten signature in blue ink, appearing to read "MA Fischer", followed by a horizontal line and a period.

MICHAEL A. FISCHER, AIA, LEED AP

c: LHB Project No.230805

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# **APPENDIX A**

Building Code, Condition Deficiency and Context Analysis Report

Replacement Cost Report

Code Deficiency Report

Photographs



# Portland Avenue South Redevelopment TIF District

## Building Code, Condition Deficiency and Context Analysis Report

### Parcel A

### Automotive Repair Garage

Address:	7700 Portland Avenue South, Richfield, Minnesota 55423
Parcel ID:	053-3402824440006
Inspection Date(s) & Time(s):	October 25, 2023, 11:25 am
Inspection Type:	Interior and Exterior
Summary of Deficiencies:	<p>It is our professional opinion that this building is Substandard because:</p> <ul style="list-style-type: none"><li>- Substantial renovation is required to correct Conditions found.</li><li>- Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.</li></ul>

Estimated Replacement Cost:	\$417,424
Estimated Cost to Correct Building Code Deficiencies:	\$160,040
Percentage of Replacement Cost for Building Code Deficiencies:	38.3%

### DEFECTS IN STRUCTURAL ELEMENTS

1. Steel lintels should be protected from rusting per code.
2. Exterior wall concrete block and mortar should be repaired/replaced to prevent water intrusion per code.

### COMBINATION OF DEFICIENCIES

1. Essential Utilities and Facilities
  - a. There is no code required accessible parking.
  - b. There is no code required accessible route into the building.
  - c. The restroom is not code compliant for accessibility.
2. Light and Ventilation
  - a. Lighting does not comply with code.
  - b. The electrical wiring system does not comply with code.
  - c. The HVAC system does not comply with code.
3. Fire Protection/Adequate Egress
  - a. Thresholds do not comply with code for maximum height.
  - b. Door hardware does not comply with code.
  - c. There is no code required smoke detector system in the building.
  - d. There is no code required emergency exit signage in the building.
  - e. There is no code required emergency lighting system in the building.
  - f. There is no code required emergency notification system in the building.



- g. There is no code required building sprinkler system.
  - h. There is no code required fire caulking.
  - i. The flooring is damaged creating an impediment to emergency egress which is contrary to code.
4. Layout and Condition of Interior Partitions/Materials
- a. The interior walls and ceilings should be repaired/repainted.
5. Exterior Construction
- a. The roofing material is failing, allowing for water intrusion which is contrary to code.
  - b. Windows are failing, allowing for water intrusion which is contrary to code.
  - c. Exterior walls should be repaired and repainted.

## DESCRIPTION OF CODE DEFICIENCIES

- 1. Steel lintels should be protected from rusting per code.
- 2. Concrete block should be repaired/replaced to prevent water intrusion per code.
- 3. Accessible parking should be created per code.
- 4. A code required accessible route into the building should be created.
- 5. The restroom does not comply with the accessibility code.
- 6. The lighting does not comply with code.
- 7. The electrical wiring system does not comply with code.
- 8. The HVAC system does not comply with code.
- 9. The damaged flooring should be repaired to create a code required unimpeded means for emergency egress.
- 10. Thresholds should be modified to comply with code.
- 11. Door hardware does not comply with code.
- 12. Code required fire caulking should be installed.
- 13. There is no code required smoke detector system.
- 14. There is no code required emergency exit signage system.
- 15. There is no code required emergency lighting system.
- 16. There is no code required emergency notification system.
- 17. There is no code required building sprinkler system.
- 18. Failed windows should be replaced to prevent water intrusion per code.
- 19. Failed roofing material should be replaced to prevent water intrusion per code.

## OVERVIEW OF DEFICIENCIES

This building was most recently used as an automotive repair garage. There is no code required accessible parking or accessible route into the building. The restroom does not comply with code. The electrical wiring and lighting systems do not comply with code. Interior walls and ceiling should be repaired and repainted. A code required accessible route to all levels of the building should be created. The HVAC system does not comply with code. There are no code required life safety systems including smoke detectors, emergency lighting, notification and exiting, and building sprinklers. The exterior and interior block and mortar are failing, allowing for water intrusion which is contrary to code. Exterior walls should be repainted. The roofing material and windows are failing, allowing for water intrusion which is contrary to code.

## ENERGY CODE DEFICIENCIES

In addition to the building code deficiencies listed above, the existing building does not comply with the current energy code. These deficiencies are not included in the estimated costs to correct code deficiencies and are not considered in determining whether the building is substandard.

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# Portland Avenue South Redevelopment TIF District

## Replacement Cost Report

RSMeans data  
from BORDIAN

### Square Foot Cost Estimate Report

Date: 10/25/2023

Estimate Name: 7700 Portland Avenue South

Building Type: Garage, Repair with Cast in Place Concrete / Steel Joists

Location: RICHFIELD, MN

Story Count: 1

Story Height (L.F.): 14.00

Floor Area (S.F.): 2200

Labor Type: OPN

Basement Included: No

Data Release: Year 2023 Quarter 4

Cost Per Square Foot: \$189.74

Building Cost: \$417,424.71



Costs are derived from a building model with basic components.  
Scope differences and market conditions can cause costs to vary significantly.

		Quantity	% of Total	Cost Per S.F.	Cost
<b>A</b>	<b>Substructure</b>		<b>17.42%</b>	<b>\$28.74</b>	<b>\$63,228.42</b>
<b>A1010</b>	<b>Standard Foundations</b>			<b>\$16.79</b>	<b>\$36,937.32</b>
A10101051560	Foundation wall, CIP, 4' wall height, direct chute, .148 CY/LF, 7.2 PLF, 12" thick	220		\$10.43	\$22,949.96
A10101102700	Strip footing, concrete, reinforced, load 11.1 KLF, soil bearing capacity 6 KSF, 12" deep x 24" wide	242		\$6.36	\$13,987.36
<b>A1030</b>	<b>Slab on Grade</b>			<b>\$11.55</b>	<b>\$25,412.64</b>
A10301204520	Slab on grade, 6" thick, light industrial, reinforced	2200		\$11.55	\$25,412.64
<b>A2010</b>	<b>Basement Excavation</b>			<b>\$0.40</b>	<b>\$878.46</b>
A20101104560	Excavate and fill, 10,000 SF, 4' deep, sand, gravel, or common earth, on site storage	2200		\$0.40	\$878.46
<b>B</b>	<b>Shell</b>		<b>40.38%</b>	<b>\$66.62</b>	<b>\$146,563.99</b>
<b>B1020</b>	<b>Roof Construction</b>			<b>\$8.99</b>	<b>\$19,787.92</b>
B10201162500	Roof, steel joists, 1.5" 22 ga metal deck, on bearing walls, 40' bay, 25.5" deep, 40 PSF superimposed load, 61 PSF total load	2200		\$8.99	\$19,787.92
<b>B2010</b>	<b>Exterior Walls</b>			<b>\$32.40</b>	<b>\$71,284.01</b>
B20101014000	Concrete wall, reinforced, 8' high, 8" thick, plain finish, 3000 PSI	2464		\$32.40	\$71,284.01
<b>B2020</b>	<b>Exterior Windows</b>			<b>\$6.88</b>	<b>\$15,131.48</b>
B20201066650	Windows, aluminum, sliding, standard glass, 5' x 3'	10.27		\$6.88	\$15,131.48
<b>B2030</b>	<b>Exterior Doors</b>			<b>\$6.49</b>	<b>\$14,272.88</b>
B20302203450	Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" x 7'-0" opening	0.66		\$1.02	\$2,234.43
B20302204450	Door, steel 24 gauge, overhead, sectional, manual operation, 12'-0" x 12'-0" opening	3.21		\$5.47	\$12,038.45
<b>B3010</b>	<b>Roof Coverings</b>			<b>\$11.86</b>	<b>\$26,087.70</b>
B30101051400	Roofing, asphalt flood coat, gravel, base sheet, 3 plies 15# asphalt felt, mopped	2200		\$4.04	\$8,888.40
B30103203090	Insulation, rigid, roof deck, composite with 2" EPS, 1" perlite	2200		\$2.70	\$5,934.65
B30104201400	Roof edges, aluminum, duranodic, .050" thick, 6" face	220		\$3.96	\$8,719.93
B30106305100	Gravel stop, aluminum, extruded, 4", mill finish, .050" thick	220		\$1.16	\$2,544.72
<b>C</b>	<b>Interiors</b>		<b>9.14%</b>	<b>\$15.08</b>	<b>\$33,185.79</b>
<b>C1010</b>	<b>Partitions</b>			<b>\$5.32</b>	<b>\$11,695.51</b>
C10101022300	Lightweight block 4" thick	462		\$1.87	\$4,116.73
C10101046000	Concrete block (CMU) partition, light weight, hollow, 8" thick, no finish	616		\$3.44	\$7,578.78
<b>C1020</b>	<b>Interior Doors</b>			<b>\$0.38</b>	<b>\$833.69</b>
C10201022600	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'-0" x 7'-0" x 1-3/8"	0.73		\$0.38	\$833.69
<b>C1030</b>	<b>Fittings</b>			<b>\$1.17</b>	<b>\$2,584.28</b>
C10301100460	Toilet partitions, cubicles, ceiling hung, stainless steel	1		\$1.17	\$2,584.28
<b>C3010</b>	<b>Wall Finishes</b>			<b>\$5.87</b>	<b>\$12,905.16</b>
C30102202000	2 coats paint on masonry with block filler	2464		\$4.32	\$9,509.07
C30102300320	Painting, masonry or concrete, latex, brushwork, primer & 2 coats	880		\$0.85	\$1,871.52
C30102300340	Painting, masonry or concrete, latex, brushwork, addition for block filler	880		\$0.69	\$1,524.57

<b>C3020</b>	<b>Floor Finishes</b>			<b>\$1.68</b>	<b>\$3,693.71</b>
C30204100940	Concrete topping, hardeners, metallic additive, minimum	1980		\$1.46	\$3,211.70
C30204101580	Vinyl, composition tile, minimum	220		\$0.22	\$482.01
<b>C3030</b>	<b>Ceiling Finishes</b>			<b>\$0.67</b>	<b>\$1,473.44</b>
C30302105800	Acoustic ceilings, 5/8" fiberglass board, 24" x 48" tile, tee grid, suspended support	220		\$0.67	\$1,473.44
<b>D</b>	<b>Services</b>		<b>33.06%</b>	<b>\$54.55</b>	<b>\$119,999.81</b>
<b>D2010</b>	<b>Plumbing Fixtures</b>			<b>\$4.10</b>	<b>\$9,027.75</b>
D20101102080	Water closet, vitreous china, bowl only with flush valve, wall hung	0.75		\$1.39	\$3,056.25
D20102102000	Urinal, vitreous china, wall hung	0.37		\$0.30	\$655.16
D20103102080	Lavatory w/trim, wall hung, PE on CI, 19" x 17"	0.75		\$0.72	\$1,593.79
D20104404340	Service sink w/trim, PE on CI, wall hung w/rim guard, 24" x 20"	0.37		\$1.22	\$2,686.58
D20108201920	Water cooler, electric, wall hung, wheelchair type, 7.5 GPH	0.37		\$0.47	\$1,035.97
<b>D2020</b>	<b>Domestic Water Distribution</b>			<b>\$0.88</b>	<b>\$1,933.74</b>
D20202202260	Gas fired water heater, residential, 100< F rise, 30 gal tank, 32 GPH	0.37		\$0.88	\$1,933.74
<b>D2040</b>	<b>Rain Water Drainage</b>			<b>\$8.40</b>	<b>\$18,490.33</b>
D20402106200	Roof drain, steel galv sch 40 threaded, 4" diam piping, 10' high	1.12		\$2.72	\$5,979.98
D20402106240	Roof drain, steel galv sch 40 threaded, 4" diam piping, for each additional foot add	102		\$5.69	\$12,510.35
<b>D3050</b>	<b>Terminal &amp; Package Units</b>			<b>\$11.32</b>	<b>\$24,902.37</b>
D30501503120	Rooftop, single zone, air conditioner, factories, 10,000 SF, 33.33 ton	2200		\$11.32	\$24,902.37
<b>D3090</b>	<b>Other HVAC Systems/Equip</b>			<b>\$3.43</b>	<b>\$7,544.05</b>
D30903201040	Garage, single exhaust, 3" outlet, cars & light trucks, 1 bay	1		\$3.43	\$7,544.05
<b>D4010</b>	<b>Sprinklers</b>			<b>\$6.35</b>	<b>\$13,971.69</b>
D40104101080	Wet pipe sprinkler systems, steel, ordinary hazard, 1 floor, 10,000 SF	2200		\$6.35	\$13,971.69
<b>D4020</b>	<b>Standpipes</b>			<b>\$1.58</b>	<b>\$3,467.12</b>
D40203101540	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, 1 floor	0.22		\$1.44	\$3,168.40
D40203101560	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, additional floors	0.09		\$0.14	\$298.72
<b>D5010</b>	<b>Electrical Service/Distribution</b>			<b>\$2.72</b>	<b>\$5,990.22</b>
D50101200280	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 200 A	1		\$1.69	\$3,714.80
D50102300280	Feeder installation 600 V, including RGS conduit and XHHW wire, 200 A	30		\$0.86	\$1,902.12
D50102400200	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 400 A	0.03		\$0.17	\$373.30
<b>D5020</b>	<b>Lighting and Branch Wiring</b>			<b>\$11.61</b>	<b>\$25,540.28</b>
D50201100280	Receptacles incl plate, box, conduit, wire, 4 per 1000 SF, .5 watts per SF	2200		\$2.68	\$5,904.05
D50201350280	Miscellaneous power, 1 watt	2200		\$0.36	\$801.26
D50201400240	Central air conditioning power, 3 watts	2200		\$0.79	\$1,738.33
D50202100520	Fluorescent fixtures recess mounted in ceiling, 1.6 watt per SF, 40 FC, 10 fixtures @32watt per 1000 SF	2200		\$7.77	\$17,096.64
<b>D5030</b>	<b>Communications and Security</b>			<b>\$4.07</b>	<b>\$8,962.96</b>
D50309100452	Communication and alarm systems, fire detection, addressable, 25 detectors, includes outlets, boxes, conduit and wire	0.22		\$2.42	\$5,333.22
D50309100462	Fire alarm command center, addressable with voice, excl. wire & conduit	0.22		\$1.36	\$2,992.83
D50309200104	Internet wiring, 4 data/voice outlets per 1000 S.F.	0.44		\$0.29	\$636.91
<b>D5090</b>	<b>Other Electrical Systems</b>			<b>\$0.08</b>	<b>\$169.30</b>
D50902100280	Generator sets, w/battery, charger, muffler and transfer switch, gas/gasoline operated, 3 phase, 4 wire, 277/480 V, 15 kW	0.22		\$0.08	\$169.30
<b>E</b>	<b>Equipment &amp; Furnishings</b>		<b>0.00%</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>E1090</b>	<b>Other Equipment</b>			<b>\$0.00</b>	<b>\$0.00</b>

F	Special Construction		0.00%	\$0.00	\$0.00
G	Building Sitework		0.00%	\$0.00	\$0.00

SubTotal		100%	\$164.99	\$362,978.01
Contractor Fees (General Conditions,Overhead,Profit)		15.0%	\$24.75	\$54,446.70
Architectural Fees		0.0%	\$0.00	\$0.00
User Fees		0.0%	\$0.00	\$0.00
Total Building Cost			\$189.74	\$417,424.71

# Portland Avenue South Redevelopment TIF District

## Code Deficiency Cost Report

Parcel A - 7700 Portland Avenue South, Richfield, Minnesota 55423

Parcel ID 053-3402824440006

Building Name or Type

Automotive Repair Garage

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
<b>Accessibility Items</b>					
	Accessible Parking				
	Create code required accessible parking	\$ 100.00	EA	1	\$ 100.00
	Accessible Routes				
	Create a code required accessible route into the building	\$ 500.00	Lump	1	\$ 500.00
	Restroom				
	Modify restroom to comply with code	\$ 3.58	SF	2,200	\$ 7,876.00
<b>Structural Elements</b>					
	Steel Lintels				
	Protect steel lintels from rusting per code	\$ 750.00	Lump	1	\$ 750.00
	Concrete Masonry Units				
	Repair or replace damaged/missing concrete masonry units to prevent water intrusion per code	\$ 9.95	SF	2,200	\$ 21,890.00
<b>Exiting</b>					
	Flooring				
	Repair/replace damaged flooring to create an unimpeded means for emergency egress per code	\$ 1.68	SF	2,200	\$ 3,696.00
	Thresholds				
	Modify thresholds to comply with code for maximum height	\$ 500.00	Lump	1	\$ 500.00
	Door Hardware				
	Install code compliant door hardware	\$1,250.00	Lump	1	\$ 1,250.00
	Emergency Exit Signs				
	Install code required emergency exit signs	\$1,250.00	SF	3	\$ 3,750.00
	Emergency Notification System				
	Install a code required emergency notification system	\$ 1.36	SF	2,200	\$ 2,992.00
<b>Fire Protection</b>					
	Fire Caulking				
	Install code required fire caulking	\$ 0.15	SF	2,200	\$ 330.00
	Smoke Detectors				
	Install code required smoke detectors	\$ 2.42	SF	2,200	\$ 5,324.00
	Building Sprinkler Systems				
	Install a code required building sprinkler system	\$ 7.93	SF	2,200	\$ 17,446.00

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
<b>Exterior Construction</b>					
	Windows				
	Replace failed windows to prevent water intrusion per code	\$ 6.88	SF	2,200	\$ 15,136.00
<b>Roof Construction</b>					
	Roofing Materials				
	Remove failed roofing material and replace to prevent water intrusion per code	\$ 11.86	SF	2,200	\$ 26,092.00
<b>Mechanical - Electrical</b>					
	Mechanical				
	Install a code compliant HVAC system	\$ 11.32	SF	2,200	\$ 24,904.00
	Electrical				
	Install a code compliant electrical wiring system	\$ 6.55	SF	2,200	\$ 14,410.00
	Install a code compliant electrical lighting system	\$ 7.77	SF	2,200	\$ 17,094.00
<b>Total Code Improvements</b>					<b>\$ 164,040</b>



# Portland Avenue South Redevelopment TIF District | Parcel A



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# Portland Avenue South Redevelopment TIF District | Parcel A



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# Portland Avenue South Redevelopment TIF District | Parcel A



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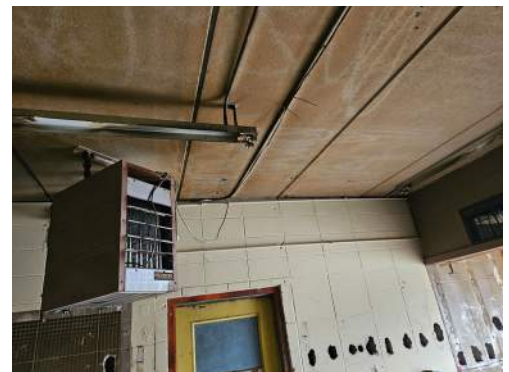
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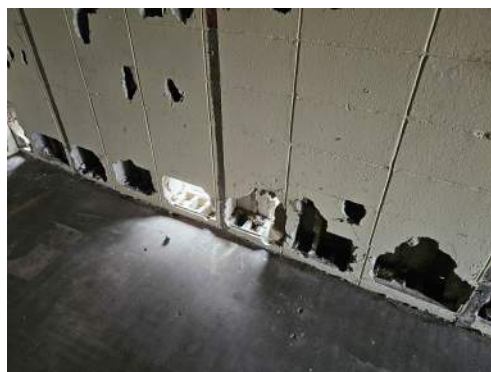
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# Portland Avenue South Redevelopment TIF District | Parcel A



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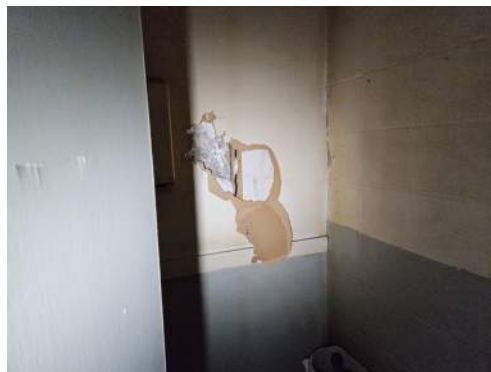
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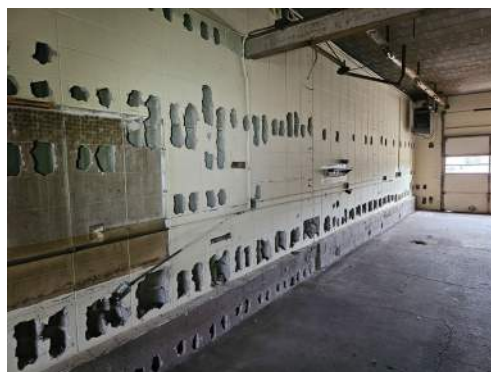
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# Portland Avenue South Redevelopment TIF District | Parcel A



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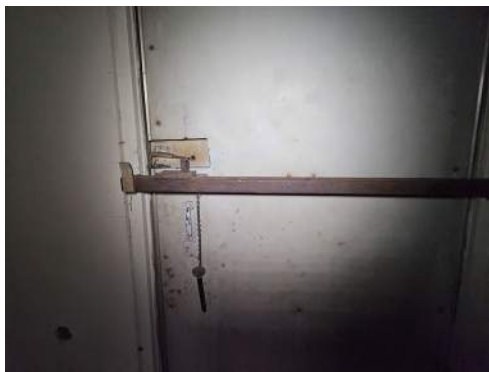
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# Portland Avenue South Redevelopment TIF District

## Building Code, Condition Deficiency and Context Analysis Report

### Parcel B

### Automotive Repair Garage

Address: 7730 Portland Avenue South, Richfield, Minnesota 55423  
Parcel ID: 053-3402824440007  
Inspection Date(s) & Time(s): October 25, 2023, 11:50 am  
Inspection Type: Interior and Exterior  
Summary of Deficiencies: It is our professional opinion that this building is Substandard because:  

- Substantial renovation is required to correct Conditions found.
- Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.

Estimated Replacement Cost:	\$863,626
Estimated Cost to Correct Building Code Deficiencies:	\$355,708
Percentage of Replacement Cost for Building Code Deficiencies:	41.2%

### DEFECTS IN STRUCTURAL ELEMENTS

1. Steel lintels should be protected from rusting per code.
2. Exterior wall concrete block and mortar should be repaired/replaced to prevent water intrusion per code.

### COMBINATION OF DEFICIENCIES

1. Essential Utilities and Facilities
  - a. There is no code required accessible parking.
  - b. There is no code required accessible route into the building.
  - c. The restroom is not code compliant for accessibility.
2. Light and Ventilation
  - a. Lighting does not comply with code.
  - b. The electrical wiring system does not comply with code.
  - c. The HVAC system does not comply with code.
3. Fire Protection/Adequate Egress
  - a. Thresholds do not comply with code for maximum height.
  - b. The flooring is damaged creating an impediment to emergency egress which is contrary to code.
  - c. Door hardware does not comply with code.
  - d. There is no code required accessible route to all levels of the building
  - e. There is no code required smoke detector system in the building.
  - f. There is no code required emergency exit signage in the building.

- g. There is no code required emergency lighting system in the building.
  - h. There is no code required emergency notification system in the building.
  - i. There is no code required building sprinkler system.
  - j. There is no code required fire caulking at through wall and ceiling penetrations.
4. Layout and Condition of Interior Partitions/Materials
- a. The interior walls and ceilings should be repaired/repainted.
5. Exterior Construction
- a. The roofing material is failing, allowing for water intrusion which is contrary to code.
  - b. Windows are failing, allowing for water intrusion which is contrary to code.
  - c. Exterior walls should be repainted.

## **DESCRIPTION OF CODE DEFICIENCIES**

- 1. Code required accessible parking should be created.
- 2. A code required accessible route into the building should be created.
- 3. There is no code compliant accessible route to all levels of the building.
- 4. The restroom does not comply with accessibility code.
- 5. The lighting does not comply with code.
- 6. The electrical wiring system does not comply with code.
- 7. The HVAC system does not comply with code.
- 8. Thresholds do not comply with code for maximum height.
- 9. Door hardware does not comply with code.
- 10. Flooring should be prepared to create an unimpeded means for emergency egress to comply with code.
- 11. There is no code required smoke detector system.
- 12. There is no code required emergency exit signage system.
- 13. There is no code required emergency lighting system.
- 14. There is no code required emergency notification system.
- 15. There is no code required building sprinkler system.
- 16. There is no code required fire caulking.
- 17. Steel lintels should be protected from rusting per code.
- 18. Exterior block and mortar should be repaired/replaced to prevent water intrusion per code.
- 19. Failed windows should be replaced to prevent water intrusion per code.
- 20. Failed roofing material should be replaced to prevent water intrusion per code.

## OVERVIEW OF DEFICIENCIES

This building was most recently used as an automotive repair garage. There is no code required accessible parking or accessible route into the building. The restroom does not comply with code. The electrical wiring and lighting systems do not comply with code. Interior walls and ceiling should be repaired and repainted. A code required accessible route to all levels of the building should be created. The HVAC system does not comply with code. There are no code required life safety systems including smoke detectors, emergency lighting, notification and exiting, and building sprinklers. The exterior block and mortar are failing, allowing for water intrusion which is contrary to code. The roofing material and windows are failing, allowing for water intrusion which is contrary to code. Exterior walls should be repainted.

## ENERGY CODE DEFICIENCIES

In addition to the building code deficiencies listed above, the existing building does not comply with the current energy code. These deficiencies are not included in the estimated costs to correct code deficiencies and are not considered in determining whether the building is substandard.

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# Portland Avenue South Redevelopment TIF District

## Replacement Cost Report

**RSMeans data**  
from **BORDIAN**

### Square Foot Cost Estimate Report

Date:

10/25/2023

Estimate Name: **7730 Portland Avenue South**

Building Type: **Garage, Repair with Concrete Block / Steel Joists**

Location: **RICHFIELD, MN**

Story Count: **1**

Story Height (L.F.): **21**

Floor Area (S.F.): **5600**

Labor Type: **OPN**

Basement Included: **No**

Data Release: **Year 2023 Quarter 4**

Cost Per Square Foot: **\$154.22**

Building Cost: **\$863,626.41**



Costs are derived from a building model with basic components.  
Scope differences and market conditions can cause costs to vary significantly.

		Quantity	% of Total	Cost Per S.F.	Cost
<b>A</b>	<b>Substructure</b>		<b>17.09%</b>	<b>\$22.92</b>	<b>\$128,373.07</b>
<b>A1010</b>	<b>Standard Foundations</b>			<b>\$10.97</b>	<b>\$61,450.27</b>
A10101051560	Foundation wall, CIP, 4' wall height, direct chute, .148 CY/LF, 7.2 PLF, 12" thick	366		\$6.82	\$38,180.39
A10101102700	Strip footing, concrete, reinforced, load 11.1 KLF, soil bearing capacity 6 KSF, 12" deep x 24" wide	402.6		\$4.16	\$23,269.88
<b>A1030</b>	<b>Slab on Grade</b>			<b>\$11.55</b>	<b>\$64,686.72</b>
A10301204520	Slab on grade, 6" thick, light industrial, reinforced	5600		\$11.55	\$64,686.72
<b>A2010</b>	<b>Basement Excavation</b>			<b>\$0.40</b>	<b>\$2,236.08</b>
A20101104560	Excavate and fill, 10,000 SF, 4' deep, sand, gravel, or common earth, on site storage	5600		\$0.40	\$2,236.08
<b>B</b>	<b>Shell</b>		<b>36.54%</b>	<b>\$49.00</b>	<b>\$274,426.50</b>
<b>B1020</b>	<b>Roof Construction</b>			<b>\$8.99</b>	<b>\$50,369.26</b>
B10201162500	Roof, steel joists, 1.5" 22 ga metal deck, on bearing walls, 40' bay, 25.5" deep, 40 PSF superimposed load, 61 PSF total load	5600		\$8.99	\$50,369.26
<b>B2010</b>	<b>Exterior Walls</b>			<b>\$16.80</b>	<b>\$94,096.62</b>
B20101116280	Concrete block (CMU) wall, regular weight, 75% solid, 8 x 8 x 16, 4500 PSI, reinforced, vertical #5@32", grouted	6148.8		\$16.80	\$94,096.62
<b>B2020</b>	<b>Exterior Windows</b>			<b>\$6.74</b>	<b>\$37,759.91</b>
B20201066650	Windows, aluminum, sliding, standard glass, 5' x 3'	25.62		\$6.74	\$37,759.91
<b>B2030</b>	<b>Exterior Doors</b>			<b>\$6.38</b>	<b>\$35,729.04</b>
B20302203450	Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" x 7'-0" opening	1.68		\$1.02	\$5,687.63
B20302204450	Door, steel 24 gauge, overhead, sectional, manual operation, 12'-0" x 12'-0" opening	8.01		\$5.36	\$30,041.41
<b>B3010</b>	<b>Roof Coverings</b>			<b>\$10.08</b>	<b>\$56,471.67</b>
B30101051400	Roofing, asphalt flood coat, gravel, base sheet, 3 plies 15# asphalt felt, mopped	5600		\$4.04	\$22,625.01
B30103203090	Insulation, rigid, roof deck, composite with 2" EPS, 1" perlite	5600		\$2.70	\$15,106.39
B30104201400	Roof edges, aluminum, duranodic, .050" thick, 6" face	366		\$2.59	\$14,506.79
B30106305100	Gravel stop, aluminum, extruded, 4", mill finish, .050" thick	366		\$0.76	\$4,233.48
<b>C</b>	<b>Interiors</b>		<b>10.65%</b>	<b>\$14.29</b>	<b>\$80,003.58</b>
<b>C1010</b>	<b>Partitions</b>			<b>\$5.32</b>	<b>\$29,770.37</b>
C10101022300	Lightweight block 4" thick	1176		\$1.87	\$10,478.94
C10101046000	Concrete block (CMU) partition, light weight, hollow, 8" thick, no finish	1568		\$3.44	\$19,291.43
<b>C1020</b>	<b>Interior Doors</b>			<b>\$0.38</b>	<b>\$2,122.13</b>
C10201022600	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'-0" x 7'-0" x 1-3/8"	1.87		\$0.38	\$2,122.13
<b>C1030</b>	<b>Fittings</b>			<b>\$0.46</b>	<b>\$2,584.28</b>
C10301100460	Toilet partitions, cubicles, ceiling hung, stainless steel	1		\$0.46	\$2,584.28
<b>C3010</b>	<b>Wall Finishes</b>			<b>\$5.78</b>	<b>\$32,374.06</b>
C30102202000	2 coats paint on masonry with block filler	6148.8		\$4.24	\$23,729.45
C30102300320	Painting, masonry or concrete, latex, brushwork, primer & 2 coats	2240		\$0.85	\$4,763.88
C30102300340	Painting, masonry or concrete, latex, brushwork, addition for block filler	2240		\$0.69	\$3,880.73



<b>C3020</b>	<b>Floor Finishes</b>			<b>\$1.68</b>	<b>\$9,402.17</b>
C30204100940	Concrete topping, hardeners, metallic additive, minimum	5040		\$1.46	\$8,175.23
C30204101580	Vinyl, composition tile, minimum	560		\$0.22	\$1,226.94
<b>C3030</b>	<b>Ceiling Finishes</b>			<b>\$0.67</b>	<b>\$3,750.57</b>
C30302105800	Acoustic ceilings, 5/8" fiberglass board, 24" x 48" tile, tee grid, suspended support	560		\$0.67	\$3,750.57
<b>D</b>	<b>Services</b>		<b>35.71%</b>	<b>\$47.89</b>	<b>\$268,176.34</b>
<b>D2010</b>	<b>Plumbing Fixtures</b>			<b>\$4.10</b>	<b>\$22,979.70</b>
D20101102080	Water closet, vitreous china, bowl only with flush valve, wall hung	1.9		\$1.39	\$7,779.54
D20102102000	Urinal, vitreous china, wall hung	0.95		\$0.30	\$1,667.67
D20103102080	Lavatory w/trim, wall hung, PE on CI, 19" x 17"	1.9		\$0.72	\$4,056.92
D20104404340	Service sink w/trim, PE on CI, wall hung w/rim guard, 24" x 20"	0.95		\$1.22	\$6,838.57
D20108201920	Water cooler, electric, wall hung, wheelchair type, 7.5 GPH	0.95		\$0.47	\$2,637.00
<b>D2020</b>	<b>Domestic Water Distribution</b>			<b>\$0.88</b>	<b>\$4,922.25</b>
D20202202260	Gas fired water heater, residential, 100< F rise, 30 gal tank, 32 GPH	0.95		\$0.88	\$4,922.25
<b>D2040</b>	<b>Rain Water Drainage</b>			<b>\$4.95</b>	<b>\$27,732.12</b>
D20402106200	Roof drain, steel galv sch 40 threaded, 4" diam piping, 10' high	2.86		\$2.72	\$15,221.77
D20402106240	Roof drain, steel galv sch 40 threaded, 4" diam piping, for each additional foot add	102		\$2.23	\$12,510.35
<b>D3050</b>	<b>Terminal &amp; Package Units</b>			<b>\$11.32</b>	<b>\$63,387.86</b>
D30501503120	Rooftop, single zone, air conditioner, factories, 10,000 SF, 33.33 ton	5600		\$11.32	\$63,387.86
<b>D3090</b>	<b>Other HVAC Systems/Equip</b>			<b>\$1.96</b>	<b>\$10,948.05</b>
D30903201040	Garage, single exhaust, 3" outlet, cars & light trucks, 1 bay	1		\$1.35	\$7,544.05
D30903201060	Garage, single exhaust, 3" outlet, additional bays up to seven bays	2		\$0.61	\$3,404.00
<b>D4010</b>	<b>Sprinklers</b>			<b>\$6.35</b>	<b>\$35,564.31</b>
D40104101080	Wet pipe sprinkler systems, steel, ordinary hazard, 1 floor, 10,000 SF	5600		\$6.35	\$35,564.31
<b>D4020</b>	<b>Standpipes</b>			<b>\$1.58</b>	<b>\$8,825.41</b>
D40203101540	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, 1 floor	0.56		\$1.44	\$8,065.02
D40203101560	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, additional floors	0.22		\$0.14	\$760.39
<b>D5010</b>	<b>Electrical Service/Distribution</b>			<b>\$1.07</b>	<b>\$5,990.22</b>
D50101200280	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 200 A	1		\$0.66	\$3,714.80
D50102300280	Feeder installation 600 V, including RGS conduit and XHHW wire, 200 A	30		\$0.34	\$1,902.12
D50102400200	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 400 A	0.03		\$0.07	\$373.30
<b>D5020</b>	<b>Lighting and Branch Wiring</b>			<b>\$11.61</b>	<b>\$65,011.64</b>
D50201100280	Receptacles incl plate, box, conduit, wire, 4 per 1000 SF, .5 watts per SF	5600		\$2.68	\$15,028.50
D50201350280	Miscellaneous power, 1 watt	5600		\$0.36	\$2,039.58
D50201400240	Central air conditioning power, 3 watts	5600		\$0.79	\$4,424.84
D50202100520	Fluorescent fixtures recess mounted in ceiling, 1.6 watt per SF, 40 FC, 10 fixtures @32watt per 1000 SF	5600		\$7.77	\$43,518.72
<b>D5030</b>	<b>Communications and Security</b>			<b>\$4.07</b>	<b>\$22,814.78</b>
D50309100452	Communication and alarm systems, fire detection, addressable, 25 detectors, includes outlets, boxes, conduit and wire	0.56		\$2.42	\$13,575.46
D50309100462	Fire alarm command center, addressable with voice, excl. wire & conduit	0.56		\$1.36	\$7,618.10
D50309200104	Internet wiring, 4 data/voice outlets per 1000 S.F.	1.12		\$0.29	\$1,621.22
<b>E</b>	<b>Equipment &amp; Furnishings</b>		<b>0.00%</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>E1090</b>	<b>Other Equipment</b>			<b>\$0.00</b>	<b>\$0.00</b>
<b>F</b>	<b>Special Construction</b>		<b>0.00%</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>G</b>	<b>Building Sitework</b>		<b>0.00%</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>SubTotal</b>			<b>100%</b>	<b>\$134.10</b>	<b>\$750,979.49</b>
<b>Contractor Fees (General Conditions,Overhead,Profit)</b>			<b>15.0%</b>	<b>\$20.12</b>	<b>\$112,646.92</b>
<b>Architectural Fees</b>			<b>0.0%</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>User Fees</b>			<b>0.0%</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Total Building Cost</b>				<b>\$154.22</b>	<b>\$863,626.41</b>

# Portland Avenue South Redevelopment TIF District

## Code Deficiency Cost Report

Parcel B - 7730 Portland Avenue South, Richfield, Minnesota 55423

Parcel ID 053-3402824440007

Building Name or Type

Automotive Repair Garage

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
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### Accessibility Items

#### Accessible Parking

Create code required accessible parking	\$ 100.00	EA	1	\$	100.00
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#### Accessible Routes

Create a code required accessible route into the building	\$ 500.00	Lump	1	\$	500.00
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Create a code required accessible route to all levels of the building	\$2,500.00	Lump	1	\$	2,500.00
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#### Restroom

Modify restroom to comply with code	\$ 3.58	SF	5,600	\$	20,048.00
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### Structural Elements

#### Steel Lintels

Protect steel lintels from rusting per code	\$1,250.00	Lump	1	\$	1,250.00
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#### Concrete Masonry Units

Repair or replace damaged/missing concrete masonry units to prevent water intrusion per code	\$ 3.25	SF	5,600	\$	18,200.00
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### Exiting

#### Flooring

Repair/replace damaged flooring to create an unimpeded means for emergency egress per code	\$ 1.68	SF	5,600	\$	9,408.00
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#### Thresholds

Modify thresholds to comply with code for maximum height	\$1,000.00	Lump	1	\$	1,000.00
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#### Door Hardware

Install code compliant door hardware	\$1,500.00	Lump	1	\$	1,500.00
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#### Emergency Exit Signs

Install code required emergency exit signs	\$1,250.00	EA	5	\$	6,250.00
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#### Emergency Notification System

Install a code required emergency notification system	\$ 1.36	SF	5,600	\$	7,616.00
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### Fire Protection

#### Fire Caulking

Install code required fire caulking	\$ 0.15	SF	5,600	\$	840.00
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#### Smoke Detectors

Install code required smoke detectors	\$ 2.42	SF	5,600	\$	13,552.00
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#### Building Sprinkler Systems

Install a code required building sprinkler system	\$ 7.93	SF	5,600	\$	44,408.00
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Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
<b>Exterior Construction</b>					
	Windows				
	Replace failed windows to prevent water intrusion per code	\$ 6.74	SF	5,600	\$ 37,744.00
<b>Roof Construction</b>					
	Roofing Materials				
	Remove failed roofing material and replace to prevent water intrusion per code	\$ 10.08	SF	5,600	\$ 56,448.00
<b>Mechanical - Electrical</b>					
	Mechanical				
	Install a code compliant HVAC system	\$ 11.32	SF	5,600	\$ 63,392.00
	Electrical				
	Install a code compliant electrical wiring system	\$ 4.90	SF	5,600	\$ 27,440.00
	Install a code compliant electrical lighting system	\$ 7.77	SF	5,600	\$ 43,512.00
<b>Total Code Improvements</b>					<b>\$ 355,708</b>

# Portland Avenue South Redevelopment TIF District | Parcel B



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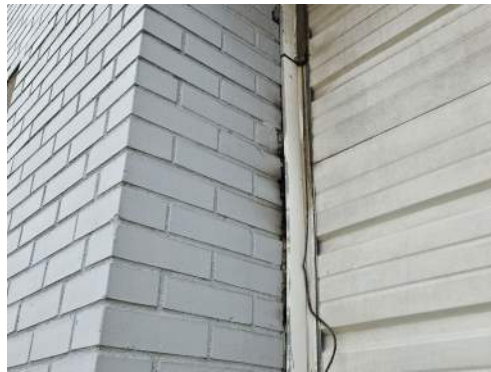
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# Portland Avenue South Redevelopment TIF District | Parcel B



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# Portland Avenue South Redevelopment TIF District | Parcel B



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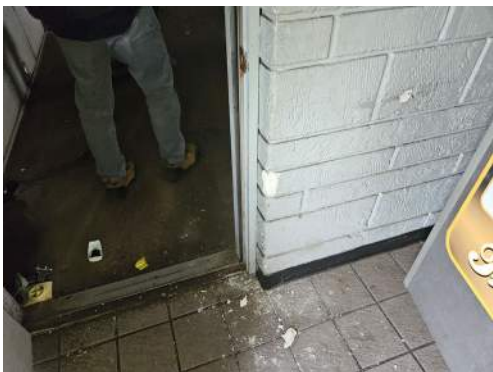
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# Portland Avenue South Redevelopment TIF District | Parcel B



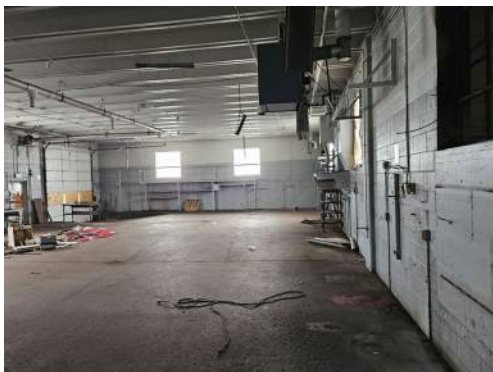
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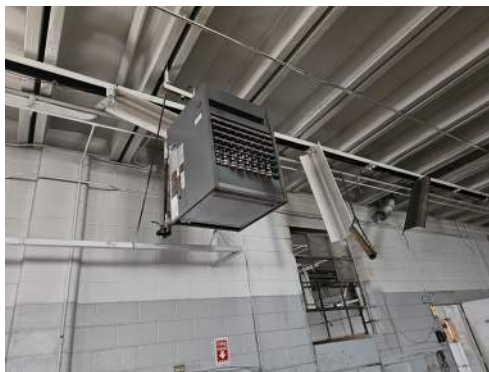
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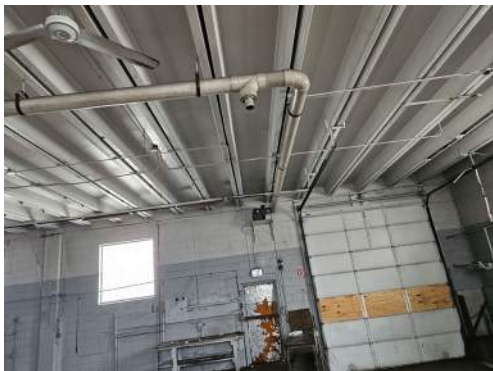
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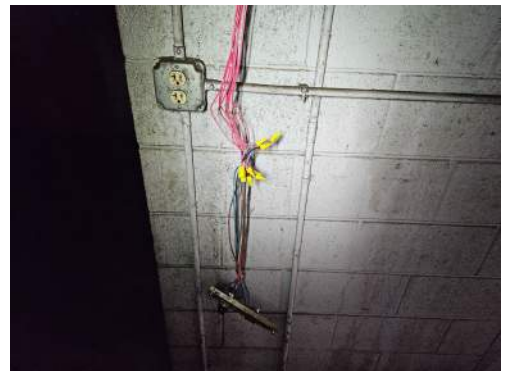
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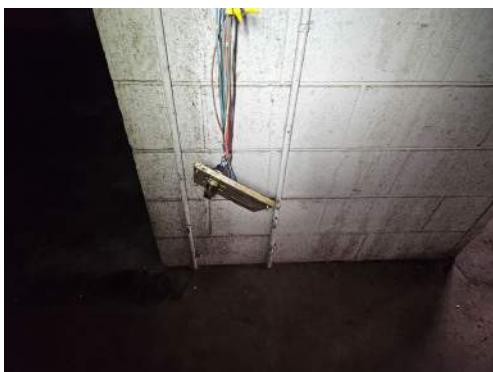
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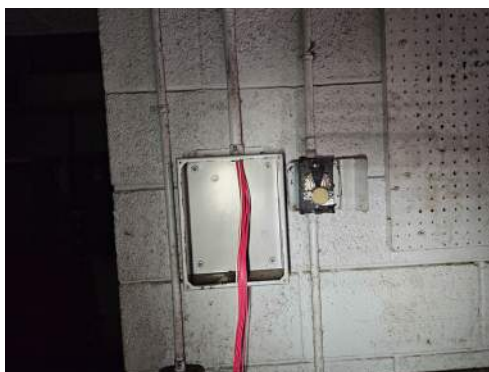
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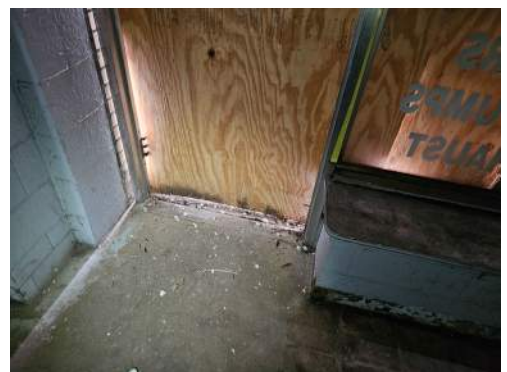
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# Portland Avenue South Redevelopment TIF District | Parcel B



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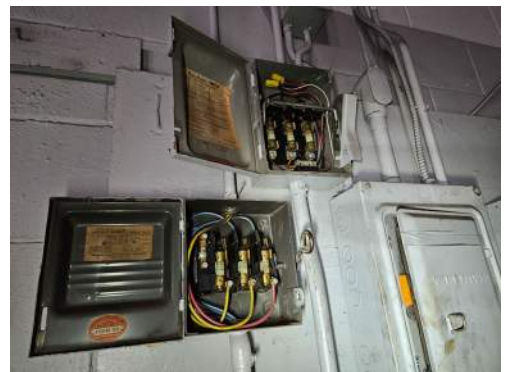
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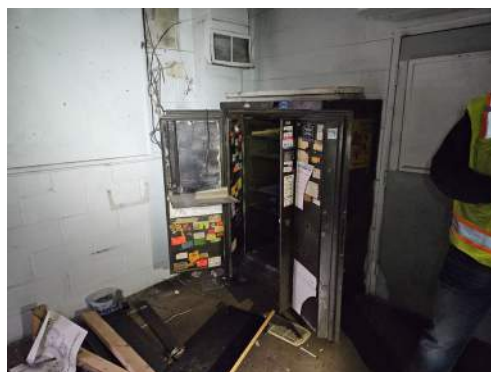
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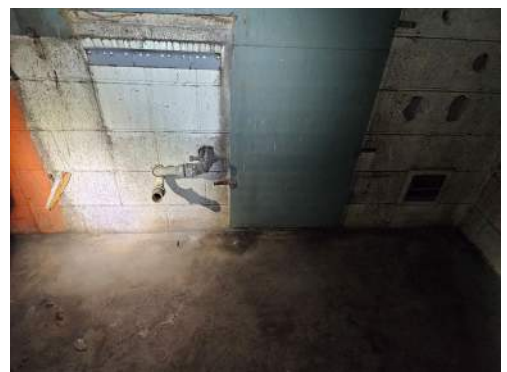
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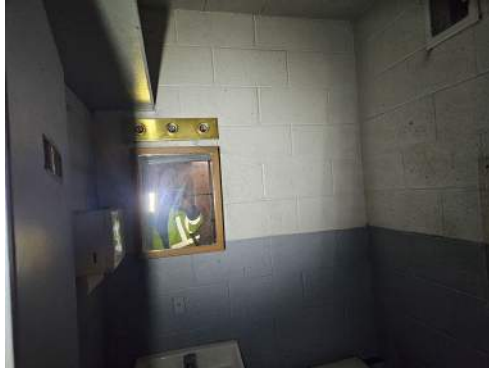
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# Portland Avenue South Redevelopment TIF District | Parcel B



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# Portland Avenue South Redevelopment TIF District

## Building Code, Condition Deficiency and Context Analysis Report

### Parcel C

### Khan's Mongolian Barbecue

Address:	500 78 <sup>th</sup> Street East, Richfield, Minnesota 55423
Parcel ID:	3402824440023
Inspection Date(s) & Time(s):	November 3, 2023, 8:00 am
Inspection Type:	Interior and Exterior
Summary of Deficiencies:	<p>It is our professional opinion that this building is Substandard because:</p> <ul style="list-style-type: none"><li>- Substantial renovation is required to correct Conditions found.</li><li>- Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.</li></ul>
Estimated Replacement Cost:	\$1,471,188
Estimated Cost to Correct Building Code Deficiencies:	\$626,320
Percentage of Replacement Cost for Building Code Deficiencies:	42.6%

### DEFECTS IN STRUCTURAL ELEMENTS

1. No defects observed.

### COMBINATION OF DEFICIENCIES

1. Essential Utilities and Facilities
  - a. There is no code compliant access into the building.
  - b. Transaction counters do not comply with the accessibility code.
  - c. Restrooms do not comply with code.
2. Light and Ventilation
  - a. The lighting system does not comply with code.
  - b. The electrical system does not comply with code.
  - c. The HVAC system does not comply with code.
3. Fire Protection/Adequate Egress
  - a. Thresholds do not comply with code for maximum height.
  - b. Code required fire caulking should be installed in all through wall and ceiling penetrations.
  - c. Door hardware does not comply with code.
  - d. Exit signage does not comply with code.
  - e. Smoke detectors do not comply with code.
  - f. Flooring material is damaged creating and impediment to emergency egress which is contrary to code.

- g. Emergency lighting does not comply with code.
  - h. There is no code required emergency notification system.
  - i. There is no code required building sprinkler system.
4. Layout and Condition of Interior Partitions/Materials
- a. Interior walls should be repaired/repainted.
  - b. The carpet should be cleaned.
  - c. There is mold present on the kitchen walls.
5. Exterior Construction
- a. Wood trim should be repainted.
  - b. The exterior concrete walls are failing allowing for water intrusion which is contrary to code.
  - c. Windows are failing allowing for water intrusion which is contrary to code.
  - d. Roofing materials are failing allowing for water intrusion which is contrary to code.

## **DESCRIPTION OF CODE DEFICIENCIES**

- 1. Code-compliant transaction counters should be installed.
- 2. Restrooms should be made code compliant.
- 3. The lighting system should be modified to comply with code.
- 4. The electrical wiring system should be modified to comply with code.
- 5. A code compliant HVAC system should be installed.
- 6. Thresholds do not comply with code.
- 7. Install code compliant door hardware.
- 8. Fire caulking should be installed where required by code.
- 9. Install code compliant smoke detectors.
- 10. Install code compliant emergency lighting.
- 11. Install code compliant emergency exit signage.
- 12. A code required emergency notification system should be installed.
- 13. A code required building sprinkler system should be installed.
- 14. Failing exterior concrete block should be repaired to prevent water intrusion per code.
- 15. Failing windows should be replaced to prevent water intrusion per code.
- 16. Roofing materials are failing allowing for water intrusion which is contrary to code.

## **OVERVIEW OF DEFICIENCIES**

This restaurant is currently not in operation. Exterior windows are failing allowing for water intrusion which is contrary to code. Code-compliant transaction counters should be installed. The restrooms are not code compliant. Interior walls should be repaired/repainted. All code required life safety systems should be installed. The interior walls should be repaired and repainted. The carpet should be cleaned. Code compliant lighting should be installed. Code-compliant electrical wiring should be installed. A code-compliant HVAC system should be installed. Exterior concrete block is failing allowing for water intrusion which is contrary to code. The roofing material is failing, allowing for water intrusion which is contrary to code.

## ENERGY CODE DEFICIENCIES

In addition to the building code deficiencies listed above, the existing building does not comply with the current energy code. These deficiencies are not included in the estimated costs to correct code deficiencies and are not considered in determining whether the building is substandard.

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# Portland Avenue South Redevelopment TIF District


## Replacement Cost Report

RSMeans data  
from BORDIAN

### Square Foot Cost Estimate Report

Date:

11/7/2023

Estimate Name:	500 78th Street East	
Building Type:	Restaurant with Brick Veneer / Reinforced Concrete	
Location:	RICHFIELD, MN	
Story Count:	1	 <p>Costs are derived from a building model with basic components. Scope differences and market conditions can cause costs to vary significantly.</p>
Story Height (L.F.):	14	
Floor Area (S.F.):	5800	
Labor Type:	OPN	
Basement Included:	No	
Data Release:	Year 2023 Quarter 4	
Cost Per Square Foot:	\$253.65	
Building Cost:	\$1,471,188.70	

		Quantity	% of Total	Cost Per S.F.	Cost
<b>A</b>	<b>Substructure</b>		9.00%	\$19.86	\$115,180.55
<b>A1010</b>	<b>Standard Foundations</b>			\$11.79	\$68,355.53
A10101051560	Foundation wall, CIP, 4' wall height, direct chute, .148 CY/LF, 7.2 PLF, 12" thick	320		\$5.76	\$33,381.76
A10101102700	Strip footing, concrete, reinforced, load 11.1 KLF, soil bearing capacity 6 KSF, 12" deep x 24" wide	320		\$3.19	\$18,495.68
A10102107410	Spread footings, 3000 PSI concrete, load 100K, soil bearing capacity 6 KSF, 4' - 6" square x 15" deep	29		\$2.84	\$16,478.09
<b>A1030</b>	<b>Slab on Grade</b>			\$7.38	\$42,824.76
A10301202240	Slab on grade, 4" thick, non industrial, reinforced	5800		\$7.38	\$42,824.76
<b>A2010</b>	<b>Basement Excavation</b>			\$0.69	\$4,000.26
A20101103380	Excavate and fill, 4000 SF, 4' deep, sand, gravel, or common earth, on site storage	5800		\$0.69	\$4,000.26
<b>B</b>	<b>Shell</b>		32.47%	\$71.63	\$415,436.48
<b>B1010</b>	<b>Floor Construction</b>			\$2.58	\$14,981.35
B10102049913	Cast-in-place concrete column, 12", square, tied, minimum reinforcing, 150K load, 10'-14' story height, 135 lbs/LF, 4000PSI	185.6		\$2.58	\$14,981.35
<b>B1020</b>	<b>Roof Construction</b>			\$20.55	\$119,182.75
B10207257000	Roof, concrete, beam and slab, 25'x25' bay, 40 PSF superimposed load, 20" deep beam, 9" slab, 152 PSF total load	5800		\$20.55	\$119,182.75
<b>B2010</b>	<b>Exterior Walls</b>			\$19.67	\$114,087.68
B20101291420	Brick veneer wall, standard face, 2x6 studs @ 16" back-up, common bond	3136		\$19.67	\$114,087.68
<b>B2020</b>	<b>Exterior Windows</b>			\$6.24	\$36,179.36
B20202101100	Aluminum flush tube frame, for 1/4"glass,1-3/4"x4", 5'x6' opening, no intermediate horizontals	224		\$1.21	\$7,023.74
B20202202050	Glazing panel, plate glass, 1/4" thick, tempered	1120		\$5.03	\$29,155.62
<b>B2030</b>	<b>Exterior Doors</b>			\$8.89	\$51,572.98
B20301106550	Door, aluminum & glass, without transom, full vision, double door, hardware, 6'-0" x 7'-0" opening	3.48		\$6.20	\$35,961.54
B20301107250	Door, aluminum & glass, with transom, non-standard, double door, hardware, 6'-0" x 10'-0" opening	1.16		\$2.01	\$11,684.27
B20302203450	Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" x 7'-0" opening	1.16		\$0.68	\$3,927.17
<b>B3010</b>	<b>Roof Coverings</b>			\$11.80	\$68,455.84
B30101203400	Roofing, single ply membrane, EPDM, 60 mils, loosely laid, stone ballast	5800		\$2.57	\$14,918.24
B30103202700	Insulation, rigid, roof deck, extruded polystyrene, 40 PSI compressive strength, 4" thick, R20	5800		\$6.69	\$38,793.24
B30104201400	Roof edges, aluminum, duranodic, .050" thick, 6" face	320		\$2.19	\$12,683.54
B30106100050	Gutters, box, aluminum, .027" thick, 5", enameled finish	160		\$0.29	\$1,662.51
B30106200100	Downspout, aluminum, rectangular, 2" x 3", embossed mill finish, .020" thick	64		\$0.07	\$398.31

<b>B3020</b>	<b>Roof Openings</b>			<b>\$1.89</b>	<b>\$10,976.52</b>
B30202100300	Roof hatch, with curb, 1" fiberglass insulation, 2'-6" x 3'-0", galvanized steel, 165 lbs	2.32		\$0.86	\$4,964.38
B30202102100	Smoke hatch, unlabeled, galvanized, 2'-6" x 3', not incl hand winch operator	2.32		\$1.04	\$6,012.14
<b>C</b>	<b>Interiors</b>		<b>13.15%</b>	<b>\$29.00</b>	<b>\$168,211.54</b>
<b>C1010</b>	<b>Partitions</b>			<b>\$4.27</b>	<b>\$24,765.63</b>
C10101045500	Concrete block (CMU) partition, light weight, hollow, 6" thick, no finish	2320		\$4.27	\$24,765.63
<b>C1020</b>	<b>Interior Doors</b>			<b>\$0.81</b>	<b>\$4,709.00</b>
C10201022510	Door, single leaf, wood frame, 3'-0" x 7'-0" x 1-3/8", birch, hollow core	5.8		\$0.81	\$4,709.00
<b>C1030</b>	<b>Fittings</b>			<b>\$1.05</b>	<b>\$6,080.78</b>
C10301100420	Toilet partitions, cubicles, ceiling hung, plastic laminate	5.8		\$1.05	\$6,080.78
<b>C3010</b>	<b>Wall Finishes</b>			<b>\$5.98</b>	<b>\$34,708.14</b>
C30102202000	2 coats paint on masonry with block filler	3136		\$2.09	\$12,102.45
C30102202000	2 coats paint on masonry with block filler	3712		\$2.47	\$14,325.35
C30102301940	Ceramic tile, thin set, 4-1/4" x 4-1/4"	928		\$1.43	\$8,280.34
<b>C3020</b>	<b>Floor Finishes</b>			<b>\$10.28</b>	<b>\$59,630.93</b>
C30204100080	Carpet tile, nylon, fusion bonded, 18" x 18" or 24" x 24", 35 oz	4060		\$3.84	\$22,243.85
C30204101800	Tile, quarry tile, mud set, minimum	870		\$3.05	\$17,667.09
C30204101820	Tile, quarry tile, mud set, maximum	870		\$3.40	\$19,719.99
<b>C3030</b>	<b>Ceiling Finishes</b>			<b>\$6.61</b>	<b>\$38,317.06</b>
C30301105300	Gypsum board ceilings, 5/8" fire rated gypsum board, painted and textured finish, 1" x 3" wood, 16" OC furring, concrete support	5800		\$6.61	\$38,317.06
<b>D</b>	<b>Services</b>		<b>45.37%</b>	<b>\$100.08</b>	<b>\$580,465.95</b>
<b>D2010</b>	<b>Plumbing Fixtures</b>			<b>\$12.25</b>	<b>\$71,028.95</b>
D20101102080	Water closet, vitreous china, bowl only with flush valve, wall hung	5.8		\$4.09	\$23,698.16
D20102102000	Urinal, vitreous china, wall hung	2.32		\$0.70	\$4,064.07
D20103101560	Lavatory w/trim, vanity top, PE on CI, 20" x 18"	5.8		\$2.07	\$12,008.78
D20104102040	Kitchen sink w/trim, countertop, stainless steel, 44" x 22" triple bowl	5.8		\$3.07	\$17,829.29
D20104404340	Service sink w/trim, PE on CI, wall hung w/rim guard, 24" x 20"	1.16		\$1.44	\$8,332.72
D20108201880	Water cooler, electric, wall hung, dual height, 14.3 GPH	1.16		\$0.88	\$5,095.93
<b>D2020</b>	<b>Domestic Water Distribution</b>			<b>\$4.55</b>	<b>\$26,377.76</b>
D20202502220	Gas fired water heater, commercial, 100< F rise, 500 MBH input, 480 GPH	1.16		\$4.55	\$26,377.76
<b>D2040</b>	<b>Rain Water Drainage</b>			<b>\$2.47</b>	<b>\$14,312.76</b>
D20402104120	Roof drain, CI, soil, single hub, 3" diam, 10' high	6.96		\$2.38	\$13,825.21
D20402104160	Roof drain, CI, soil, single hub, 3" diam, for each additional foot add	13.92		\$0.08	\$487.55
<b>D3050</b>	<b>Terminal &amp; Package Units</b>			<b>\$43.02</b>	<b>\$249,512.89</b>
D30501554040	Rooftop, multizone, air conditioner, restaurants, 3,000 SF, 15.00 ton	4640		\$35.36	\$205,100.06
D30501556900	Commercial kitchen exhaust/make-up air system, rooftop, gas, 2000 CFM	1.16		\$7.66	\$44,412.83
<b>D4010</b>	<b>Sprinklers</b>			<b>\$12.87</b>	<b>\$74,637.03</b>
D40104100580	Wet pipe sprinkler systems, steel, light hazard, 1 floor, 2000 SF	5800		\$10.72	\$62,179.48
D40104101020	Wet pipe sprinkler systems, steel, ordinary hazard, 1 floor, 1000 SF	1160		\$2.15	\$12,457.55
<b>D4020</b>	<b>Standpipes</b>			<b>\$3.46</b>	<b>\$20,047.34</b>
D40203101540	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, 1 floor	1.39		\$3.46	\$20,047.34
<b>D5010</b>	<b>Electrical Service/Distribution</b>			<b>\$4.73</b>	<b>\$27,458.41</b>
D50101200320	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 400 A	1		\$1.28	\$7,406.58
D50102300320	Feeder installation 600 V, including RGS conduit and XHHW wire, 400 A	60		\$1.31	\$7,608.48
D50102400200	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 400 A	1		\$2.15	\$12,443.35

<b>D5020</b>	<b>Lighting and Branch Wiring</b>			<b>\$13.24</b>	<b>\$76,818.39</b>
D50201100520	Receptacles incl plate, box, conduit, wire, 10 per 1000 SF, 1.2 watts per SF	5800		\$3.71	\$21,538.71
D50201350400	Miscellaneous power, 1.8 watts	5800		\$0.57	\$3,318.06
D50201400320	Central air conditioning power, 6 watts	5800		\$1.19	\$6,888.66
D50202100520	Fluorescent fixtures recess mounted in ceiling, 1.6 watt per SF, 40 FC, 10 fixtures @32watt per 1000 SF	5800		\$7.77	\$45,072.96
<b>D5030</b>	<b>Communications and Security</b>			<b>\$3.50</b>	<b>\$20,272.42</b>
D50309100450	Communication and alarm systems, fire detection, addressable, 12 detectors, includes outlets, boxes, conduit and wire	1.16		\$2.78	\$16,122.17
D50309100460	Fire alarm command center, addressable without voice, excl. wire & conduit	1.16		\$0.72	\$4,150.25
<b>E</b>	<b>Equipment &amp; Furnishings</b>		<b>0.00%</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>E1090</b>	<b>Other Equipment</b>			<b>\$0.00</b>	<b>\$0.00</b>
<b>F</b>	<b>Special Construction</b>		<b>0.00%</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>G</b>	<b>Building Sitework</b>		<b>0.00%</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>SubTotal</b>			<b>100%</b>	<b>\$220.57</b>	<b>\$1,279,294.52</b>
<b>Contractor Fees (General Conditions,Overhead,Profit)</b>			<b>15.0%</b>	<b>\$33.09</b>	<b>\$191,894.18</b>
<b>Architectural Fees</b>			<b>0.0%</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>User Fees</b>			<b>0.0%</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Total Building Cost</b>				<b>\$253.65</b>	<b>\$1,471,188.70</b>

# Portland Avenue South Redevelopment TIF District

## Code Deficiency Cost Report

Parcel C - 500 78th Street East, Richfield, Minnesota 55423

Parcel ID 3402824440023

Building Name or Type

Khan's Mongolian Barbecue

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
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### Accessibility Items

#### Transaction Counters

Modify transaction counters to comply with code	\$1,500.00	Lump	1	\$	1,500.00
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#### Restrooms

Modify restrooms to comply with code	\$ 7.91	SF	5,800	\$	45,878.00
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### Structural Elements

No deficiencies observed				\$	-
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### Exiting

#### Thresholds

Modify thresholds to comply with code for maximum height	\$ 100.00	EA	4	\$	400.00
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#### Door Hardware

Install code compliant door hardware	\$ 250.00	EA	6	\$	1,500.00
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#### Emergency Lighting

Install code compliant emergency lighting	\$ 2.15	SF	5,800	\$	12,470.00
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#### Emergency Notification System

Install a code required emergency notification system	\$ 0.72	SF	5,800	\$	4,176.00
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#### Emergency Exit Signs

Install code compliant emergency exit signs	\$ 0.75	SF	5,800	\$	4,350.00
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### Fire Protection

#### Fire Caulking

Install code required fire caulking	\$ 0.07	SF	5,800	\$	406.00
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#### Smoke Detectors

Install code required smoke detectors	\$ 2.78	SF	5,800	\$	16,124.00
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#### Building Sprinkler System

Install a code required building sprinkler system	\$ 16.33	SF	5,800	\$	94,714.00
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### Exterior Construction

#### Concrete Block

Repair/replace failed concrete block to prevent water intrusion per code	\$ 0.50	SF	5,800	\$	2,900.00
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#### Windows

Replace failing windows to prevent water intrusion per code	\$ 6.24	SF	5,800	\$	36,192.00
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Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
<b>Roof Construction</b>					
	Roofing Materials				
	Replace failed roofing materials to prevent water intrusion per code	\$ 13.69	SF	5,800	\$ 79,402.00
<b>Mechanical - Electrical</b>					
	Mechanical				
	Install a code compliant HVAC system	\$ 43.02	SF	5,800	\$ 249,516.00
	Electrical				
	Install a code compliant electrical wiring system	\$ 5.47	SF	5,800	\$ 31,726.00
	Install a code compliant lighting system	\$ 7.77	SF	5,800	\$ 45,066.00
<b>Total Code Improvements</b>					<b>\$ 626,320</b>

# Portland Avenue South Redevelopment TIF District | Parcel C



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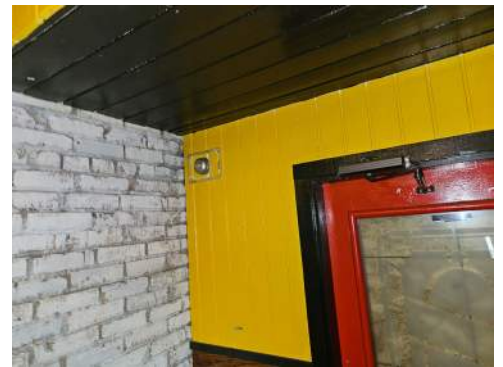
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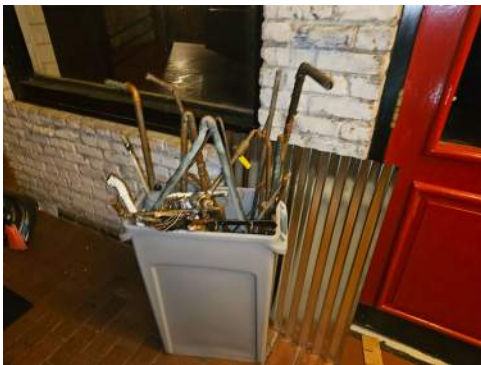
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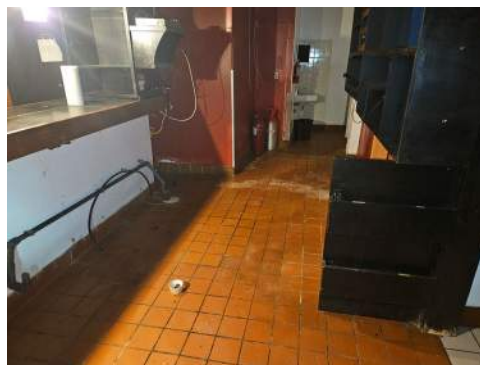
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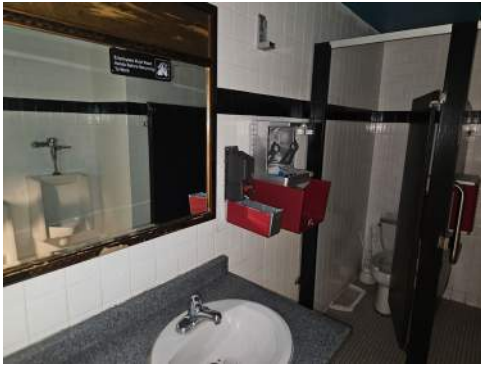
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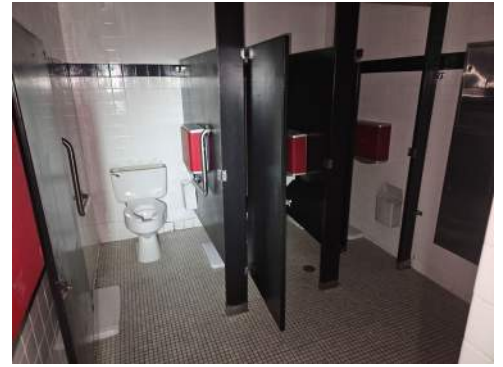
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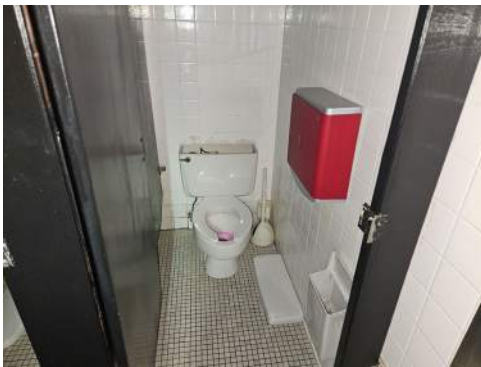
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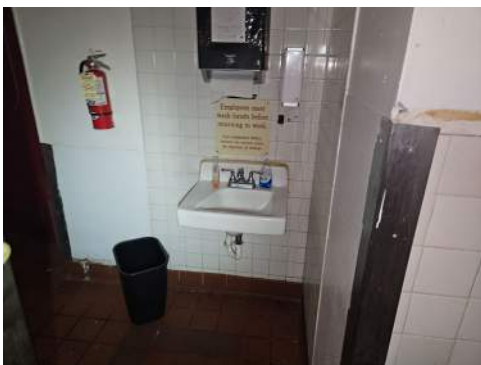
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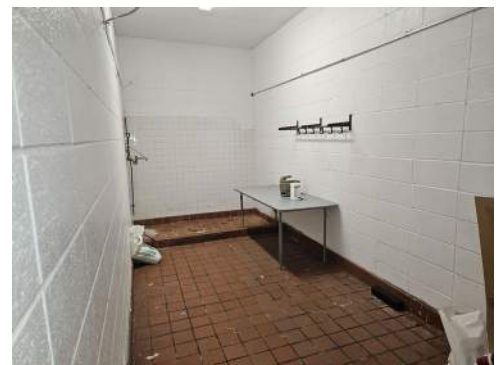
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# Portland Avenue South Redevelopment TIF District | Parcel C



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# Portland Avenue South Redevelopment TIF District | Parcel C



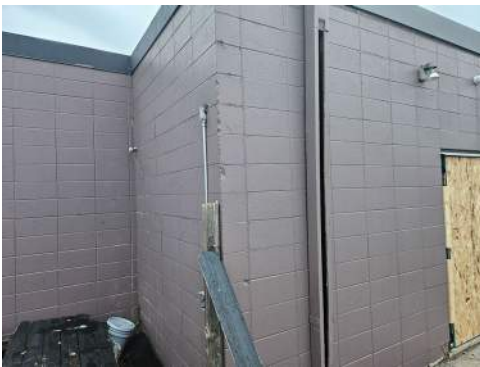
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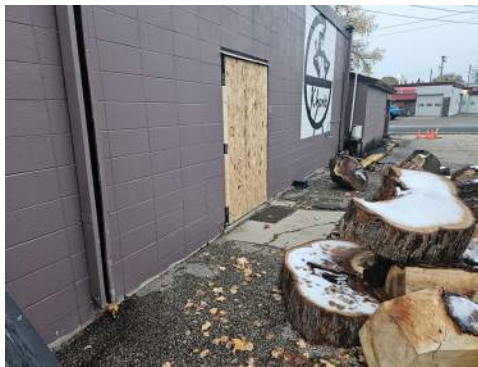
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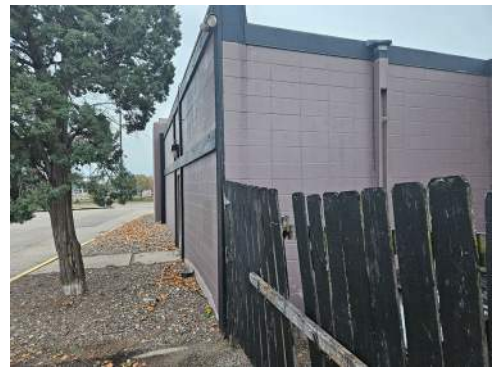
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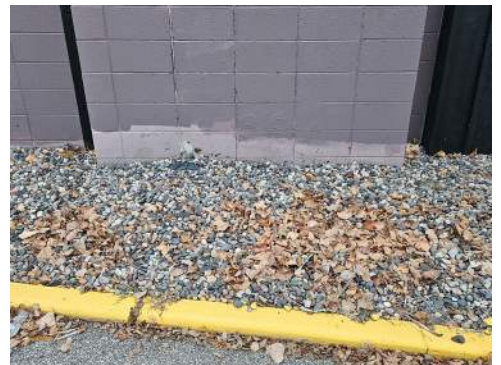
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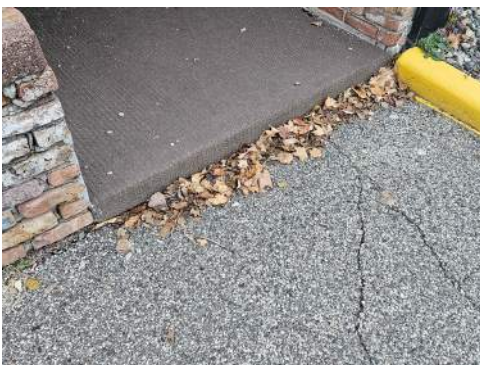
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# Portland Avenue South Redevelopment TIF District | Parcel C



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**STAFF REPORT NO. 159**  
**CITY COUNCIL MEETING**  
**11/28/2023**

REPORT PREPARED BY:  
DEPARTMENT DIRECTOR REVIEW:

Scott Kulzer, Administrative Aide/Analyst  
Kristin Asher, Public Works Director  
11/16/2023

OTHER DEPARTMENT REVIEW:  
CITY MANAGER REVIEW:

Katie Rodriguez, City Manager  
11/19/2023

**ITEM FOR COUNCIL CONSIDERATION:**

**Public Hearing and consider the second reading of a proposed Franchise Ordinance and Agreement with CenterPoint Energy Minnesota Gas ("CenterPoint Energy") allowing and setting terms for CenterPoint Energy's use of the City right-of-way.**

**EXECUTIVE SUMMARY:**

- The current Franchise Ordinance and Agreement with CenterPoint Energy expired on May 27, 2023 but remains in effect until a new agreement is adopted or the Franchise is formally terminated.
- The City and CenterPoint Energy wish to continue the Franchise and have negotiated a revised Franchise Ordinance and Agreement which is attached to this staff report.
- The revised Franchise Ordinance and Agreement will be effective for 10 years with the option to renew for a second 10 year term.
- The Franchise Ordinance and Agreement:
  1. Grants CenterPoint Energy the right to use City controlled right-of-way for the installation, maintenance and repair of gas distribution facilities;
  2. Spells out the rights and responsibilities of each party to the agreement; and
  3. Allows the City to impose franchise fees.
- The first reading of the proposed Franchise Ordinance and Agreement took place at the October 24, 2023 regular City Council meeting.

**RECOMMENDED ACTION:**

**Conduct and close the public hearing and by motion:**

1. **Approve the second reading of a proposed Franchise Ordinance and Agreement with CenterPoint Energy allowing and setting terms for CenterPoint Energy's use of the City right-of-way; and**
2. **Approve a resolution authorizing summary publication of said ordinance.**

**BASIS OF RECOMMENDATION:**

**A. HISTORICAL CONTEXT**

See Executive Summary.

**B. EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS**

Equity Considerations: The Franchise Agreement covers CenterPoint's use of the public right-of-way throughout the entire City. The franchise fee that CenterPoint charges customers via their gas bill is remitted to the City and is equal across all customer classifications. These fees could place a higher burden on lower-income customers.

Strategic Outcome Considerations: The Franchise Agreement allows the city to collect franchise fees which fund various street maintenance, forestry, and sustainability efforts and ensure "City infrastructure supports service needs" while making use of "sustainable infrastructure financing".

C. **POLICIES (resolutions, ordinances, regulations, statutes, exc):**

- It is necessary that the City work with the privately-owned utility companies like CenterPoint Energy to provide necessary services to Richfield residents.
- Federal and State law requires the City to allow private utility infrastructure to be placed, operated and maintained in City right-of-way.
- City Staff and CenterPoint Energy negotiated the Franchise Ordinance and Agreement and CenterPoint Energy staff have indicated that the company will accept the current language and will execute the agreement as is.

D. **CRITICAL TIMING ISSUES:**

The previous Franchise Ordinance and Agreement expired in late May 2023 and the updated version should be approved as soon as possible.

E. **FINANCIAL IMPACT:**

The proposed Franchise Agreement with CenterPoint Energy allows the City to impose a franchise fee to fund right-of-way improvements. The fee was set earlier this year by City Council action and is expected to generate \$2,430,000 annually in improvements. The proposed Franchise Agreement does not make any changes to the established franchise fees.

F. **LEGAL CONSIDERATION:**

The City Attorney's office prepared the Franchise Ordinance and Agreement and will be available to answer questions.

**ALTERNATIVE RECOMMENDATION(S):**

None

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

None

**ATTACHMENTS:**

Description	Type
□ CenterPoint Franchise Ordinance and Agreement	Ordinance
□ Summary Publication Resolution	Resolution Letter



**BILL NO. 2023-**

**AN ORDINANCE GRANTING CENTERPOINT ENERGY RESOURCES CORP. d/b/a CENTERPOINT ENERGY MINNESOTA GAS ("CENTERPOINT ENERGY"), ITS SUCCESSORS AND ASSIGNS, A NONEXCLUSIVE FRANCHISE TO CONSTRUCT, OPERATE, REPAIR AND MAINTAIN FACILITIES AND EQUIPMENT FOR THE TRANSPORTATION, DISTRIBUTION, MANUFACTURE AND SALE OF GAS ENERGY FOR PUBLIC AND PRIVATE USE AND TO USE THE PUBLIC WAYS AND GROUNDS OF THE CITY OF RICHFIELD, COUNTY OF HENNEPIN, MINNESOTA, FOR SUCH PURPOSE; AND, PRESCRIBING CERTAIN TERMS AND CONDITIONS THEREOF**

**THE CITY OF RICHFIELD DOES ORDAIN:**

**SECTION 1. DEFINITIONS**

For purposes of this Ordinance, the following capitalized terms listed in alphabetical order shall have the following meanings:

**City.** The City of Richfield, County of Hennepin, State of Minnesota.

**City Utility System.** Facilities used for providing public utility service owned or operated by City or agency thereof, including sewer, storm sewer, water service, street lighting and traffic signals, but excluding facilities for providing heating, lighting, or other forms of energy.

**Commission.** The Minnesota Public Utilities Commission, or any successor agency or agencies, including an agency of the federal government, which preempts all or part of the authority to regulate gas retail rates now vested in the Minnesota Public Utilities Commission.

**Company.** CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas its successors and assigns including all successors or assigns that own or operate any part or parts of the Gas Facilities subject to this Franchise.

**Gas Energy.** Gas Energy includes both retail and wholesale natural, manufactured or mixed gas.

**Gas Facilities.** Gas transmission and distribution pipes, lines, ducts, fixtures and all necessary equipment and appurtenances owned or operated by the Company for the purpose of providing Gas Energy for retail or wholesale use.

**Notice.** A writing served by any party or parties on any other party or parties. Notice to Company shall be mailed to CenterPoint Energy, Minnesota Division Vice President, 505 Nicollet Mall, Minneapolis, Minnesota, 55402. Notice to the City shall be mailed to City of Richfield, C/O Finance Director, 6700 Portland Ave S, Richfield, Minnesota, 55423. Any party may change its respective address for the purpose of this Ordinance by written Notice to the other parties.

**Ordinance.** This gas franchise ordinance, also referred to as the Franchise.

**Public Way.** Any highway, street, alley or other public right-of-way within the City.

**Public Ground.** Land owned or otherwise controlled by the City for utility easements, park, trail, walkway, open space or other public property, which is held for use in common by the public or for public benefit.

## **SECTION 2. ADOPTION OF FRANCHISE**

2.1 **Grant of Franchise.** City hereby grants Company, for a period of ten (10) years from the date this Ordinance is passed and approved by the City, the right to import, manufacture, distribute and sell Gas Energy for public and private use within and through the limits of the City as its boundaries now exist or as they may be extended in the future and also the right to transport Gas Energy through the limits of the City for use outside of the City limits, provided that the City may extend this Franchise for an additional ten (10) years upon Notice to the Company prior to expiration hereof. For these purposes, Company may construct, operate, repair and maintain Gas Facilities in, on, over, under and across the Public Ways and Public Grounds, subject to the provisions of this Ordinance. Company may do all reasonable things necessary or customary to accomplish these purposes, subject, however, to such reasonable regulations as may be imposed by the City pursuant with state law.

2.2 **Effective Date; Written Acceptance.** This Franchise shall be in force and effect from and after the passage of this Ordinance and publication as required by law and its acceptance in writing by Company.

2.3. **Service and Gas Rates.** Except as otherwise expressly provided herein, the terms and conditions of service and the rates to be charged by Company for Gas Energy in City are subject to the exclusive jurisdiction of the Commission.

2.4. **Publication Expense.** Company shall pay the expense of publication of this Ordinance.

2.5. **Dispute Resolution.** If either party asserts that the other party is in default in the performance of any obligation hereunder, the complaining party shall notify the other party of the default and the desired remedy. The notification shall be written. Representatives of the parties must promptly meet and attempt in good faith to negotiate a resolution of the dispute. If the dispute is not resolved within thirty (30) days of the written Notice, the parties may jointly select a mediator to facilitate further discussion. The parties will equally share the fees and expenses of this mediator. If a mediator is not used or if the parties are unable to resolve the dispute within thirty (30) days after first meeting with the selected mediator, either party may commence an action in District Court to interpret and enforce this Franchise or for such other relief as may be permitted by law or equity.

2.6. **Continuation of Franchise.** If the City and the Company are unable to agree on the terms of a new franchise by the time this Franchise expires, this Franchise will remain

in effect until a new franchise is agreed upon, or until ninety (90) days after the City or the Company serves written Notice to the other party of its intention to allow Franchise to expire.

### **SECTION 3. LOCATION, OTHER REGULATIONS**

3.1. **Location of Facilities.** Gas Facilities shall be located, constructed, and maintained so as not to interfere with the safety and convenience of ordinary travel along and over Public Ways and so as not to disrupt normal operation of any City Utility System. Gas Facilities may be located on Public Grounds in a location to be mutually agreed in writing by the City and the Company. The location and relocation of Gas Facilities shall be subject to reasonable regulations of the City consistent with authority granted the City to manage its Public Ways and Public Grounds under state law, to the extent not inconsistent with a specific term of this Franchise.

3.2. **Street Openings.** Company shall not open or disturb the surface of any Public Way or Public Ground for any purpose without first having obtained a permit from the City, if required by a separate ordinance, for which the City may impose a reasonable fee, unless the City is receiving a franchise fee pursuant to this Ordinance, in which case all permit fees will be waived. Permit conditions imposed on Company shall not be more burdensome than those imposed on other public right-of-way users for similar facilities or work. Company may, however, open and disturb the surface of any Public Way or Public Ground without a permit if (i) an emergency exists requiring the immediate repair of Gas Facilities and (ii) Company gives telephone, email or similar Notice to the City before commencement of the emergency repair, if reasonably possible. Within two (2) business days after commencing the repair, Company shall apply for any required permits and pay any required fees.

3.3. **Restoration.** After undertaking any work requiring the opening of any Public Way, the Company shall restore the Public Way in accordance with Minnesota Rules, part 7819.1100 and applicable City ordinances consistent with law. The Company shall restore the Public Ground to as good a condition as formerly existed, and shall maintain the surface in good condition for six months thereafter. All work shall be completed as promptly as weather permits, and if the Company shall not promptly perform and complete the work, remove all dirt, rubbish, equipment and material, and put the Public Ground in the said condition, the City shall have, after demand to the Company to cure and the passage of a reasonable period of time following the demand, but not to exceed five days, the right to make the restoration of the Public Ground at the expense of the Company. The Company shall pay to the City the cost of such work done for or performed by the City. This remedy shall be in addition to any other remedy available to the City for noncompliance with this Section 3.3. The Company shall also post a construction performance bond consistent with the provisions of Minnesota Rules, parts 7819.3000 and 7819.0100, subpart 6.

3.4. **Avoid Damage to Gas Facilities.** The Company must take reasonable measures to prevent the Gas Facilities from causing damage to persons or property. The Company must take reasonable measures to protect the Gas Facilities from damage that could be inflicted on the Gas Facilities by persons, property or the elements. Per Minnesota

Statute § 216D.05, the City must take protective measures when it performs work near the Gas Facilities.

3.5. **Notice of Improvements to Streets.** The City will give Company reasonable written Notice of plans for improvements to Public Ways and Public Grounds where the City has reason to believe that Gas Facilities may affect or be affected by the improvement. The Notice will contain: (i) the nature, extent and character of the improvements, (ii) the Public Ways or Public Grounds upon which the improvements are to be made, (iii) the time when the City anticipates work will start, and (iv) if more than one Public Way or Public Grounds is involved, the order in which the work is expected to proceed. The Notice will be given to Company a minimum of eight (8) weeks time, considering seasonal working conditions, in advance of the actual commencement of the work to permit Company to make any additions, alterations or repairs to its Gas Facilities Company deems necessary.

3.6 **Mapping Information.** If requested by City, Company must promptly provide complete and accurate mapping information for any of its Gas Facilities in accordance with the requirements of Minnesota Rules 7819.4000 and 7819.4100.

3.7. **Emergency Response.** As emergency first responders, when a public safety concern exists both the City and Company shall respond to gas emergencies within the City without additional direct fee or expense to either City or Company.

#### **SECTION 4. RELOCATIONS**

4.1. **Relocation in Public Ways.** The Company and City shall comply with the provisions of Minnesota Rules 7819.3100 with respect to requests for the Company to relocate Gas Facilities located in Public Ways.

4.2 **Relocation in Public Grounds.** City may require Company at Company's expense to relocate or remove its Gas Facilities from Public Grounds upon a finding by City that the Gas Facilities have become or will become an substantial impairment to the existing or proposed public use of the Public Grounds. Nothing in this Section 4.2 shall be construed so as to invalidate or impair any existing company easements in Public Grounds.

4.3. **Projects with Federal Funding.** Relocation, removal or rearrangement of any Company Gas Facilities made necessary because of the extension into or through City of a federally aided highway project shall be governed by the provisions of Minnesota Statutes §§ 161.45 and 161.46.

#### **SECTION 5. INDEMNIFICATION**

5.1. **Indemnity of City.** Company shall indemnify and hold the City harmless from any and all liability, on account of injury to persons or damage to property occasioned by the construction, maintenance, repair, inspection, the issuance of permits or the operation of the Gas Facilities located in the Public Ways and Public Grounds. The City shall not be indemnified for losses or claims occasioned through its own negligence or otherwise wrongful act or omission except for losses or claims arising out of or alleging the City's negligence as to the issuance of permits for, or inspection of, Company's plans or work.

5.2. **Defense of City.** In the event a suit is brought against the City under circumstances where this agreement to indemnify applies, Company at its sole cost and expense shall defend the City in such suit if written Notice thereof is promptly given to Company within a period wherein Company is not prejudiced by lack of such Notice. If Company is required to indemnify and defend, it will thereafter have control of such litigation, but Company may not settle such litigation without the consent of the City, which consent shall not be unreasonably withheld. This section is not, as to third parties, a waiver of any defense or immunity otherwise available to the City. The Company, in defending any action on behalf of the City, shall be entitled to assert in any action every defense or immunity that the City could assert in its own behalf. This Franchise agreement shall not be interpreted to constitute a waiver by the City of any of its defenses of immunity or limitations on liability under Minnesota Statutes, Chapter 466.

## **SECTION 6. VACATION OF PUBLIC WAYS AND PUBLIC GROUNDS**

The City shall give Company such written Notice of a proposed vacation of a Public Ways or Public Grounds as is required by law. The City and the Company shall comply with Minnesota Rules 7819.3100 and 7819.3200 with respect to any request for vacation.

## **SECTION 7. CHANGE IN FORM OF GOVERNMENT**

Any change in the form of government of the City shall not affect the validity of this Ordinance. Any governmental unit succeeding the City shall, without the consent of Company, succeed to all of the rights and obligations of the City provided in this Ordinance.

## **SECTION 8. FRANCHISE FEE**

8.1. **Form.** During the term of the franchise hereby granted, the City may charge the Company a franchise fee. The franchise fee will be collected on a flat fee basis, or by some other method that is mutually acceptable to both City and Company for each retail customer account within the corporate limits of the City. The amount of the fee collected may differ for each customer class. The City will use a formula that provides a stable and predictable amount of fees, without placing the Company at a competitive disadvantage. Such fee shall not exceed any amount that the Company may legally charge to its customers prior to payment to the City and be consistent with the Minnesota Public Utility Commission's March 23, 2011, Order establishing franchise fee filing requirements in Docket No. E,G999/CI-09-970. If the Company claims that the City required fee formula is discriminatory or otherwise places the Company at a competitive disadvantage, the Company will provide a formula that will produce a substantially similar fee amount to the City. If the City and Company are unable to agree, the disagreement shall be subject to the Dispute Resolution provisions of this Ordinance.

8.2. **Separate Ordinance.** The franchise fee shall be imposed by separate ordinance duly adopted by the City Council. The effective date of the franchise fee ordinance shall be no less than ninety (90) days after written Notice enclosing a copy of the duly adopted and approved ordinance has been served upon the Company by Certified mail. The Company is not required to collect a franchise fee if the terms of the fee agreement

are inconsistent with this franchise or state law, provided the Company notifies the City Council of the same within the ninety (90) day period.

8.3. **Condition of Fee.** The separate ordinance imposing the fee shall not be effective against the Company unless it lawfully imposes a fee of the same or substantially similar amount on the sale of Gas Energy within the City by any other supplier, provided that, as to such supplier, the City has the authority or contractual right to require a franchise fee or similar fee through an agreed-upon franchise.

8.4. **Collection of Fee.** The franchise fee shall be payable not less than quarterly during complete billing months of the period for which payment is to be made. The franchise fee formula may be changed from time to time, however, the change shall meet the same Notice and acceptance requirements and the fee may not be changed more often than annually. Such fee shall not exceed any amount that the Company may legally charge to its customers prior to payment to the City and be consistent with Minnesota Public Utility Commission's March 23, 2011, Order establishing franchise fee filing requirements in Docket No. E,G999/CI-09-970. Such fee is subject to subsequent reductions to account for uncollectibles and customer refunds incurred by the Company. The Company shall not be responsible to pay City fees that Company is unable to collect under Commission rules or order. Company agrees to make available for inspection by City at reasonable times all records necessary to audit Company's determination of the franchise fee payments.

8.5. **Continuation of Franchise Fee.** If this franchise expires and the City and the Company are unable to agree upon terms of a new franchise, the franchise fee, if any being imposed by the City at the time this franchise expires, will remain in effect until a new franchise is agreed upon. However, the franchise fee will not remain in effect for more than one (1) year after the franchise expires as stated in Section 2.6 of this Franchise. If for any reason the franchise terminates, the franchise fee will terminate at the same time.

## **SECTION 9. ABANDONED FACILITIES**

The Company shall comply with Minnesota Rules, Part 7819.3300, as it may be amended from time to time with respect to abandoned facilities in Public Ways. The Company shall maintain records describing the location of all abandoned and retired Gas Facilities within the Public Ways and Public Grounds, produce such records at the City's request and comply with the location requirements of Minnesota Statutes § 216D.04 with respect to all Gas Facilities located in Public Ways and Public Grounds.

## **SECTION 10. PROVISIONS OF ORDINANCE**

10.1. **Severability.** Every section, provision or part of this Ordinance is declared separate from every other section, provision or part; and if any section, provision or part shall be held invalid, it shall not affect any other section, provision or part. Where a provision of any other City ordinance is inconsistent with the provisions of this Ordinance, the provisions of this Ordinance shall prevail.

10.2. **Limitation on Applicability.** This Ordinance constitutes a franchise agreement between City and Company as the only parties. No provisions herein shall in

any way inure to the benefit of any third person (including the public at large) so as to constitute any such person as a third-party beneficiary of this Ordinance or of any one or more of the terms hereof, or otherwise give rise to any cause of action in any person not a party hereto.

#### **SECTION 11. AMENDMENT-PROCEDURE**

Either party may propose at any time that this Franchise Ordinance be amended. Franchise Ordinance may be amended at any time by the City passing a subsequent ordinance declaring the provisions of the amendment, which amendatory ordinance shall become effective upon the filing of Company's written consent thereto with the City Clerk within ninety (90) days after the effective date of the amendatory ordinance.

#### **SECTION 12. PREVIOUS FRANCHISES SUPERCEDED**

This franchise supersedes and replaces previous franchises granted to the Company or its predecessors. Upon Company acceptance of this franchise under Section 2.2, the previous franchise shall terminate.

#### **SECTION 13. EFFECTIVE DATE**

This Ordinance is effective as provided herein.

Read by the City Council of the City of Richfield, Minnesota this 24<sup>th</sup> day of October, 2023.

Passed by the City Council of the City of Richfield, Minnesota this 28<sup>th</sup> Day of November, 2023.

---

Mary Supple, Mayor

ATTEST:

---

Dustin Leslie, City Clerk

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

**RESOLUTION APPROVING SUMMARY PUBLICATION  
OF AN ORDINANCE GRANTING CENTERPOINT ENERGY RESOURCES CORP.  
d/b/a CENTERPOINT ENERGY MINNESOTA GAS ("CENTERPOINT ENERGY"), ITS  
SUCCESSORS AND ASSIGNS, A NONEXCLUSIVE FRANCHISE TO CONSTRUCT,  
OPERATE, REPAIR AND MAINTAIN FACILITIES AND EQUIPMENT FOR THE  
TRANSPORTATION, DISTRIBUTION, MANUFACTURE AND SALE OF GAS  
ENERGY FOR PUBLIC AND PRIVATE USE AND TO USE THE PUBLIC WAYS AND  
GROUNDS OF THE CITY OF RICHFIELD, COUNTY OF HENNEPIN, MINNESOTA,  
FOR SUCH PURPOSE; AND, PRESCRIBING CERTAIN TERMS AND CONDITIONS  
THEREOF; AMENDING APPENDIX E: ARTICLE III OF THE CITY CODE**

**WHEREAS**, the City has adopted the above-referenced amendment to the Richfield City Code; and

**WHEREAS**, the verbatim text of the amendment is cumbersome, and the expense of publication of the complete text is not justified; and

**NOW THEREFORE, BE IT RESOLVED** by the City Council of the City of Richfield that the following summary is hereby approved for official publication:

**SUMMARY PUBLICATION  
BILL NO. \_\_\_\_\_**

**AN ORDINANCE AMENDING APPENDIX E: ARTICLE III OF THE RICHFIELD CITY  
CODE**

This summary of the ordinance is published pursuant to Section 3.12 of the Richfield City Charter.

This ordinance, which amends City Code Appendix E: Article III relating to gas franchise fees, does the following: updates the City Code to include a revised Franchise Agreement between the City of Richfield and CenterPoint Energy Minnesota Gas ("CenterPoint Energy") allowing and setting terms for CenterPoint Energy's use of the City right-of-way.

Copies of the ordinance are available for public inspection in the City Clerk's office during normal business hours or upon request by calling the City Clerk at 612-861-9739.

Adopted by the City Council of the City of Richfield, Minnesota this 28th day of November, 2023.

\_\_\_\_\_  
Mary Supple, Mayor

ATTEST:

\_\_\_\_\_  
Dustin Leslie, City Clerk



AGENDA SECTION:	PROPOSED ORDINANCES
AGENDA ITEM #	7.



**STAFF REPORT NO. 160**  
**CITY COUNCIL MEETING**  
**11/28/2023**

REPORT PREPARED BY:  
DEPARTMENT DIRECTOR REVIEW:

Sam Crosby, Planner II  
Melissa Poehlman, Community Development Director  
11/17/2023

OTHER DEPARTMENT REVIEW:  
CITYMANAGER REVIEW:

Katie Rodriguez, City Manager  
11/20/2023

**ITEM FOR COUNCIL CONSIDERATION:**

**Consider a request for a Comprehensive Plan Amendment, a Second Reading of an Ordinance Rezoning the Subject Property, and approving a Preliminary Plat, Site Plan Approval and two Variances, for 38 units of affordable housing at 6613-6625 Portland Avenue South.**

**EXECUTIVE SUMMARY:**

Beacon Interfaith Housing Collaborative (Applicant) is a non-profit housing developer that specializes in developing supportive housing at deeply affordable levels. They have applied for land use approvals to construct a 3-story, 38-unit housing development on land owned by the Richfield Housing and Redevelopment Authority

(HRA) and located south of T&T Automotive in the southeast quadrant of 66<sup>th</sup> Street East and Portland Avenue. The targeted clientele of the project is neuro-diverse young adults. A portion of the ground level would provide common areas and supportive services. All 38 units would be studio apartments. Half of the units would be available at 30% of Area Median Income (AMI) and the other half the units would be available at 50% AMI. See applicant's project narrative, attached.

Per the City's policy for land use requests that involve Comprehensive Plan amendments and rezonings, the Applicant held a neighborhood meeting to discuss the proposed plans. Neighbors expressed concerns about building height, privacy, view sheds, crime, and traffic. In response to the neighborhood meeting, the Applicant has reduced the size of the units in order to minimize the building mass, shifted the building farther from the east property line, moved the smoking hut to the north side of the building, and offered to increase the initial size of new trees in the rear. The neighborhood meeting conversation is summarized in greater detail in the "Neighborhood Meeting Summary" attachment.

**Comprehensive Plan:** The subject property is guided as "Medium Density Residential" by the 2040 Comprehensive Plan, which allows up to 35 units per acre (or 21 units). "High Density Residential" allows for multi-family uses at a density of 35 to 100 units per acre (over 22, and up to 60 units). Because the project is proposing 38 units, the Applicant is pursuing a Comprehensive Plan Amendment to re-guide the site from Medium to High Density Residential. The proposed project meets many goals of the Comprehensive Plan and is located in an area that is compatible with higher intensity development, therefore staff recommends approval of the request.

**Zoning:** The subject property is currently zoned MR-2, "Multi-Family Residential" and lies within the Veteran's Park Area (VPA) overlay district. The Applicant is requesting a rezoning to MU-N, "Mixed Use, Neighborhood," as the dimensional standards therein more closely align with the purpose and intent of the VPA overlay district. The proposed zoning is compatible with the proposed High Density Residential land use designation; therefore staff recommends approval of the request.

**Plat:** In this case, replatting of the property is required in order to combine four parcels into one development site. Of particular note in this process and in consideration of the site plan and variances requested, the size of the properties was reduced when the right-of-way was expanded for the roundabout improvements. The

preliminary plat meets all requirements; staff recommends approval of the request.

**Site Plan:** Site Plan Approval is required for all developments in a Mixed Use district, not otherwise approved by a conditional use permit or planned unit development. It is worth noting that once re-guided and rezoned the proposed project complies with all aspects of the zoning code except two. Staff finds that the criteria have been met and recommends approval of the request.

**Variances:** The first variance requested is a 32-parking stall variance from the 43-parking stall requirement to allow 11 parking stalls. The second variance is a 5-foot variance from the 15-foot front building setback requirement, to allow a 10-foot building setback along the west property line (Portland Avenue). In order to grant a variance, the City must find that several specific criteria (detailed in an attachment to this report) are met. Summarizing the requirements and findings, staff finds that reduced parking need of the population to be served by the proposed development, its location on a bus rapid transit line, and a previous right-of-way taking by the County justify the requests and recommend approval.

The Planning Commission held a public hearing on October 23<sup>rd</sup>. The Planning Commission voted unanimously (6-0) to recommend approval of all aspects of the request.

## **RECOMMENDED ACTION:**

**By motion:**

1. **Approve attached resolution changing the Comprehensive Plan designation for the subject property from Medium Density Residential to High Density Residential;**
2. **Approve a second reading of the attached ordinance rezoning the subject property from MR-2, “Multi-Family Residential” to MU-N “Mixed Use Neighborhood”; and**
3. **Approve the attached resolution granting a preliminary plat, site plan approval, and 2 variances for the multi-family residential development of 38 units of affordable housing.**

## **BASIS OF RECOMMENDATION:**

### **A. HISTORICAL CONTEXT**

- The property is made up of remnant parcels from the Portland Avenue roundabout project. The Housing and Redevelopment Authority (HRA) has been seeking a viable development proposal for the site since 2009 (about 14 years).
- The northernmost parcel, 6613, was rezoned to MR-2 in 2010. The rest of the parcels were rezoned in 2021. All the parcels have been guided Medium Density Residential since at least 2013.
- The Portland and 66<sup>th</sup> Sub Area Study was completed, and the VPA overlay district was adopted in June of 2021.
- On March 8, 2022, at a joint work session of the City Council, HRA, and Planning Commission, Beacon presented conceptual plans for the development of up to 40 units of supportive, affordable rental housing at 6613-25 Portland Avenue South.
- On March 21, 2022, the HRA approved a resolution of support for the Beacon concept.
- On April 18, 2022, the HRA approved a Preliminary Redevelopment Agreement with Beacon. On January 17, 2023, the HRA extended the Preliminary Agreement until January 31, 2024.
- On the evening of May 4, 2023, the Applicant held a neighborhood meeting at the Richfield Community Center. Approximately 12 neighbors attended. See the attached “Neighborhood Meeting Summary” prepared by City staff.
- On June 20, 2023, the HRA approved a Redevelopment Agreement with Beacon Interfaith Housing Collaborative for the development of approximately 38 units of supportive housing.

### **B. EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS**

What are the (racial) equity impacts of this decision?

The rate of autism and other executive function disorders by race is not known by staff, but affordable housing generally helps those with the least resources, which tend to be a higher proportion of communities of color.

Who will benefit from or be burdened by this decision?

Those who are at the lowest to middle-low end of the income bracket will benefit most from the development of housing for people earning between 30% and 50% AMI. Neuro-diverse young adults within that community will particularly benefit as half of the units would be reserved for them. Finally, the general population will also benefit, indirectly, as any increase the amount of housing helps alleviate housing shortages, and sufficient housing within a community generally reduces socio-economic problems and thereby generally increases the quality of life

within that community.

What are potential unintended consequences, and are there strategies to mitigate those consequences?  
Staff does not foresee any unintended consequences at this time.

Strategic considerations:

By allowing this development to proceed we can help reduce barriers to housing for traditionally excluded groups which will help to ensure everyone in our community, regardless of their ability or economic situation, has a safe place to live and thrive.

**C. POLICIES (resolutions, ordinances, regulations, statutes, exc):**

Comprehensive Plan Amendment

- The Applicant is pursuing an amendment to re-guide the site from Medium Density Residential to High Density Residential.
- The subject site has been designated as Medium Density Residential since 2013. While the existing designation is not inappropriate, the proposed designation is equally or more appropriate.
- The High Density Residential future land use category is intended to allow for "multi-family uses at a density of 35 to 100 units per acre primarily located in areas convenient to transportation, shopping and social services necessary to support higher concentrations of people." This site's location, adjacent to the intersection of two County roadways, along the D-Line bus rapid transit route, and in close proximity to Veteran's Park aligns with the characteristics envisioned for High Density Residential.
- Re-guiding the property to High Density Residential supports the purpose and intent of the VPA overlay district, which is (in brief) to produce structures of appropriate scale that transition from single-family residential to higher density mixed use and commercial while being sensitive to surrounding land uses and adhering to the sub-area study's guidance and development principles. Those principles include (among other things):
  - Diversify Housing Options: This project utilizes a redevelopment opportunity to expand the mix of housing in the area, both in relation to services provided and population served.
  - Building transition: The subject proposal is a housing project that provides an appropriate transition between single-family residential to the east and Portland Avenue, an "A Minor Augmenter" under County jurisdiction, to the west, as well as between the single family residential to the south and the commercial use to the north.
  - Quantity of Parking: Because of the demographic served, the housing project is able to minimize the parking needed. This is a significant factor in what makes the project viable.
  - Finally, the project is sensitive to surrounding single-family residential through the lush landscaping and 6 foot tall privacy fence that would provide screening on the north, east and south sides. As well as pushing the building as far westward and northward as possible.
- In reviewing amendments to the Comprehensive Plan the City is acting in a legislative capacity. As such, a wider degree of discretion is afforded to the City to balance the various policy considerations. In general, the action must be reasonably related to advancing the health, safety, and general welfare of the community. Staff finds that providing affordable housing for those who are less advantaged advances the health, safety and general welfare of the community.

Rezoning

- A rezoning is also being requested to accommodate the density of the project. The MR-2 zoning district has a maximum of 25 units, regardless of lot size. The Applicant has not requested a rezoning to MR-3 because both the MR-2 and MR-3 zoning districts are antiquated in their bulk and dimensional requirements. In 1982, the sub districts of MR-2 and MR-3 were created based on what was already existing (projects built in the late 1970's or earlier). They were updated in 1996, to add cluster homes, but generally have not kept pace with the realities of constructing multi-family housing in today's market. Staff has hopes of holding workshops with the Planning Commission towards updating these districts to reflect current development patterns.
- In 2007, the City created three mixed use districts, one of which is the Mixed Use Neighborhood (MU-N) district. In this district, commercial services are not required and residential uses are emphasized at key transportation nodes/corners. The projects are intended to be of smaller scale and oriented to the neighborhood. The main differences between the MR-2 district and the MU-N district are building coverage limits (30% vs. 75%), unit sizes (minimums vs. no minimums), open space requirements

(12,350 sq. ft. vs. 2,533 sq. ft.), rear and side setbacks (35 ft. vs. 5 ft.), building height (3 stories vs. 8 stories) and the number of studio units allowed (maximum 20% vs. no limit).

- The purpose and intent, as well as the bulk and dimensional standards, of the MU-N zoning district are more aligned with the purpose and intent of the VPA overlay district (i.e. discourage auto use and promote increased use of transit). Rezoning to MU-N provides the opportunity for a project that fits within the community fabric, as the building is not too dissimilar in height and bulk to other existing apartments in the immediate area, but does not have the availability of land that previous generations enjoyed.

#### Preliminary Plat

- The property is already served by public utilities and recently improved street rights-of-way, therefore, no further land dedication is being requested beyond that which was required for the roundabout. The MU-N zoning district does not have a minimum lot size requirement or dimensional requirements such as a lot width requirement. The required 5-foot utility and drainage easements are provided along the perimeters of the lot.
- The Applicant has worked with the County to restripe a southbound left-turn lane into the site, and a space for emergency vehicles to pull over behind the (northbound) bus bay. The attorney has provided a Preliminary Plat Opinion Letter that will be updated when the final plat is applied for.

#### Site Plan Approval

- The site layout pushes the building as far north and west as possible, to provide as much space between the building and the single-family residential as possible. The Applicant has worked with Metro Transit to provide private improvements that complement the public improvements within the right-of-way, and provide a seamless transition between the two. The plan includes a 6-foot tall privacy fence along the north, east and south property lines to provide privacy for both the residents and the neighbors, and lush landscaping along the perimeter of the site. Parking adequacy is discussed in the variance section, as is the front yard building setback variance. All other aspects of the zoning code, including building height, landscaping, architecture, electric vehicle charging, bike parking, solar access, impervious area and useable open space, are all being met.

#### Parking Variance

- Parking in the MU-N district requires 1.25 spaces for every dwelling unit, which is 48 spaces for the 38 units proposed. The code allows a 10% reduction for proximity to a high-frequency transit line, bringing the requirement down to 43 spaces. The Applicant is proposing only 11 parking spaces, which is a 32 stall difference, or 0.29 stalls per unit. The Applicant has provided a parking study (attached) which captures the parking utilization at their three other locations in St. Paul, Minneapolis and Edina. The locations provide 0.27, 0.21 and 0.33 stalls per unit, respectively and are, on average, only 62% full during peak operations.
- While all three comparative locations are 100% affordable at 30% AMI, the subject site is proposed to be only 50% affordable at 30% AMI. The increase in resident wages almost negligibly impact parking demand. The high cost of owning even a used car makes it very difficult for low income earners to have their own vehicle. As of 2021, nationally, only 16% of car owners make \$49,999 or less in annual income, 16% of half the units is three. The facility will also have, at most, five employees. The five employees, plus the potential for three resident vehicles, plus one for dial a ride type services, equals nine parking stalls. Two stalls would remain for visitors.
- This facility is a unique facility that serves a population with a higher rate of mental or physical impairment, that also impedes ownership of an automobile. A goal of the VPA overlay district is to minimize parking demand and this project does that. Because of the facility's financial demographic, which is guaranteed over the next 40 years due to funding requirements, staff supports the variance. To increase the comfort level with the variance, staff has included a condition of understanding, that - should for some unforeseen reason, the parking demand exceed the parking supply such that it creates a nuisance or issue - the owner of the property will work with the City to resolve the nuisance or issue.

#### Setback Variance

- The front yard setback in the MU-N district is a minimum of 15 feet and the northwest corner of the building is proposed to be 10 feet from the west property line. There is room to shift the building eastward, to comply with the setback requirement, but the project team chose to maximize the space along the rear

of the building for two reasons. First, to provide as much setback from the neighboring single-family residential as possible. Second, to provide as much private green space for the residents of the building as possible. The vast majority of the building complies with the 15-foot setback requirement – it is only the northern 37 feet that encroaches - a total of 118 square feet. The VPA overlay district has a 10-foot setback requirement, so placing the building closer to the street is not inappropriate in this location. As mentioned in the Applicant's narrative, the dedication of frontage to the round-a-bout project reduced the depth of the lot, specifically on the north end, in the area of the D-Line bus station. This is precisely the area of, and directly related to, where the variance is being requested. The requested setback is the minimum necessary to alleviate the practical difficulty that was created by a past public action; if the right-of-way had not been widened, the proposed building would comply with the 15-foot setback for the entire length.

#### Other Considerations

- **Safety.** Some residents have raised concerns about crime and safety. Richfield staff contacted the City of Edina staff, to inquire about the rate of police calls to their Beacon location, which has been operating since 2014. Edina staff could easily attest that calls for service are not greater in number or severity than any market rate apartment building of the same size. Generally speaking, the project could be expected to reduce crime, as those with a roof over their head are less likely to commit crimes than those that do not. The City with the most affordable housing units in the entire county — Irvine, CA — is the safest in the nation, based on FBI Uniform Crime Reporting statistics.

#### Strategic Outcome Consideration

- By approving this affordable housing project that serves neuro-divergent youth and young adults, the City "maintains Richfield as an affordable place to live" and "applies and equity-based framework to decision making."

#### Affordability

- The 2040 Comprehensive Plan calls for a full range of housing choices that meets residents' needs at every stage of their lives and ensures a healthy balance of housing types that meet the needs of a diverse population with diverse needs.
- Supporting housing stability for people with the lowest incomes is a way to further the community's commitment to equitable opportunities for all.
- The Metropolitan Council has identified the City's share of housing affordable at 30% of the AMI to be 66 units, and at 50% of AMI to be 29 units by 2030.
- The proposed project meets several priorities of the Affordable Housing Trust Fund, including:
  - Housing with units affordable at 30% of the AMI
  - Housing with accessible units
  - Housing with supportive services
  - Housing with resident rental subsidies

#### **D. CRITICAL TIMING ISSUES:**

- The development is not likely to start construction until funding is received, which may not be until 2025. Therefore, staff has written the approval to default to two years, rather than the standard one year. The Applicant can still request further extension after that, if needed. Likewise, the timeframe in which to file the final plat has also been extended to two years.
- The 60-day clock started when the application was deemed complete on September 8, 2023. Because the request involves both a Re-zoning (which requires more than one reading before the City Council) and a Comprehensive Plan Amendment (which requires both adjacent and affected jurisdiction review, and Met Council approval), City staff already exercised the City's right to a time extension for an additional 60 days. The extended review period will end on – and therefore a decision is required by - Friday, January 5, 2025.

#### **E. FINANCIAL IMPACT:**

None; the required land use application fees have been paid.

#### **F. LEGAL CONSIDERATION:**

- A public hearing regarding this item was held before the Planning Commission on October 23, 2023. Notice of the hearing was mailed to properties and residents within 500 feet of the proposed development and published in the Sun Current Newspaper on October 12, 2023. Several people participated in the hearing.

- The Planning Commission voted unanimously to recommend approval of all aspects of the land use request (6-0).
- First reading of the rezoning was before the City Council on November 14, 2023.
- If approved, the rezoning will take effect 30 days following publication in the Sun Current Newspaper.
- If approved, the Comprehensive Plan Amendment will be sent to adjacent and relevant jurisdictions for comment, and then to the Metropolitan Council for review.

**ALTERNATIVE RECOMMENDATION(S):**

- Approve the proposed Comprehensive Plan Amendment, Rezoning, Site Plan, Variances, and Preliminary Plat with additional and/or modified conditions.
- Deny the requests with findings that code requirements and/or the Comprehensive Plan has not been met.

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

Jim Barnes, Senior Housing Project Manager for Beacon, and Paul Mellblom, Principal Architect MSR Designs.

**ATTACHMENTS:**

Description	Type
▢ Rezoning Ordinance	Ordinance
▢ CPA Resolution	Resolution Letter
▢ Prelim Plat Reso	Resolution Letter
▢ Site Plan & Variance Reso	Resolution Letter
▢ Location and Zoning Map	Exhibit
▢ Planned Land Use Map	Exhibit
▢ Required Findings	Backup Material
▢ Neighborhood Meeting Summary	Backup Material
▢ Applicant's Narrative	Backup Material
▢ Parking Study	Backup Material
▢ Site Plans	Backup Material
▢ Graphic Renderings	Backup Material
▢ Colored Elevations	Backup Material
▢ Preliminary Plat	Backup Material
▢ Landscape Plan Set	Backup Material
▢ Solar Shading Diagrams	Backup Material

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE RELATING TO ZONING;  
AMENDING APPENDIX I OF THE RICHFIELD CITY CODE  
BY REZONING 6613-6625 PORTLAND AVENUE SOUTH  
FROM MULTI-FAMILY RESIDENTIAL (MR-2) TO  
MIXED USE - NEIGHBORHOOD (MU-N)**

**THE CITY OF RICHFIELD DOES ORDAIN:**

Section 1. Section 13, Paragraph 43 of Appendix I of the Richfield Zoning Code (Multi-Family Residential – MR-2) is here amended as follows.

M-9 (E side of Portland Ave, S of 66<sup>th</sup>). Lots 28, 29, 30, ~~31, 32, 33, 34~~  
and the West ½ of Lot 26, Auditor's Subdivision No. 340.

Sec. 2. Section 16, Appendix I of the Richfield Zoning Code (Mixed Use - Neighborhood) is here amended to add a new Paragraph 6 to read as follows:

(6) M-9 (E side of Portland Ave, S of 66<sup>th</sup>). Lots 31, 32, 33 and 34,  
Auditor's Subdivision No. 340.

Sec. 3. This ordinance is effective in accordance with Section 3.09 of the Richfield City Charter.

Passed by the City Council of the City of Richfield, Minnesota this 28th day of November, 2023.

\_\_\_\_\_  
Mary B. Supple, Mayor

ATTEST:

\_\_\_\_\_  
Dustin Leslie, City Clerk

**RESOLUTION NO.**

**RESOLUTION AMENDING THE CITY'S COMPREHENSIVE PLAN  
CHANGING THE DESIGNATION OF 6613-6625 PORTLAND AVENUE SOUTH  
TO "HIGH DENSITY RESIDENTIAL"**

**WHEREAS**, the City's Comprehensive Plan provides a Planned Land Use Map guiding the future use of parcels within the City; and

**WHEREAS**, the 2040 Comprehensive Plan designates 6613, 6617, 6621, and 6625 Portland Avenue South ("subject property") as "Medium Density Residential"; and

**WHEREAS**, the City has reviewed the Planned Land Use Map and determined that it would be appropriate to designate the subject property as "High Density Residential" as described in City Council Staff Report No. \_\_\_\_; and

**WHEREAS**, the Planning Commission conducted a public hearing and recommended approval of amending the Comprehensive Plan at its October 23, 2023 meeting; and

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Richfield, Minnesota that the City's Comprehensive Plan is hereby amended to designate 6613, 6617, 6621 and 6625 Portland Avenue South as "High Density Residential" contingent upon the following:

1. The revision is submitted to and approved by the Metropolitan Council.

Adopted by the City Council of the City of Richfield, Minnesota this 28th day of November, 2023.

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Mary B. Supple, Mayor

ATTEST:

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Dustin Leslie, City Clerk



**RESOLUTION NO.**

**RESOLUTION GRANTING APPROVAL  
OF A PRELIMINARY PLAT  
FOR ASTER COMMONS**

**WHEREAS**, Beacon Interfaith Housing Collaborative, LLC. (“Applicant”) has requested approval of a preliminary plat that combines parcels generally located at 6613-6625 Portland Avenue South, legally described as:

Lots 31, 32, 33 and 34, Auditor’s Subdivision, Hennepin County, Minnesota,  
Torrens Property Certificate of Title 14184 72, 71, 70 and 69 and

**WHEREAS**, the proposed plat is to be known as ASTER COMMONS; and

**WHEREAS**, a public hearing was held for the proposed preliminary plat on Monday, October 23, 2023, at which all interested persons were given the opportunity to be heard; and

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Richfield, as follows:

1. The proposed preliminary plat of ASTER COMMONS satisfies the requirements of the City’s subdivision ordinances.
2. Approval of the preliminary plat of ASTER COMMONS is granted subject to the following conditions:
  - a. Prior to issuance of a building permit, the applicant must address to the City Attorney’s satisfaction all items listed in the final plat opinion letter to be prepared by the City Attorney’s office upon the submittal of a final plat document.
  - b. The Applicant must file the final plat within two years of the date of this approval, unless a written request for a time extension is approved by the City Council, or the preliminary plat will expire.

Adopted by the City Council of the City of Richfield, Minnesota this 28th day of November 2023.

\_\_\_\_\_  
Mary B. Supple, Mayor

ATTEST:

\_\_\_\_\_  
Dustin Leslie, City Clerk

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

**RESOLUTION APPROVING A SITE PLAN  
AND TWO VARIANCES  
FOR ASTER COMMONS HOUSING  
AT 6613-6625 PORTLAND AVENUE SOUTH**

**WHEREAS**, an application has been filed by Beacon Interfaith Housing Collaborative, LLC, with the City of Richfield which requests approval of proposed site plan, a 32 stall parking variance, and a 5 foot front yard setback variance, all in order to construct 38 units of affordable apartment homes at 6613, 6617, 6621, and 6625 Portland Avenue South, property legally described as:

Lots 31, 32, 33 and 34, Auditor's Subdivision No. 340, Hennepin County, Minnesota.

**WHEREAS**, Zoning Code Section 544.13, Subdivision 6, establishes a minimum number of required off-street parking spaces, which totals 48 spaces for this property; and

**WHEREAS**, Zoning Code Section 544.13, Subdivision 8, allows a reduction of 10% for proximity to transit (any parcel which is located within 1/4 mile of a frequently operating transit line), bringing the total required off-street parking spaces down to 43; and

**WHEREAS**, the proposed site plan provides 11 parking stalls; and

**WHEREAS**, the applicant has provided a parking study that illustrates the actual demand anticipated by the project, as demonstrated by their three other locations within the metro area; and

**WHEREAS**, Zoning Code Section 537.07, Subd. 1, requires that the principal building be set back a minimum of 15 feet from the front property line; and

**WHEREAS**, the proposed layout places the northwest corner of the building 10 feet from the front property line in order to maximize the rear yard setback; and

**WHEREAS**, notice of the public hearing was mailed to properties within 350 feet of the subject property and published in the Sun Current newspaper on October 12, 2023; and,

**WHEREAS**, the variances meet the requirements of Zoning Code Section 547.11, Subd. 1, as detailed in City Council Staff Report No. \_\_\_\_; and

**WHEREAS**, the Planning Commission of the City of Richfield held a public hearing at its October 23, 2023 meeting and recommended approval of the requested site plan and variances; and

**WHEREAS**, the City Council has fully considered the request for site plan approval and variances;

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Richfield, Minnesota, as follows:

1. The City Council adopts as its Findings of Fact the **WHEREAS** clauses set forth above.
2. The City Council further adopts as its Findings of Fact the findings listed in the Required Findings Statement.
3. The requested site plan and variances are hereby approved subject to the following conditions:
  - a. Should the parking demand exceed the parking supply such that it creates a nuisance or issue, the owner of the property will work with the City to resolve the nuisance or issue.
  - b. Separate sign permits are required for signage greater than 6 square feet in size.
  - c. All required parking spaces shall remain available year-round and shall not be used for snow storage.
  - d. The property owner is responsible for the ongoing maintenance of all exterior improvements, including landscaping, in accordance with approved plans.
  - e. The applicant is responsible for obtaining all required permits, and compliance with all other City, County and State regulations.

Prior to the issuance of a building permit, the applicant shall:

- f. Provide a SAC determination from the Met Council.
- g. Provide proof of having recorded a copy of this resolution of approval.
- h. Enter into a construction and maintenance agreement with the City.

Prior to the issuance of a Certificate of Occupancy, the applicant shall:

- i. Enter into an escrow agreement for outstanding items and provide a surety equal to 125% of the value of any improvements not yet complete.
- j. Provide proof of having recorded the construction and maintenance agreement.

k. The final plat shall be recorded and mylar copies provided to the City.

Prior to the release of the surety:

l. All exterior improvements shall be installed.

m. All requirements of the escrow agreement shall be met.

4. This approval is contingent upon the approval of the associated Comprehensive Plan Amendment and Rezoning of the property.

5. This approval shall expire two years from issuance unless the use for which the permit was granted has commenced, substantial work has been completed or upon written request by the applicant, the Council extends the expiration date for an additional period, as required by the Zoning Ordinance, Section 547.13, Subd. 9.

Adopted by the City Council of the City of Richfield, Minnesota this 28<sup>th</sup> day of November, 2023.

\_\_\_\_\_  
Mary B. Supple, Mayor

ATTEST:

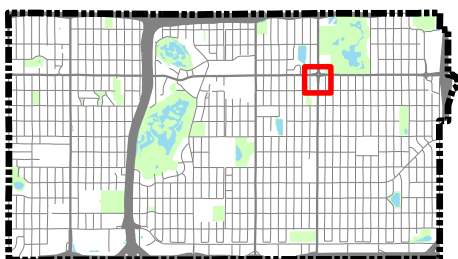
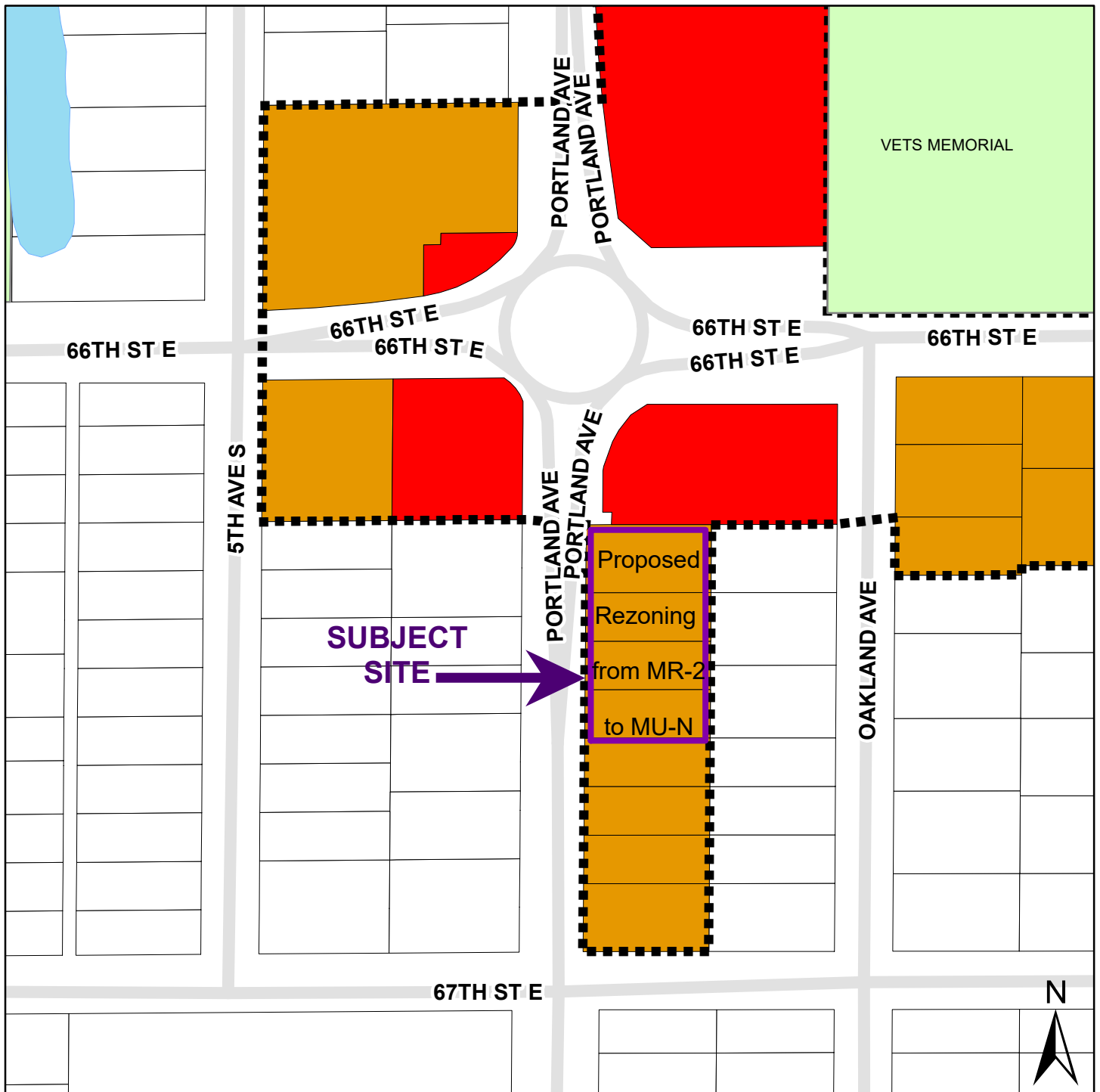
\_\_\_\_\_  
Dustin Leslie, City Clerk



# 6613-6625 Portland Avenue South

## Location and Zoning Map

Beacon Interfaith Housing - Aster Commons



### Legend

- R Low Density Residential
- MR-2 Multi-Family
- C-2 General Commercial
- MU-N Mixed Use-Neighborhood
- Parks



Veteran's Park Area Overlay

0 75 150 300 ft

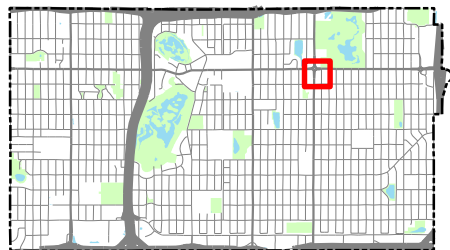
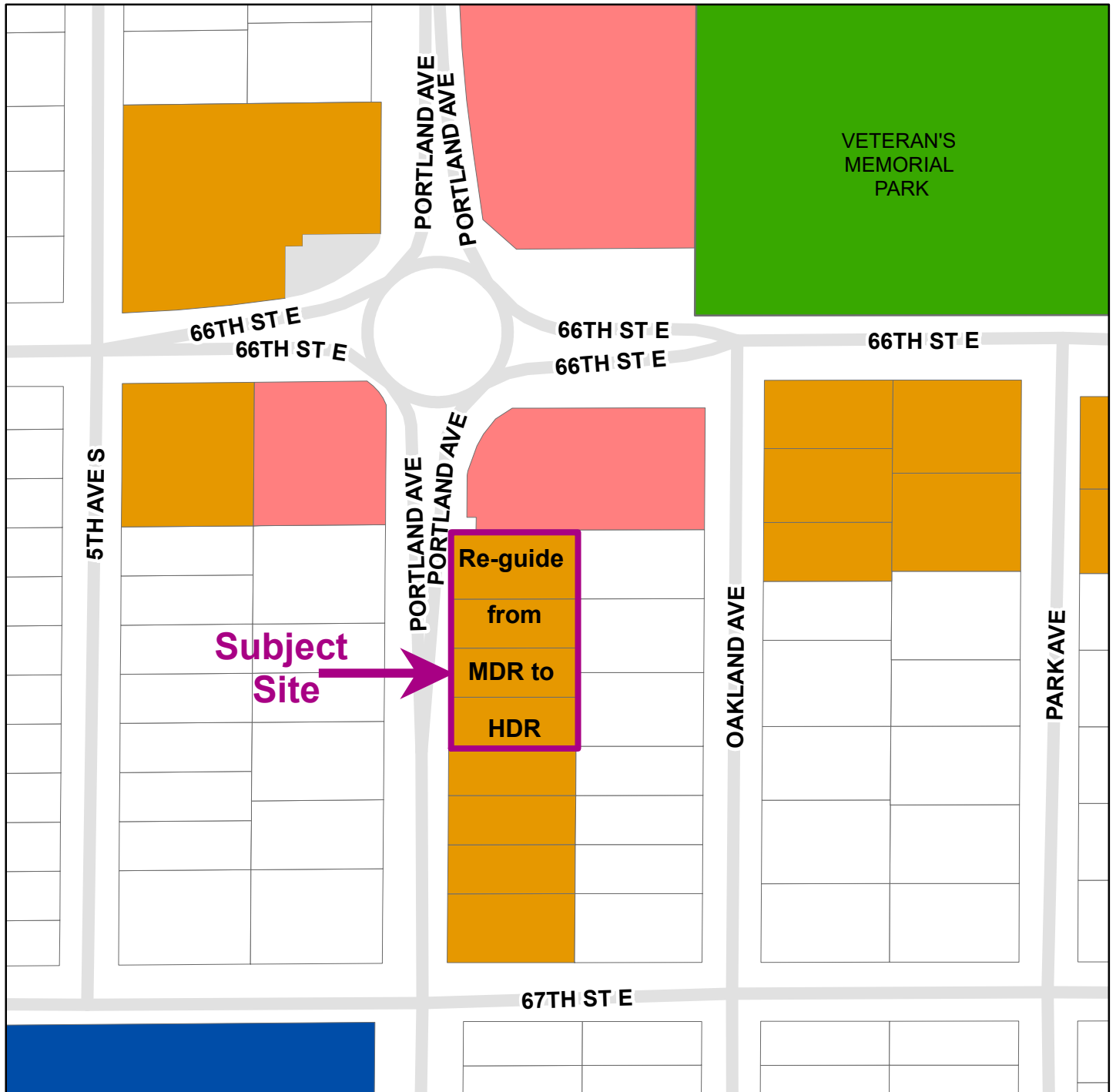
← PROPOSED



# 6613-6625 Portland Avenue South

## 2040 Comprehensive Plan Designations

Beacon Interfaith Housing - Aster Commons



### Legend:

- Low Density Residential
- Community Commercial
- Medium Density Residential (8-34 du/ac)
- High Density Residential (35-100 du/ac)
- Park
- Quasi-Public

0 75 150 300 ft

← PROPOSED





## REQUIRED FINDINGS – ASTER COMMONS

**Part 1:** Development proposals in the Mixed Use Districts shall be reviewed for compliance with the following (537.01, Subd.3):

1. *Consistency with the elements and objectives of the City's development guides, including the Comprehensive Plan and any redevelopment plans established for the area.*
  - As outlined in the policies section of the staff report, assuming the rezoning approval, the proposed development complies with all zoning requirements, save the two variances being requested.
  - The proposal also supports the purpose and intent of the Veteran's Park Area Overlay district, which, among other things, is to:
    - i. Diversify Housing Options
    - ii. Provide Sustainable Development
    - iii. Create Appropriate Transitions
    - iv. Minimize Parking
  - The project advances the following objectives of the City's Comprehensive Plan:
    - i. Includes site design and architectural characteristics that provide appropriate transitions between lower and higher intensity uses.
    - ii. Provides a full range of housing choices that contribute to vital and desirable neighborhoods that welcome diversity of age, race, and physical ability; while maintaining a comfortable small town atmosphere
    - iii. Focuses commercial and higher density residential development along major thoroughfares.
    - iv. Strongly encourages pedestrian-friendly and transit friendly building and site design through measures such as higher density development and growth, which is located along major transportation routes.
    - v. Ensure that redevelopment and infill projects maintain the integrity of existing neighborhoods.
    - vi. Uses quality, durable building and landscaping materials to maintain a high-quality standard.
    - vii. Provides quality amenities and a safe living environment.
    - viii. Supplies part of the City's allocation of the region's need for affordable housing.
    - ix. Furthers the development of a balanced housing stock that is available to a range of income levels.
2. *Consistency with the regulations of the Mixed Use Districts as described by Section 537 of the Code.*
  - As noted above, the proposed development is consistent with the Mixed Use District regulations.
3. *Creation of a design for structures and site features which promotes the following:*
  - i. *An internal sense of order among the buildings and uses.*
    - The location of the building, parking lot, and walkways provide for orderly and safe accessibility that will adequately serve residents, visitors, deliveries, and emergency vehicles. The project is designed to accommodate those arriving by all transportation modes. Pedestrian connections are provided around the west, south and east sides of the building. The front is activated by large windows and articulated main entrance.
  - ii. *The adequacy of vehicular and pedestrian circulation, including walkways, interior drives and parking in terms of location and number of access points to the public*

*streets, width or interior drives and access points, general interior circulation, separation of pedestrian and vehicular traffic and arrangement and amount of parking.*

- See 3.i, above
- iii. *Energy conservation through the design of structures and the use of landscape materials and site grading.*
  - The landscaping plan proposes plantings to both soften the appearance of the site and uptake stormwater. The number, design and placement of windows allows plenty of natural light into the building. The roof has been designed to support the future installation of solar panels.
- iv. *The minimization of adverse environmental effects on persons using the development and adjacent properties.*
  - No adverse environmental effects are anticipated.

**Part 2 - Site Plan Approval (Subsection 547.13)** In evaluating a site plan, the Planning Commission and Council shall consider its compliance with the following:

1. *Consistency with the various elements and objectives of the City's long range plans including, but not limited to, the Comprehensive Plan.*
  - The proposed use is consistent with the long-range plans and comprehensive plan. See item 1 in Part 1, above.
2. *Consistency with the purposes of the Zoning Code.*
  - Except for the two variances requested, the proposed use is consistent with the Zoning Code and is allowed in the zoning district.
3. *Preservation of the site in its natural state, insofar as practicable, by minimizing tree and soil removal, and designing any grade changes so as to be in keeping with the general appearance of neighboring developed or developing areas.*
  - Any natural features were lost with the original development of the land in the 1940's. Five out of eight existing trees would be saved and no significant changes in grade are proposed.
4. *Creation of a harmonious relationship of buildings and open spaces with the terrain and with existing and future buildings having a visual relationship to the proposed development.*
  - The proposed site layout is harmonious with the nearby existing and future buildings, by placing the building as far north and west on the site as possible, and by placing the parking on the south side of the property. This allows the vehicular access to be as far from the intersection as possible and the building to be as far from the low density residential as possible.
5. *Creation of a functional and harmonious design for structures and site features including:*
  - i. *Creation of an internal sense of order for the various functions and buildings on the site and provision of a desirable environment for occupants, visitors, and the general community;*
    - The site layout is logical and provides a generally desirable environment in the context of the area.
  - ii. *Appropriateness of the amount and arrangement of open space and landscaping to the design and function of the development;*
    - There is good design and function of open space, with various gathering spaces on the north and east sides of the building. The landscaping along the east and

south property is robust to help screen the building from the neighboring residences.

- iii. *Appropriateness of the materials, textures, colors and details of construction as an expression of the design concept of the project and the compatibility of the same with the adjacent and neighboring structures and functions;*
    - Details of construction are compatible to the area.
  - iv. *Adequacy of vehicular, cycling and pedestrian circulation, including walkways, interior drives and parking, in terms of location and number of access points to the public streets, width of interior drives and access points, general interior circulation, separation of pedestrian, cycling and vehicular traffic and arrangement and amount of parking so as to be safe, convenient and, insofar as practicable, compatible with the design of proposed buildings, structures and neighboring properties.*
    - There is adequate bike parking, with 6 outside and 36 inside. The pedestrian areas are also adequate with ADA access to both the back and front of the building. The simple arrangement of parking is safe, convenient and compatible with the surrounding properties. The amount of parking is adequate subject to approval of the requested variance. See Part 3, below.
6. *Creation of an energy-conserving design through design location, orientation and elevation of structures, the use and location of glass in structures, and the use of landscape materials and site grading.*
- The development is of standard building and site design and does not contain any unique energy-conserving features outside of traditional architectural and landscape architecture standard practices.
7. *Protection of adjacent and neighboring properties through reasonable provisions for such matters as surface water drainage, sound and sight buffers, preservation of views, light and air, and those aspects of design, not adequately covered by other regulations, which may have substantial effects on neighboring land uses.*
- The building does not unreasonably block light or air to adjacent residences. Neighboring properties would be protected by a 6-foot tall privacy fence, robust landscaping along the property lines, the stormwater management features being located on the west side of the building and the smoking canopy being located on the north side of the building.

**Part 3A – Parking Variance (Subsection 547.11, Subd.1)** A variance may be granted from the literal provision of this code only when all of the following criteria are found to exist:

- a) *There are “practical difficulties” that prevent the property owner from using the property in a reasonable manner.*
  - The City's parking requirements are based on the assumption that apartment dwellers are of an income level *and* physical or mental ability to own a vehicle. However, the residents of this particular apartment are highly unlikely to meet those criteria. Therefore, the City's requirement imposes a practical difficulty to provide spaces that are not needed.
- b) *There are unusual or unique circumstances that apply to the property which were not created by the applicant and do not apply generally to other properties in the same zone or vicinity.*
  - The demographic make-up of the community to be served is the unique circumstance that applies to this property that does not apply to other market-rate

apartments in the same zone or vicinity. The funding source's requirement for restrictive covenants guarantees the demographic make-up for 40 years.

- c) *The variance would not alter the character of the neighborhood or the locality.*
  - Given that the residents of the building are highly unlikely to own a car, sufficient parking is provided in regards to the demand created (employees and visitors). Consequently, the variance is not anticipated to alter the character of the neighborhood.
- d) *The variance is the minimum necessary to alleviate the practical difficulty*
  - The Staff agrees that the variance is the minimum necessary to alleviate the practical difficulty.
- e) *The variance is in harmony with the general purpose and intent of the ordinance and consistent with the Comprehensive Plan.*
  - The variance is in harmony with the intent of the zoning ordinance as it provides adequate parking relative to the anticipated demand; it supports pedestrian, bicycle and mass transit use; provides a loading and unloading area, meets the drive aisle and parking aisle design standards; meets the ADA and electric vehicle charging requirements, and meets the setbacks. The variance is also consistent with the Comprehensive plan as it supports the type of development where vehicle use is minimized. Also, it supports housing that ensures a healthy balance of housing types that meet the needs of a diverse population with diverse needs.

**Part 3B – Setback Variance (Subsection 547.11, Subd.1)** A variance may be granted from the literal provision of this code only when all of the following criteria are found to exist:

- a) *There are “practical difficulties” that prevent the property owner from using the property in a reasonable manner.*
  - A slice of right-of-way was taken in the northwest corner of the property to accommodate a public improvement (the round-about at Portland Avenue and 66<sup>th</sup> Street E). This created a practical difficulty. A public action, such as a right-of-way dedication, is a classic practical difficulty, formerly known as a “hardship”.
- b) *There are unusual or unique circumstances that apply to the property which were not created by the applicant and do not apply generally to other properties in the same zone or vicinity.*
  - The reduction in parcel depth by the round-about project was a public action that was not created by the applicant and does not apply, generally, to other properties in the same zone or vicinity.
- c) *The variance would not alter the character of the neighborhood or the locality.*
  - The vast majority of the building complies with the required setback, it is only the northernmost corner of the building – specifically in the area where the lot was reduced for public purpose – that the building encroaches. The south side of the front of the proposed building aligns with the front of the neighboring residence to the south. Therefore, staff finds the variance will not alter the character of the neighborhood or locality.
- d) *The variance is the minimum necessary to alleviate the practical difficulty.*
  - The amount of right-of-way that was dedicated (25 feet) is much wider than the amount of variance being requested (5 feet). Consequently, staff agrees that the variance is the minimum necessary to alleviate the practical difficulty.

- e) *The variance is in harmony with the general purpose and intent of the ordinance and consistent with the Comprehensive Plan.*
- The building design could be altered to meet the setback requirement, but deviation is being requested in order to maximize the setback along the east side. Maximizing the rear yard provides as much space as possible for screening, light, air flow and transition between the adjacent single-family to the east and the subject building. A design that is sensitive to the surrounding land uses is in harmony with the intent of the zoning ordinance and the Comp Plan.

**Part 4 - Preliminary Plat: (Subsection 500.05, Subd. 7)** The Planning Commission, as a basis for their recommendation, and the City Council, as a basis for their approval, must make the following findings prior to approval of a preliminary plat:

- (a) *The subdivision is in conformance with this Section and the applicable regulations of the Zoning Ordinance.*
- The proposed preliminary plat is in conformance with Section 500 "Plats and Subdivision Regulations" of the municipal code and, subject to the approval of the two variances, is in conformance with all applicable regulations of the Zoning Ordinance.
- (b) *The subdivision does not conflict with any goals or policies of the Comprehensive Plan or other sub-area plan; the Capital Improvements Program; or any other City policy or regulation.*
- The combination of four parcels into one will facilitate the orderly, economic and safe development of land. As such, it does not conflict with any goals or policies of the Comp Plan or the Veteran's Park Area Overlay District.
- (c) *The subdivision can be economically served with public facilities and services.*
- The property is already served by public facilities and services, and the increase in capacity demand can easily be absorbed.
- (d) *The subdivision design mitigates potential substantial and irreversible negative impacts on the environment, including, but not limited to: topography; steep slopes; trees; vegetation; naturally occurring lakes, ponds, rivers and streams; susceptibility of the site to erosion, sedimentation or flooding; drainage; and storm water storage needs.*
- The subject site is relatively flat, the only natural features are a few existing trees. Of the seven trees which remain, four will be removed, but 16 will be planted.
- (e) *The subdivision will not be detrimental to the public health, safety or welfare.*
- Staff foresees no way in which the platting of the property would be detrimental to the public health, safety or welfare.

## **Aster Commons – Neighborhood Meeting Summary**

On the evening of May 4, 2023, Beacon held a neighborhood meeting at the Richfield Community Center. Approximately 12 neighbors attended.

Neighbors expressed concerns about:

- building height,
- privacy,
- view sheds,
- crime, and
- traffic.

Neighbors heard the following:

- The building will reflect a preference for young adults (18-24), particularly those with neurodiversity, typically with Autism Spectrum Disorder, but also those experiencing housing insecurity, sometimes both.
- Behavioral or emotional issues can sometimes be associated with their clients, but not necessarily.
- There will not be anyone who is court ordered to live there. The facility is a traditional landlord/tenant arrangement. As such, they are willing to evict as needed.
- Volunteers of America (VOA) will be the primary service provider. They have over 50 years of experience providing service-enriched affordable housing as property managers, building owners, and service providers. Additionally, VOA offers a variety of community-based services regarding challenges to behavioral and emotional health and well-being.
- Staffing will be during regular business hours, but may vary according to resident needs and schedules.
- There will be no services provided to non-residents.
- The property will not be tax exempt.
- Beacon did consider other sites for this project. Sites within the City of Richfield included: 6501 Penn, 817 E 66<sup>th</sup> Street, the Post 435 site, and the HUB. They also researched 15 other sites in the west metro area.
- There have been other developers who explored other potential projects in the past, including two townhome developers and two multi-family housing developers. Limiting factors, which have hindered previous attempts at redevelopment include:
  - The County's restriction to one curb cut as far south as possible.
  - The shallow depth of the lot, which narrows from 123 feet on the south side to 104 feet on the north side.

In response to the neighborhood meeting, the applicant has:

- Reduced the size of the units in order to minimize the building mass.
- Shifted the building further from the east property line.
- Moved the smoking hut to the north side of the building.
- Offered to increase the initial size of new trees in the rear.



## **PROJECT SUMMARY**

Aster Commons

6613 Portland Avenue South

Richfield, MN 55423

Aster Commons is a new, 3-story building of wood construction and slab on grade with a flat roof housing solar panels, to be installed provided they are funded. When completed the building will provide 38 studio apartments targeting neurodiverse young adults. The backyard will be extensively landscaped (trees and shrubbery) with a 6' high fence abutting the neighbor's properties to provide a safe space for these vulnerable young adults. Parking is provided by 11 onsite parking stalls at the south end of the site. The building will have security cameras located in interior common spaces and around the building perimeter to protect the residents' safety. The building provides a variety of spaces to support residents' wellbeing including property management, case management, therapy and counseling services, community rooms, a 3-season porch, meeting rooms, and quiet rooms. Residents must comply with income limits of 30% of AMI for 50% of the apartments and 30%-50% AMI for the other 50% of the apartments. The building is 28,079sf and is predicted to have 3-4 staff onsite throughout the day.

MSR Design has discussed this proposal with city staff and believe the following items need to be addressed in this application:

- Comp Plan Amendment to Reguide from MDR to HDR
- Rezoning from MR-2 to MU-N
- Variance for a 11-stall parking lot
- Variance for a 10' setback for building location in the front yard

## **COMPREHENSIVE PLAN AMENDMENT**

The project is requesting a Comprehensive Plan amendment as the current guiding only allows for 34 dwelling units per acre and Aster Commons would exceed that limit by 4 units.

The proposed Comprehensive Plan Amendment to re-guide from MDR to HDR is justifiable because this is a node within the city that has been identified to have a higher land use capacity than the surrounding single-family neighborhood. The current MDR designation does not support the ambitions of the Veterans Park Area Overlay (VPA) zoning district by its own definition in Section 541.25 Subd. 1: "...to produce structures of consistent character and of appropriate scale that transition from single family residential to higher density mixed use..." (italics added for emphasis).

This site is located along Portland Avenue, a primary north-south arterial in the city of Richfield that contains many large commercial and institutional buildings along its spine between highway 62 and interstate 494, including churches, schools, and the Richfield Municipal Complex one block south of this site. This is an ideal site for a reguiding to HDR to allow this site to provide higher density housing and to provide affordable housing that helps the City of Richfield meet the community's Met Council affordable housing goals.

The site is in close proximity to commercial offerings as well as located along the BRT and adjacent to the 66<sup>th</sup> Street bus routes and protected bike path. The area is highly walkable and the nearby Veterans Park is an ideal municipal amenity that should have density nearby as a natural support area for residents.

This proposed use is a useful transition/buffer from the lower density single-family neighborhood behind the property to Portland Avenue, continuing the densification along Portland Avenue. Thus we believe the proposed regarding to HDR is congruent with the intents of the VPA and the reality of this property's best and highest use along Portland Avenue.

## **REZONING REQUEST**

Proposed to rezone from MR-2 to MU-N to enable this proposed project to conform with the MU-N zoning designation with two minor variances needed. The current MR-2 zoning does not support the ambitions of the Veterans Park Area Overlay (VPA) district, as written in the municipal zoning code Section 541.25 Subd. 1: "...to produce structures of consistent character and of appropriate scale that transition from single family residential to higher density mixed use..." (italics added for emphasis). By definition, the MR-2 zone is a lower density zone that does not support the VPA's intentions to create a node of vitality at and adjacent to the Portland Avenue and 66th Street roundabout that seeks to diversify housing options per municipal zoning code Section 541.25 Subd. 1: "...to expand the mix of housing in the area such as row/townhouse, affordable units, courtyard apartments, courtyard cottages, and live-work units."

Additionally, Richfield has committed to supporting the Met Council's goals of providing 121 units of affordable dwelling units at or below 80% of the area median income by 2030. This project will help the city meet its long-term commitment to build affordable housing for Richfield by adding 38 new affordable units at or below 50% of the area median income.

## **VARIANCE REQUESTS**

### **PARKING REDUCTION VARIANCE**

Under the current zoning, only 20 units would be allowed and that would mean the project would need 25 parking stalls at 1.25 stalls per unit.

Proposed parking is 11 total parking stalls = 0.29 parking stalls per dwelling unit.

#### **(a). Is there a practical difficulty present which denies a reasonable use of the property? (Explain):**

Yes, the additional parking would result in a much smaller building to allow the zoning required parking count to fit onsite and much of that parking would always sit empty. A parking study was conducted by Beacon Interfaith Collaborative through the winter of 2022/2023 to measure total parking demand at three similar buildings owned by Beacon. This was done at the suggestion of Richfield city staff when the issue of excessive parking requirements for the target resident population was discussed at the Sketch Plan review session in August 2022. The study found that at any time a maximum of 8, 6, and 7 parking stalls were actually used at the three properties, each of which is larger than the proposed Aster Commons and are targeted to more all-purpose young adult housing rather than Aster Commons'

targeted population of neurodiverse young adults. Thus we are convinced the demand at Aster Commons will not exist for residents and staff to need more than the 10 car parking stalls provided onsite.

An additional parking stall is being provided and will be signed for Metro Mobility and ride share vehicles to pick up/discharge residents at the parking lot entry to the building. Four exterior bike parking spots and an interior bike storage room accommodating 38 bicycles are in the proposed design, including indoor space for 2 adaptive bikes with electric plug-ins (See Sheet A193 for layout and dimensions). Residents at Beacon's three other properties are very frequently users of these modes of transit and we anticipate that to be true for this property. Metro Mobility, ride share, buses and bicycles are predicted to be the primary means of transport for this population since this population has a higher rate of physical impairments than the general population and their incomes restrict the funds required to own/maintain an automobile. Thus having the parking stall count required by the code would create a sea of parking lot on this property since underground parking is cost prohibitive. Additionally, many of the residents will be unable to secure a driver's license due to their neurodiverse medical conditions.

**(b). Are there any unusual or unique circumstances relating to the property or building which are beyond your control? (Explain):**

Yes, the current site conditions of the new BRT station's proximity to new roundabout reduce the lot size and force the curb cut to be at the south end of the property. Both remove available site square footage for parking and limit building placement.

The proposed use of Metro Mobility and the adjacent BRT station aligns with city goals for reducing traffic and congestion. Thus the proposed reduced parking count aligns with overall city goals to reduce automobile traffic. The location along the BRT line, public sidewalks, and bike lanes along Portland Avenue and 66<sup>th</sup> Street are optimal for this population's predicted needs for transportation.

We believe this parking reduction represents less site burden than other uses that would typically be permitted by zoning that would allow at least 24 parking stalls. Thus granting this variance so this project can go forward as proposed will actually reduce individual automobile traffic since residents will be primarily utilizing public transportation, walking, and bicycle options for the most part.

**(c). Is the variance consistent with the purpose and intent of the rule from which a variance is being requested? (Explain):**

Yes, the purpose of this zoning code section is to provide sufficient off-street parking for the sites intended use; in this case that is residents, staff, and guests. Based on the parking study conducted by Beacon Interfaith Collaborative (noted above) at the buildings they own and manage in Edina, Minneapolis, and St Paul the parking demand will be less than or equal to the 10 parking stalls proposed. The results of this study were sent to city staff by Beacon in January 2023.

Per current zoning allowed for the site, there could be 24 dwelling units built onsite. Parking could be provided in underground and/or surface parking. If these were 3-bedroom apartments, there could reasonably be 72 to 96 residents onsite (assuming families with 2 children). At the zoning code required mandate this would result in only 30 parking stalls, which would likely mean additional parking on the nearby side streets since parking is not allowed on Portland Avenue. Thus we believe our proposal is a less intensive use of the site than if the building constructed were to be maximized per the current

zoning allowances. And that our proposed parking reduction will decrease neighborhood impact by reducing the level of traffic on the site and entering/exiting the property.

### **FRONT YARD SETBACK VARIANCE**

Required property front setbacks are 15' min to 25' max per zoning code section 537.07 Bulk and Dimensional Standards MU-N table 2.

Proposed front setbacks are from 10' minimum to 25' maximum.

Maintaining 15' minimum front set back is doable except at the BRT station because that station infringes on the efficient use of the site.

The original site consists of the following lots 31, 32, 33 and 34 for a total of 28,478 square feet or 0.654 acres. Front building setback responds to revised site conditions with the recent roundabout installation and BRT station installed by Metro transit. The current site has been reduced to 25,266 SF. The building follows the recommended 15' setback for main front yard setback except at BRT bus shelter where we are requesting a 10' setback from the BRT station since the station sits within the 5' area of the setback. Side yard setbacks are 5' on the north and east yards and a 15' south setback has been created for the parking lot as required for adjacency to residential property. The east rear yard setback has been increased to 27'-4" to accommodate private resident features including rear patio space, walking paths, private seating areas and landscape.**(a). Is there a practical difficulty present which denies a reasonable use of the property? (Explain):**

Current site conditions with the new BRT station have resulted in the property being narrower at its north end due to the BRT bus stop that steps back into the site by 5'. This step back has necessitated the building being 10' from the front property line, which sits at the rear edge of the 5' indent for the bus shelter, sign, and bench. If this step-back in the property line had not been present, the building position would comply with zoning and this variance would not be necessary.

The project is also maintaining a min of 27' for the rear yard area to maintain the min of 10% useable area and to maintain more distance from the neighbors who front on the street to the east. The building placement is aligned to avoid solar shading of neighbors per the zoning code.

**(b). Are there any unusual or unique circumstances relating to the property or building which are beyond your control? (Explain):**

After talking with existing neighbors who live behind the property, we believe the best building location is to push it to the west and as far from the rear property line as possible. The current site layout accomplishes this by including a 27' setback on the rear (east) side of the site to provide as much separation as possible between the building and neighbors. This allows the project to include taller trees to be planted between the new building and rear property line to help screening between the building and the neighbors. If the site were to meet the requirements of the 15' minimum setback at the north end of the site, it would be a very convoluted building to maintain the 25' maximum setback at the south end of the site since the site is trapezoidal in shape. We believe this design layout better situates the building on the site than strictly complying with the 15' minimum setback rule.

The remainder of the proposed building adheres to the 15' setback except at the entry area due to the removal of original site sf for the BRT shelter, signage and bench.

**(c). Is the variance consistent with the purpose and intent of the rule from which a variance is being requested? (Explain):**

The newly constructed BRT station sits within the prior, typical 15' setback requirement for the property. Had the original property line been maintained then the building placement would comply with the 15' minimum setback dimension. The 15' minimum setback is maintained south of the bump into the property for the BRT shelter, bench, and sign.

Aster Commons – Determination of Parking Need

2023

In developing the preliminary designs for the Aster Commons 38-unit supportive housing development, determining the need for parking has been carefully considered. The site is on the METRO D Line as a part of the growing network of bus rapid transit (BRT) lines that deliver a faster trip and an improved transit experience with service from Bloomington through Minneapolis to Brooklyn Center.

We believe the residents who will live at Aster Commons will be youth and young adults, some with neurodiverse conditions, emerging from homelessness without access to vehicles and heavily dependent on the metro transit system and bicycling thus requiring minimal parking. The site has a METRO D Line stop steps from the front door and ample bike storage will be provided.

To validate our theory of parking demand needs, we conducted a parking study at three of Beacon’s other youth/young adult buildings located in St. Paul (on the Green Line) and Minneapolis (on the 18 & 23 metro lines) and Edina . These buildings have similar populations, are all studio apartments and similar transit access.

Based on our study, tracking parking activity for a month period, we’ve determined that the planned eleven parking spaces proposed for the Aster Commons development will be sufficient and we will seek necessary approvals to proceed in this direction. At no time during this study were the parking spaces full or over extended.

The Parking Study:

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Spaces:</td><td>9</td><td>9</td><td>9</td><td>9</td><td>9</td><td>9</td><td>9</td><td>9</td><td>9</td><td>9</td><td>9</td><td>9</td><td>9</td><td>9</td><td>9</td><td>9</td><td>9</td></tr><tr><td>Staff Vehicles:</td><td>2</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Resident Vehicles:</td><td>4</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>October 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Spaces:</td><td>13</td><td>13</td><td>13</td><td>13</td><td>13</td><td>13</td><td>13</td><td>13</td><td>13</td><td>13</td><td>13</td><td>13</td><td>13</td><td>13</td><td>13</td><td>13</td><td>13</td></tr><tr><td>Staff Vehicles:</td><td>1-3</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Resident Vehicles:</td><td>5</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Dec 2022/Jan 2023</td><td></td><td>14</td><td>15</td><td>16</td><td>19</td><td>29</td><td>21</td><td></td><td></td><td></td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>9</td><td>10</td></tr><tr><td>Morning</td><td>3</td><td>5</td><td>5</td><td>4</td><td>3</td><td>4</td><td></td><td></td><td></td><td></td><td>N/A</td><td>4</td><td>3</td><td>4</td><td>5</td><td>5</td><td>6</td></tr><tr><td></td><td>10</td><td>8</td><td>8</td><td>9</td><td>10</td><td>9</td><td></td><td></td><td></td><td></td><td>N/A</td><td>9</td><td>10</td><td>9</td><td>8</td><td>8</td><td>7</td></tr><tr><td>Noon</td><td>3</td><td>5</td><td>5</td><td>4</td><td>3</td><td>4</td><td></td><td></td><td></td><td></td><td>N/A</td><td>4</td><td>3</td><td>4</td><td>5</td><td>5</td><td>6</td></tr><tr><td></td><td>10</td><td>8</td><td>8</td><td>9</td><td>10</td><td>9</td><td></td><td></td><td></td><td></td><td>N/A</td><td>9</td><td>10</td><td>9</td><td>8</td><td>8</td><td>7</td></tr><tr><td>End of 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Eliminating the underground parking garage will create a potential savings of \$800,000 in construction costs.

Prepared by:  
Kirsten Spreck  
Director of Housing Development  
Beacon Interfaith Housing Collaborative  
[kspreck@beaconinterfaith.org](mailto:kspreck@beaconinterfaith.org)

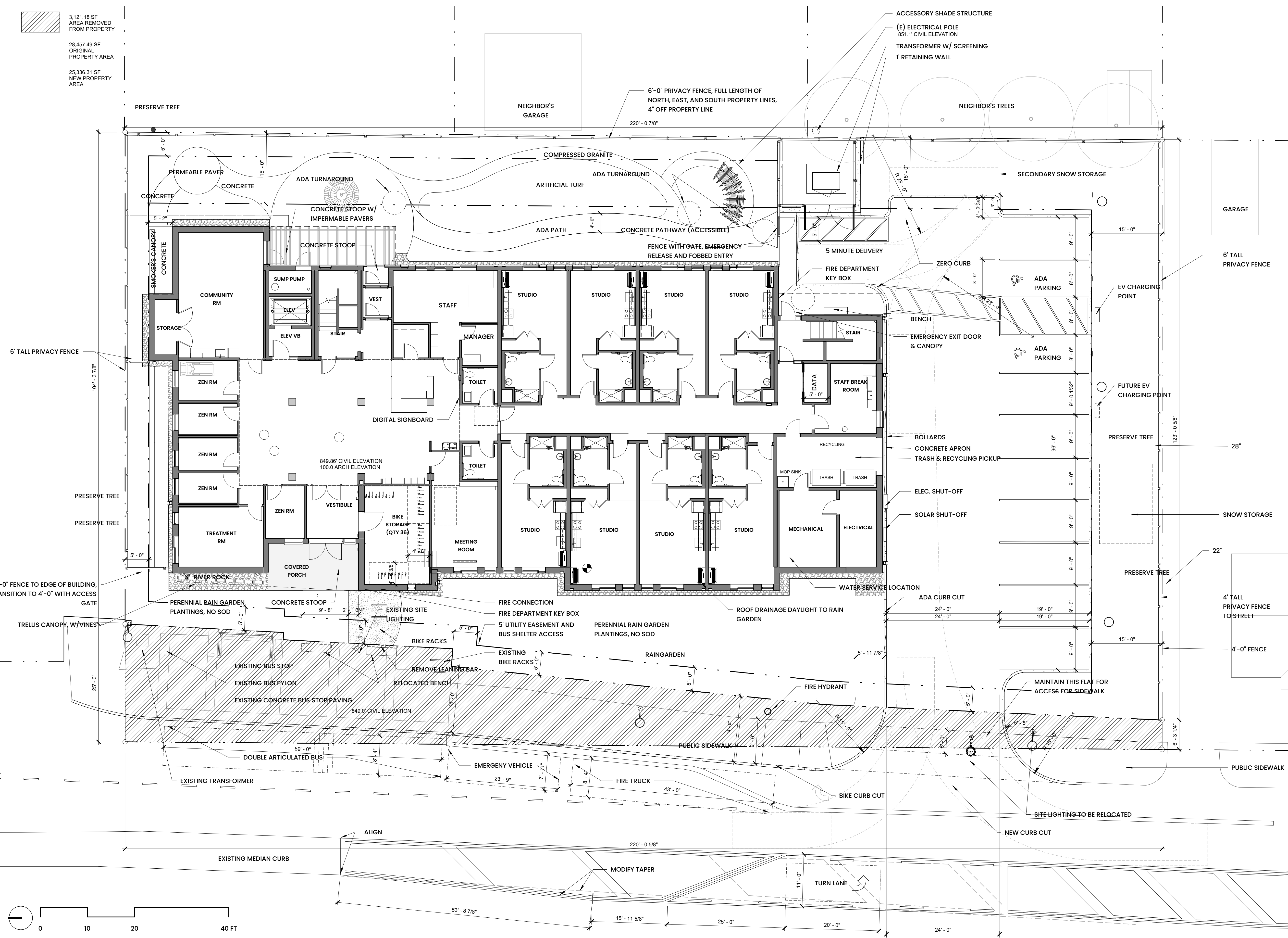


# SITE PLAN





Drawing 2022 Copyright Meyer, Scherer & Podus, Inc. 10/1/2023 4:08:18 PM C:\projects\2022\18\_022\_Consulting\Aster\Aster.dwg



1 PRES SITE PLAN  
A001 1" = 10'-0"

Architecture and Interiors  
**MSRDesign**  
510 Marquette Avenue South, Suite 200  
Minneapolis, MN 55402 | 612.375.0336

Landscape Architecture  
**Confluence**  
530 N 3rd St #120, Minneapolis, MN 55401 | 612.333.3702

Civil and Structural Engineering  
**BKBM**  
530 N 3rd St #120, Minneapolis, MN 55401 | 763.843.0420

Mechanical, Electrical, & Plumbing  
**Emanuelson-Podus, Inc.**  
7705 Bush Lake Rd, Edina, MN 55439 | 952.930.0050

Project No. 2022018  
**Aster Commons**  
6613 Portland Avenue S.  
Richfield, MN 55423

I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly Licensed Architect under the Laws of the State of Minnesota.

Architect Seal

Signature \_\_\_\_\_  
Print Name \_\_\_\_\_  
Date \_\_\_\_\_ License No. \_\_\_\_\_

Design Development	
ISSUE / REVISION	
Mark	Date
2023.08.10	CITY REVIEW COMMENTS

NOT FOR CONSTRUCTION

SITE PLAN

**A001**

220' - 0 7/8"

104' - 3 7/8"

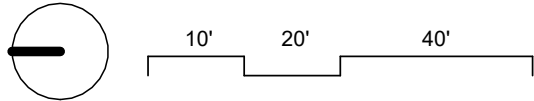
- 28,457.49 SF  
ORIGINAL  
PROPERTY AREA
- 3,121.18 SF  
AREA REMOVED  
FROM PROPERTY
- 25,336.31 SF  
NEW PROPERTY  
AREA

PROPOSED NEW  
PROPERTY CORNER

ORIGINAL  
PROPERTY CORNER

PROPOSED NEW  
PROPERTY CORNER

ORIGINAL  
PROPERTY CORNER



21' - 0 1/8"

53' - 8 7/8"

MODIFY TAPER

15' - 11 5/8"

25' - 0"

11' - 0"

TURN LANE

20' - 0"

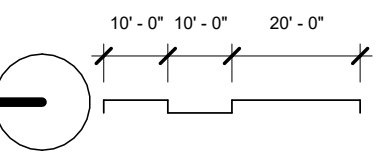
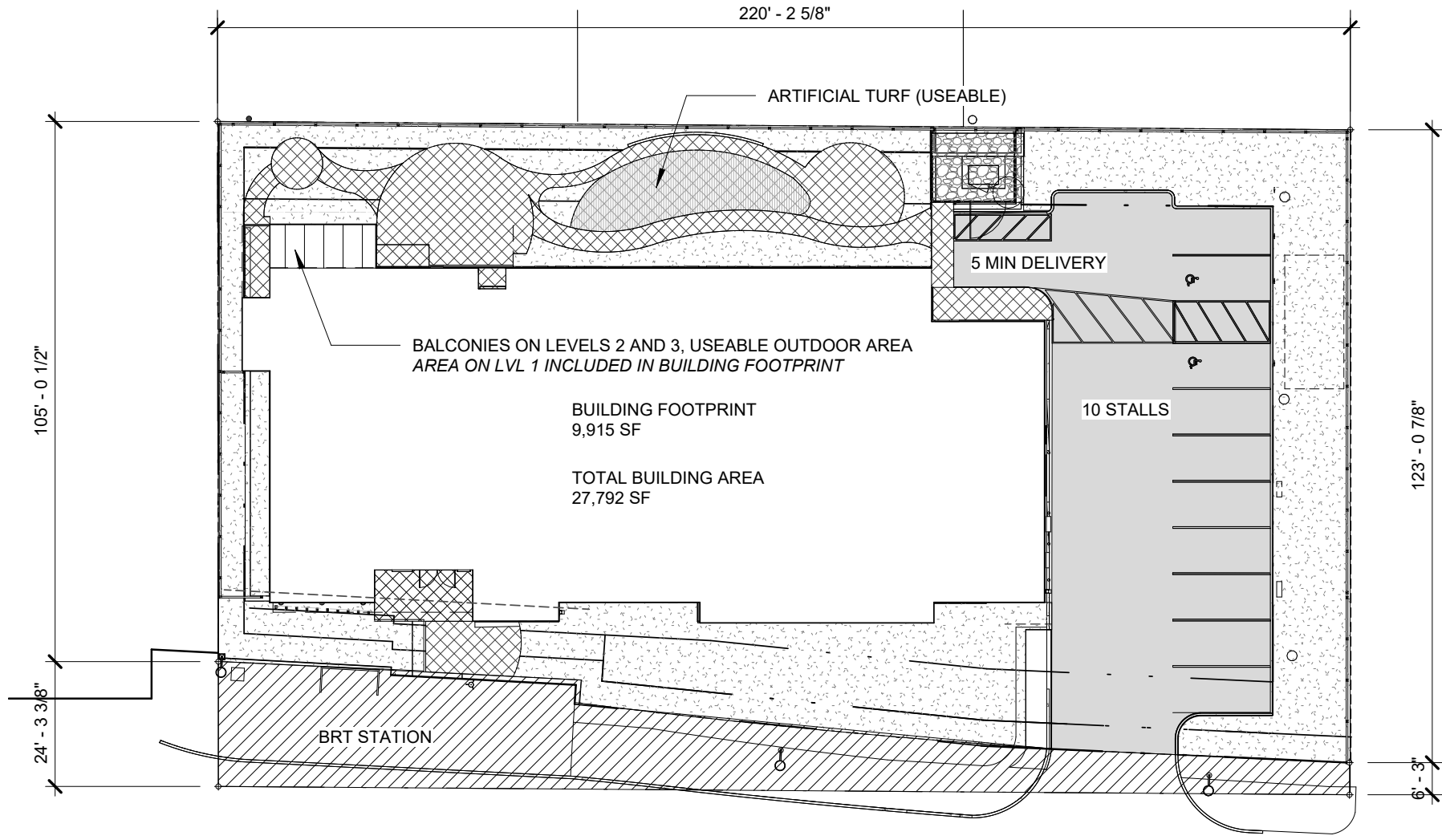
24' - 0"

EXISTING MEDIAN STRIPING  
TO BE WIDENED AT THIS  
POINT FOR TURN LANE

1 SITE PLAN PROPERTY BOUNDARIES

AP001 1" = 20'-0"

MSRDesign



1

ZONING CODE SUMMARY SITE PLAN

AP002 1" = 30'-0"

ZONING

PERMISSABLE BUILDING AREA	PROPOSED	REQUIREMENT	
PROPOSED BUILDING AREA:	39.2%	25 MIN / 50% MAX	Met
BUILDING STORIES PROPOSED HEIGHT 35'	3	2 MIN / 8 MAX	Met

LOT COVERAGE	PROPOSED SF	PROPOSED %	REQUIREMENT	
IMPERVIOUS	17,048 SF	67.3%	75% MAX	Met
BUILDING	9,915 SF	39.1%	25 MIN / 50% MAX	Met
PAVEMENT - NONUSEABLE	4,780 SF	18.8%		
PAVEMENT - USEABLE	2,353 SF	9.3%		
PERVIOUS	8,288 SF	32.7%		
PLANTING AREAS	7,567 SF	29.9%		
ARTIFICIAL TURF - USEABLE	481 SF	1.9%		
GRAVEL	240 SF	0.9%		
TOTAL CURRENT LOT AREA	25,336 SF	100%		
USABLE OPEN SPACE LISTED ABV.	2,744 SF	10.8%		
BALCONIES (LVL 2+3)	350 SF	1.4%		
TOTAL USEABLE OPEN SPACE	3,094 SF	12.2%	10% MIN	Met

- KEY PLAN
- PLANTING AREAS
  - TURF - USEABLE OPEN AREA
  - USEABLE OPEN AREA - IMPERMEABLE
  - IMPERMEABLE PAVEMENT (NOT USEABLE OPEN AREA)
  - ORIGINAL LOT AREA REMOVED
  - BALCONIES ON UPPER LEVELS - USEABLE OUTDOOR AREA

CURRENT LOT AREA | 25,336.3 SF  
LOT AREA REMOVED | 3,121.2 SF  
ORIGINAL LOT AREA | 28,477.5 SF































1 BUILDING WEST ELEVATION - SHADED

AP211 1/16" = 1'-0"



BRICK - ENDICOTT  
MANGANESE  
IRONSPOT, VELOUR  
FINISH, NORWEGIAN  
SIZE



SIDING 1: NICHIBA  
LATTURA V-GROOVE,  
WHITE



SIDING 2: NICHIBA  
VINTAGEWOOD,  
SPRUCE



MECHANICAL  
SCREENING:  
CITYSCAPES  
ENVISOR  
PERFORATED PAN

MATERIAL

BRICK	1321	24%
NICHIBA WHITE LATTURA V-GROOVE	1879	34%
NICHIBA SPRUCE VINTAGEWOOD	771	14%
WINDOWS+ GLASS DOORS	1289	24%
METALS (TRIM, LOUVERS, PANELS, SCREENS)	160	3%

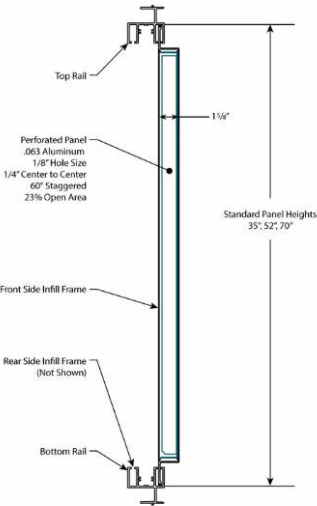
SQUARE FOOTAGE

5,419 sf

% of FACADE

PERFORATED METAL SCREEN CROSS SECTION

PAN PERFORATED METAL CROSS-SECTION







1 BUILDING NORTH ELEVATION - SHADED

AP212 1/8" = 1'-0"



BRICK - ENDICOTT MANGANESE IRONSPOT, VELOUR FINISH, NORWEGIAN SIZE



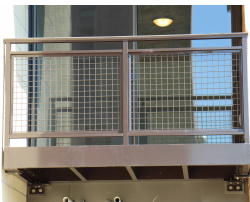
SIDING 1: NICHIBA LATTURA V-GROOVE, WHITE



SIDING 2: NICHIBA VINTAGEWOOD, SPRUCE



MECHANICAL SCREENING: CITYSCAPES ENVISOR PERFORATED PAN



BALCONY: MIDWEST IRON METAL HANDRAIL BALCONY

**MATERIAL**

BRICK
NICHIBA WHITE LATTURA V-GROOVE
NICHIBA SPRUCE VINTAGEWOOD
WINDOWS+ GLASS DOORS
METALS (TRIM, LOUVERS, PANELS, SCREENS)

**SQUARE FOOTAGE**

688
548
672
579
99

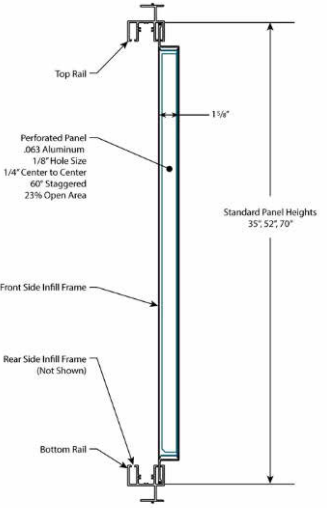
**% of FACADE**

27%
21%
26%
22%
4%

**2,586 sf**

PERFORATED METAL SCREEN CROSS SECTION

PAN PERFORATED METAL CROSS-SECTION





NOTE: SEE WEST ELEVATION FOR BUILDING HEIGHT AND MATERIAL DESIGNATIONS

# 1 BUILDING EAST ELEVATION - SHADED

AP213 1/16" = 1'-0"



BRICK - ENDICOTT MANGANESE IRONSPOT, VELOUR FINISH, NORWEGIAN SIZE



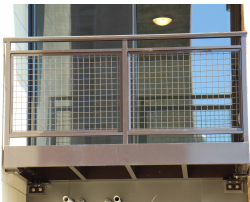
SIDING 1: NICHHA LATTURA V-GROOVE, WHITE



SIDING 2: NICHHA VINTAGEWOOD, SPRUCE



MECHANICAL SCREENING: CITYSCAPES ENVISOR PERFORATED PAN



BALCONY: MIDWEST IRON METAL HANDRAIL BALCONY

## MATERIAL

BRICK	370	7%
NICHHA WHITE LATTURA V-GROOVE	1488	22%
NICHHA SPRUCE VINTAGEWOOD	1921	6%
WINDOWS+ GLASS DOORS	1253	23%
METALS (TRIM, LOUVERS, PANELS, SCREENS)	374	7%

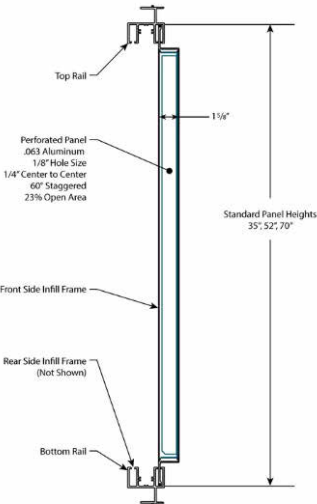
## SQUARE FOOTAGE

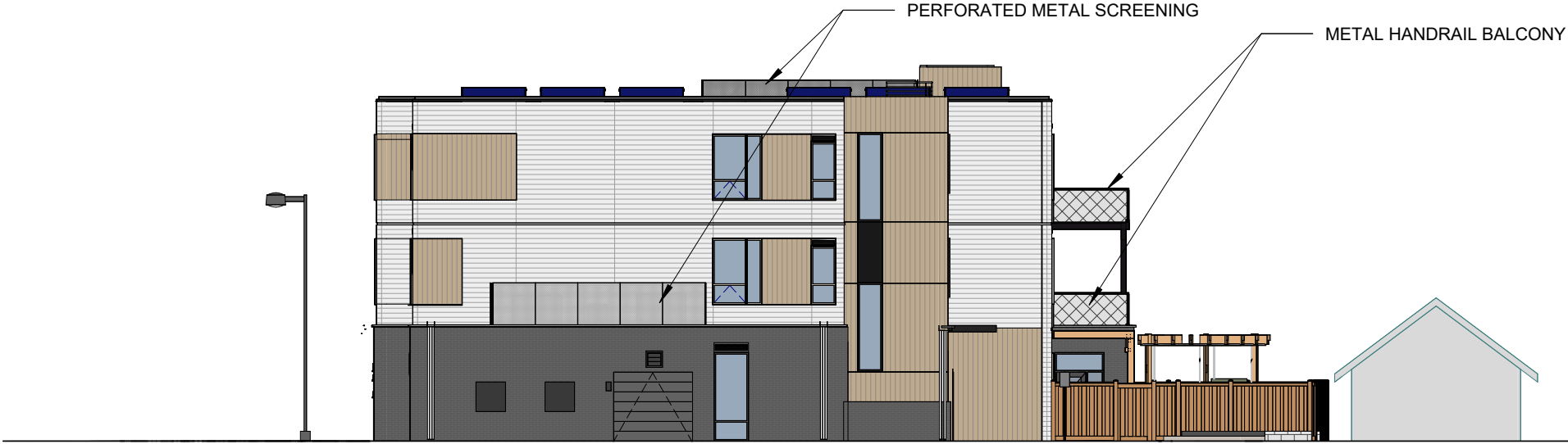
5,406 sf

## % of FACADE

## PERFORATED METAL SCREEN CROSS SECTION

### PAN PERFORATED METAL CROSS-SECTION





NOTE: SEE WEST ELEVATION FOR BUILDING HEIGHT AND MATERIAL DESIGNATIONS

1 BUILDING SOUTH ELEVATION - SHADED

AP214 1/16" = 1'-0"



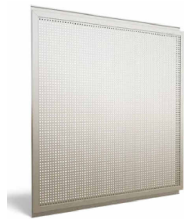
BRICK - ENDICOTT MANGANESE IRONSPOT, VELOUR FINISH, NORWEGIAN SIZE



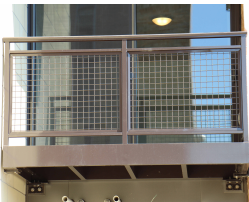
SIDING 1: NICHIBA LATTURA V-GROOVE, WHITE



SIDING 2: NICHIBA VINTAGEWOOD, SPRUCE



MECHANICAL SCREENING: CITYSCAPES ENVISOR PERFORATED PAN

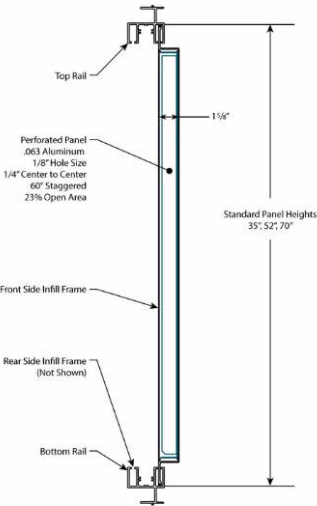


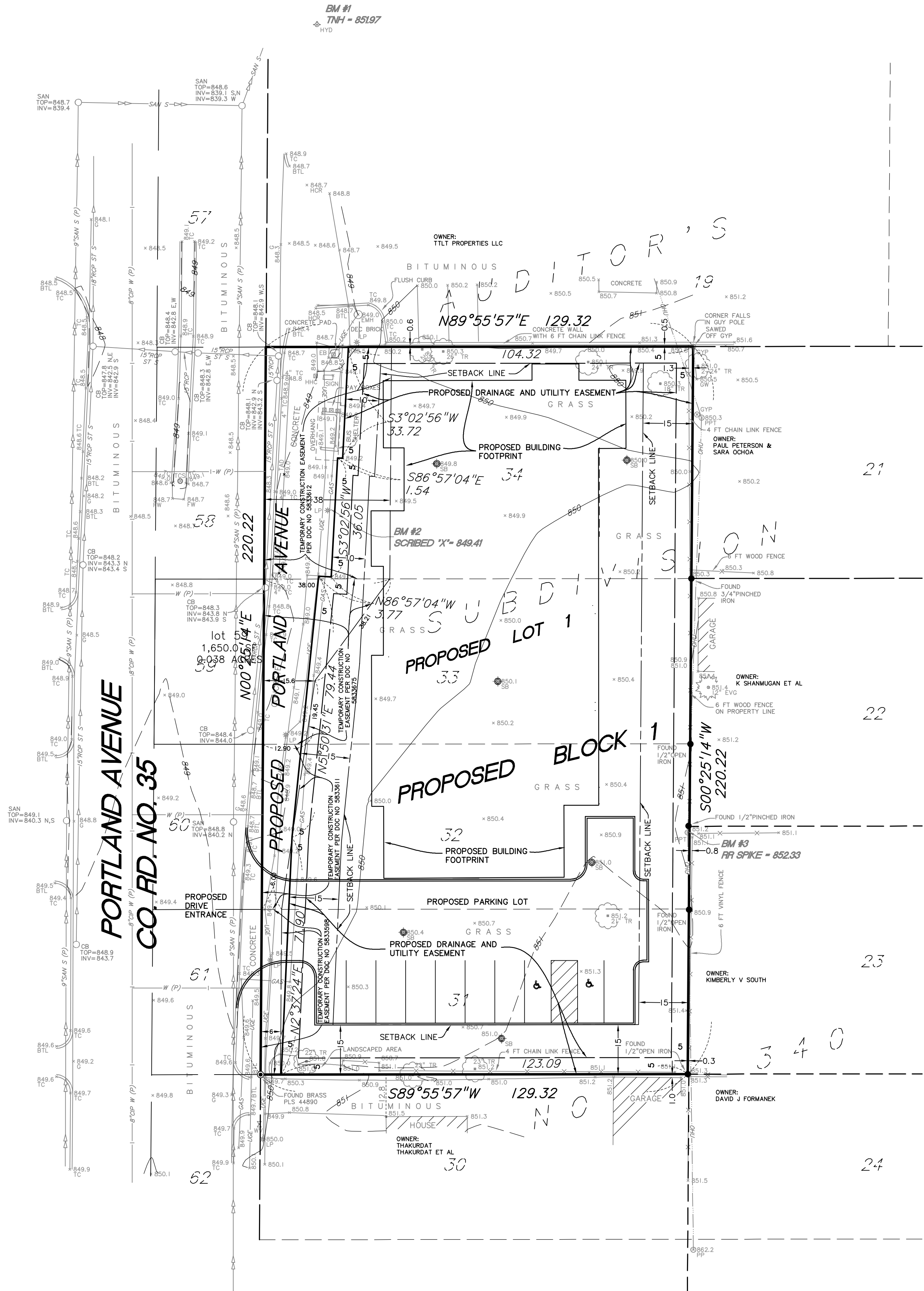
BALCONY: MIDWEST IRON METAL HANDRAIL BALCONY

MATERIAL	SQUARE FOOTAGE	% of FACADE
BRICK	1321	9%
NICHIBA WHITE LATTURA V-GROOVE	1974	39%
NICHIBA SPRUCE VINTAGEWOOD	676	24%
WINDOWS+ GLASS DOORS	187	8%
METALS (TRIM, LOUVERS, PANELS, SCREENS)	230	9%
	2,425 sf	

PERFORATED METAL SCREEN CROSS SECTION

PAN PERFORATED METAL CROSS-SECTION





### GENERAL NOTES

- Survey coordinate and bearing basis: Hennepin County ground feet, based on the Minnesota Coordinate System, Southern Zone, NAD83, 1986 adjustment.
- "No Buildings Observed" on the surveyed property in the process of conducting the fieldwork.
- Adjoining ownership information shown hereon was obtained from the Hennepin County Property Tax Information web site.
- The boundary shown is per the Certificates of Title listed. We have not been able to obtain any information from the Hennepin County Highway Department regarding Portland Avenue right of way. The boundary may be updated if we receive an updated Title Commitment that has more information regarding Portland Avenue.
- Physical features shown on the survey are per the last field visit on April 28, 2023.

### UTILITY NOTES

- Utility information from plans and markings was combined with observed evidence of utilities to develop a view of the underground utilities shown hereon. However, lacking excavation, the exact location of underground features cannot be accurately, completely and reliably depicted. In addition, Gopher State One Call locate requests from surveyors may be ignored or result in an incomplete response. Where additional or more detailed information is required, excavation and/or a private utility locate request may be necessary.
- Other underground utilities of which we are unaware may exist. Verify all utilities critical to construction or design.
- Some underground utility locations are shown as marked onsite by those utility companies whose locators responded to our Gopher State One Call, ticket numbers 230971408 and 230971431.
- Contact GOPHER STATE ONE CALL at 651-454-0002 (800-252-1166) for precise onsite location of utilities prior to any excavation.

### FLOOD ZONE NOTE

- The subject property appears to lie within Zone X (Area of Minimal Flood Hazard) per the National Flood Insurance Program, Flood Insurance Rate Map No. 27053C0369F, dated November 4, 2016, Community No. 270180. This information was obtained from the FEMA Map Service Center web site.

### PARKING

No designated parking spaces were observed on site.

### AREAS

Existing Area = 28,478 square feet or 0.654 acres  
Proposed Lot 1, Block 1 = 25,355 square feet or 0.582 acres

### BENCHMARKS (BM)

- Top of top nut of fire hydrant in the southeast quadrant of 66th St. E. and Portland Ave. S.  
Elevation = 851.97 feet
- Top of scribed "X" on the top of east side of concrete light pole base; 1st light pole south of bus shelter on the east side of Portland Ave. S.  
Elevation = 849.41 feet
- Top of railroad spike in the west face of power pole with transformer on the east side of the site, middle power pole.  
Elevation = 852.33 feet

### LEGEND

- Denotes found iron monument
  - Denotes 1.17 inch diameter copper magnetized marker with disc cap affixed stamped LS-44890 found
- BTL Denotes beavertail curb  
CB Denotes catch basin  
CIP Denotes cast iron pipe  
EB Denotes electric box  
EMH Denotes electric manhole  
G Denotes gutter elevation  
GW Denotes guy wire  
GYP Denotes guy pole  
HCR Denotes disabled ramp  
HHC Denotes communication handhole  
HYD Denotes fire hydrant  
INV Denotes structure invert  
LP Denotes light pole  
OHU Denotes overhead utility lines  
(P) Denotes per plan  
PP Denotes power pole  
PPT Denotes power pole with transformer  
RCP Denotes reinforced concrete pipe  
SAN Denotes sanitary manhole  
SAN S Denotes sanitary sewer  
SB Denotes soil boring  
ST S Denotes storm sewer  
TAD Denotes truncated domes plate  
TC Denotes top of concrete curb  
TCS Denotes traffic control sign  
UGE Denotes underground electric line  
W Denotes water line  
WV Denotes water valve
- EVG Denotes evergreen tree  
TR Denotes deciduous tree

### DESCRIPTION OF PROPERTY SURVEYED

(Per Commercial Partners Title, a division of Chicago Title Insurance Company, Commitment for Title Insurance File No. CP72041, Supplemental No. 1, commitment date June 30, 2023)

Lots 31, 32, 33 and 34, Auditor's Subdivision No. 340.

Hennepin County, Minnesota  
Torrens Property

### PLAT RECORDING INFORMATION

AUDITOR'S SUBDIVISION NUMBER 340 was filed of record on September 12, 1946 in Book 116 of Plats, Page 33.

### TITLE COMMITMENT

Commercial Partners Title, a division of Chicago Title Insurance Company, Commitment for Title Insurance File No. CP72041, Supplemental No. 1, commitment date June 30, 2023, was relied upon as to matters of record.

### Schedule B Exceptions:

Exceptions are indicated on survey with circled numbers unless otherwise noted. Items not listed below are standard exceptions and/or are not survey related.

9.) Terms and conditions of and temporary easement for construction and related purposes in favor of the Metropolitan Council, a public corporation and political subdivision of the State of Minnesota being described as Parcel No. 105, contained in Temporary Construction Easement dated April 27, 2021, filed May 6, 2021, as Document No. 5833598. (Lot 31) [Shown on survey]

10.) Terms and conditions of and temporary easement for construction and related purposes in favor of the Metropolitan Council, a public corporation and political subdivision of the State of Minnesota being described as Parcel No. 106, contained in Temporary Construction Easement dated April 27, 2021, filed May 6, 2021, as Document No. 5833611. (Lot 32) [Shown on survey]

11.) Terms and conditions of and temporary easement for construction and related purposes in favor of the Metropolitan Council, a public corporation and political subdivision of the State of Minnesota being described as Parcel No. 107, contained in Temporary Construction Easement dated April 27, 2021, filed May 6, 2021, as Document No. 5833675. (Lot 33) [Shown on survey]

12.) Terms and conditions of and temporary easement for construction and related purposes in favor of the Metropolitan Council, a public corporation and political subdivision of the State of Minnesota being described as Parcel No. 108, contained in Temporary Construction Easement dated April 27, 2021, filed May 6, 2021, as Document No. 5833612. (Lot 34) [Shown on survey]

### OWNER:

HRA City of Richfield  
6700 Portland Ave. S.  
Richfield, MN 55423

### APPLICANT:

Beacon Interfaith Housing Collaborative  
2610 University Avenue West  
Suite 100  
St. Paul, MN 55114  
Contact: Jim Barnes  
jbarnes@beaconinterfaith.org  
651-377-8183

I hereby certify that this survey, plan, or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

Dated this 18th day of July, 2023

SUNDE LAND SURVEYING, LLC

By: *Leonard F. Carlson*  
Leonard F. Carlson, P.L.S. Minn. Lic. No. 44890

revised right of way line per comments	NDN	9/18/23
Revision	By	Date
	NDN	

Drawing Title:

PRELIMINARY PLAT OF:  
ASTER COMMONS

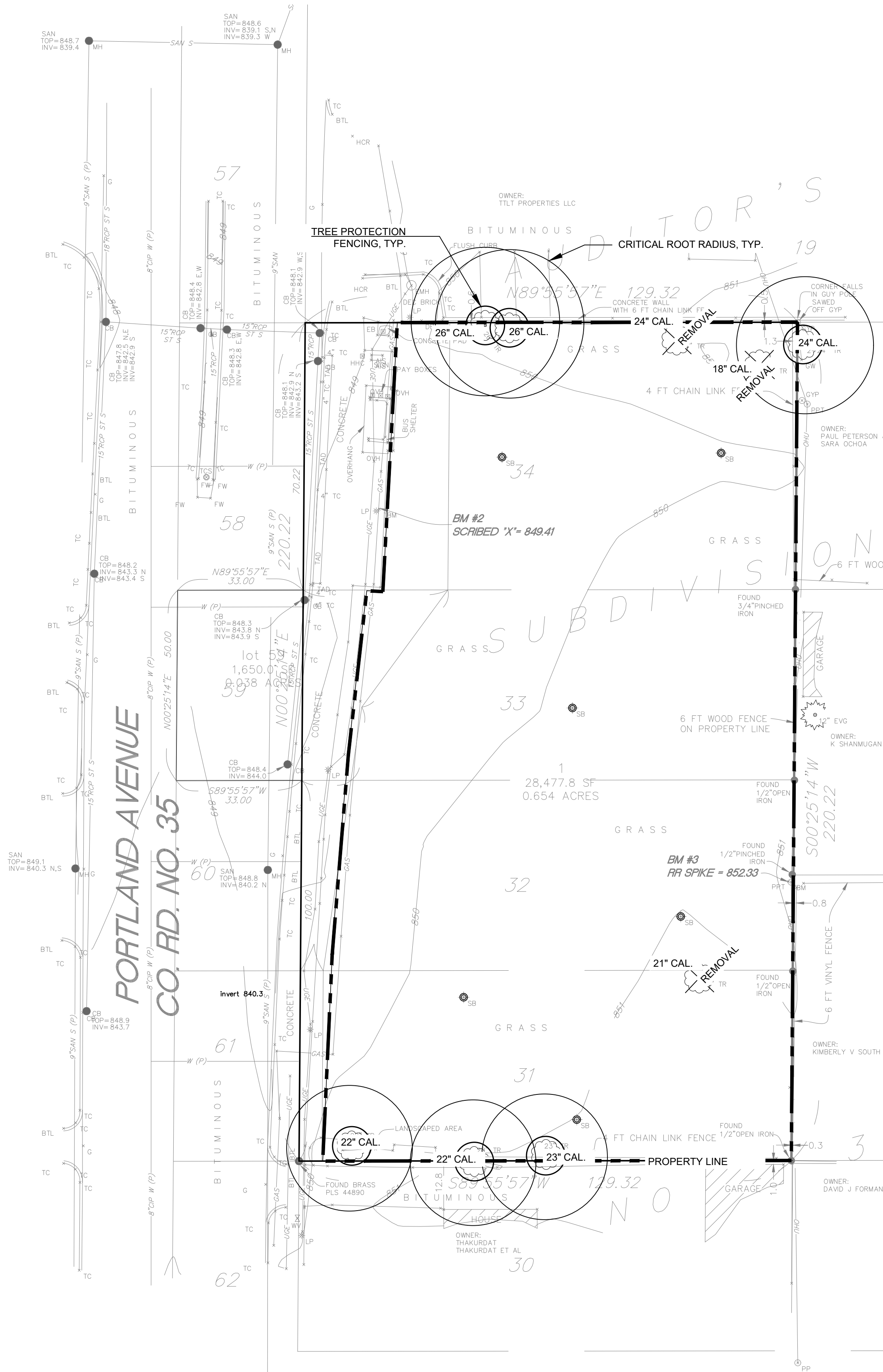
**SUNDE**  
LAND SURVEYING  
www.sunde.com

Main Office:  
9001 East Bloomington Freeway (35W) • Suite 118  
Bloomington, Minnesota 55420-3435  
952-881-2455 (Fax: 952-888-9526)

Project: 2015-003-A Bk/Pg: 1094/39 Date: 07/18/2023  
Township: 028 Range: 24 Section: 26  
File: 2015003A\_preplat.dwg Sheet: 1 of 1

20 0 20 40  
SCALE IN FEET

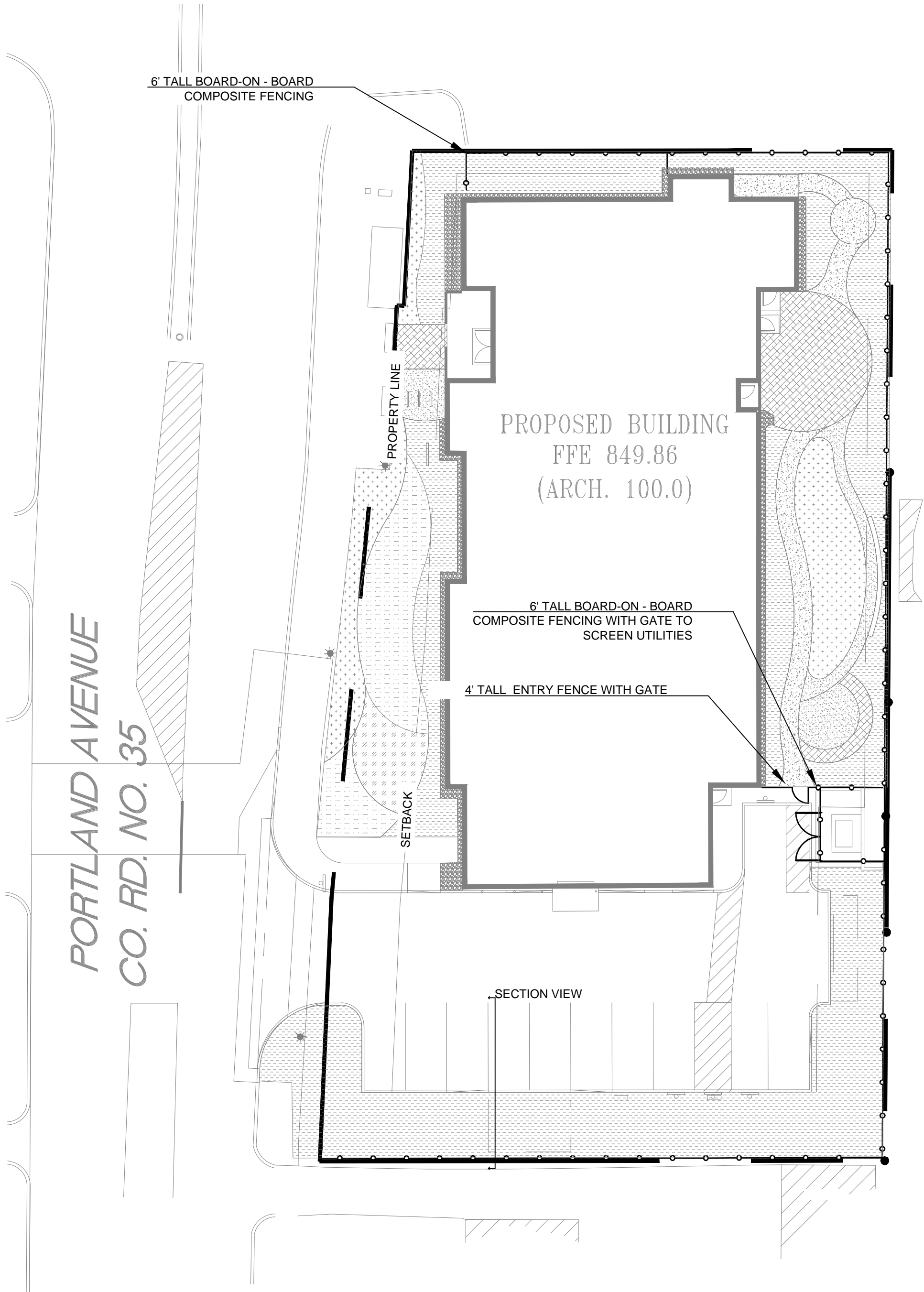












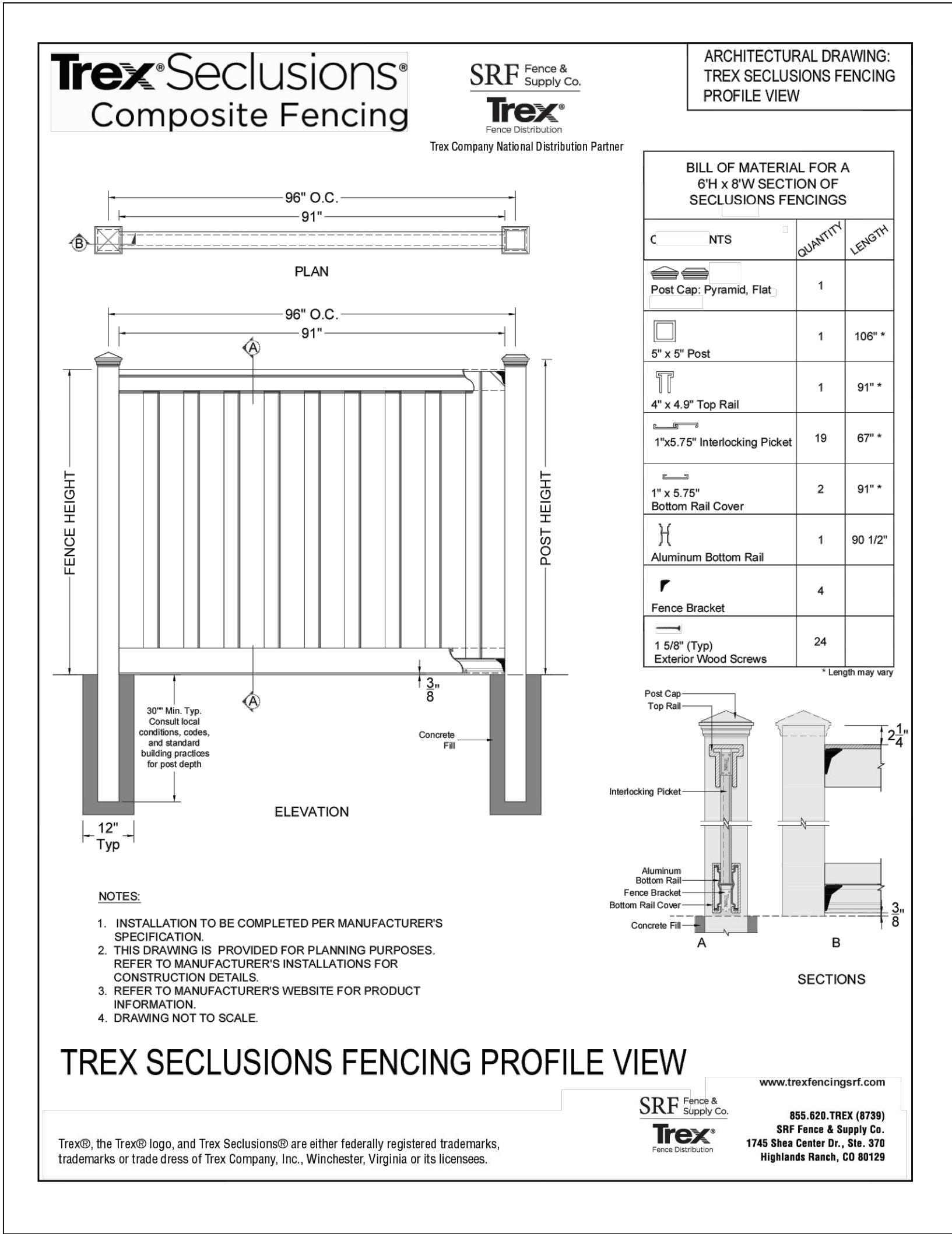
SITE MATERIAL LEGEND

- CONCRETE
- PERMEABLE PAVER
- STABILIZED GRANITE WALKWAY (PERMEABLE)
- ¾"-1" ROCK MULCH
- HARDWOOD MULCH WITH PLANTINGS - SEE PLANTING PLAN
- RAINGARDEN : ZONE 1
- RAINGARDEN : ZONE 2
- POLLINATOR LAWN SEED MIX

FENCING GENERAL NOTES

- THERE ARE THREE FENCING UNITS IDENTIFIED IN THE PROPOSED SITE:
- 448 LINEAR FEET OF 6' TALL BOARD-ON-BOARD COMPOSITE FENCING SURROUNDS THE SIDE AND BACK YARDS OF THE SITE. FENCING IS SET-BACK 6" INTO SITE FROM PROPERTY LINE.
  - 132 LINEAR FEET OF 6' TALL BOARD-ON-BOARD COMPOSITE FENCING WITH ACCESS GATE SURROUNDS THE TRANSFORMER AREA.
  - 12 LINEAR FEET OF 4' RAIL FENCE WITH ENTRY GATE AT THE ENTRY TO THE RESIDENTIAL BACKYARD.
  - FENCING TYPE WAS CHOSEN FOR ITS RESIDENTIAL CHARACTER.

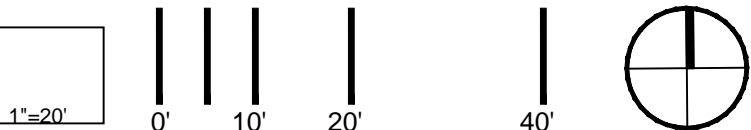
PRODUCT FINISH AND DESIGN



6' TALL BOARD-ON-BOARD  
COMPOSITE FENCING

LANDSCAPE PLANTINGS. SEE  
PLANTING PLAN.

SECTION VIEW  
SCALE 3" = 1'



Aster Commons  
6613 Portland Avenue South  
Richfield, MN 55423

I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly Licensed Architect under the Laws of the State of Minnesota.

Architect Seal

Signature \_\_\_\_\_  
Print Name \_\_\_\_\_  
Date \_\_\_\_\_ License No. \_\_\_\_\_

ISSUE / REVISION

Mark Date Description

FENCING PLAN

LA300

NOT FOR CONSTRUCTION



PLANT SCHEDULE

DECIDUOUS TREES	QTY	COMMON / BOTANICAL NAME
Ex	6	Existing Tree To Remain /
Aa4	3	Autumn Blaze Maple / Acer x freemanii 'Jeffsred' TM
Ag2	3	Autumn Brilliance Serviceberry / Amelanchier x grandiflora 'Autumn Brilliance'
Br2	1	River Birch / Betula nigra Multi Trunk, 2 Trunk Minimum
PB	8	Pillar Birch / Betula platyphylla Single Trunk
Bw	3	Whitespire Birch / Betula populifolia 'Whitespire'
Cw	8	Golden Shadows Dogwood Cornus alternifolia 'Wstackman'
As	4	Ware's Oak 'Kindred Spirit' / Quercus x warei 'Nadler'
Ts	2	American Linden / Tilia americana 'Sentry'

Uo	2	Discovery Elm / Ulmus davidiana var. japonica
EVERGREEN TREES	QTY	COMMON / BOTANICAL NAME
Je	5	Eastern Red Cedar / Juniperus virginiana
SHRUBS	QTY	COMMON / BOTANICAL NAME
Al2	88	Iroquois Beauty Black Chokeberry / Aronia melanocarpa 'Iroquois Beauty' TM
Cs2	15	Cardinal Red Twig Dogwood / Cornus sericea 'Cardinal'
SC	93	Sandcherry / Prunus pumila
PERENNIALS	QTY	COMMON / BOTANICAL NAME
Ac	125	Lady's Mantle / Alchemilla mollis
Ag	68	Goatsbeard / Aruncus dioicus
Af	22	False Spiraea / Astilbe japonica 'Deutschland'
Nw	5	Celastrus Scandens 'Bailumn' / Autumn Revolution Bittersweet
Cb	134	Bicknell's Sedge / Carex bicknellii
Co	34	Blue Sedge / Carex glauca
Cos	117	Carex bicknellii / Copper Shouldered Oval Sedge

PLANNING REQUIREMENTS

THE PROPOSED BUILDING CONTAINS 38 UNITS. PER PLANNING REQUIREMENTS, 5 TREES ARE REQUIRED FOR EACH UNIT. THIS PROJECT REQUIRES AN ADDITIONAL 19 TREES. THIS PLAN PROPOSES 38 TREES BE ADDED TO THE SITE IN A RANGE OF SIZES, SPECIES, AND VARIETIES. 20% OF THE SPECIES ARE TO BE PLANTED WITH A CALIPER OF 4.5", 30% WITH A CALIPER OF 30%, AND 50% WITH A CALIPER OF 2.5".

TOTAL SITE AREA: 25336 SQ FEET  
TOTAL LANDSCAPE AREA: 6378 SQ FEET (25% OF TOTAL SITE)

ALL PLANTINGS WERE SELECTED TO MAXIMIZE ECOLOGICAL STATUS. ALL PLANTINGS EITHER ARE NATIVE OR ARE KNOWN TO HAVE HIGH ENVIRONMENTAL PERFORMANCE (POLLUTION CAPTURE OR HEAT TOLERANCE).

SITE MATERIAL LEGEND

- CONCRETE
- PERMEABLE PAVER
- STABILIZED GRANITE WALKWAY (PERMEABLE)
- ¾"-1" ROCK MULCH
- HARDWOOD MULCH WITH PLANTINGS - SEE PLANTING PLAN
- RAINGARDEN : ZONE 1
- RAINGARDEN : ZONE 2
- POLLINATOR LAWN SEED MIX

Architecture and Interiors  
510 Marquette Avenue South, Suite 200  
Minneapolis, MN 55402 | 612.375.0336

Aster Commons

6613 Portland Avenue South  
Richfield, MN 55423

Project No. 2022018

I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly Licensed Architect under the Laws of the State of Minnesota.

Architect Seal

Signature \_\_\_\_\_  
Print Name \_\_\_\_\_  
Date \_\_\_\_\_ License No. \_\_\_\_\_

ISSUE / REVISION

Mark Date Description

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NOT FOR CONSTRUCTION

PLANTING PLAN

LA500

ZONE 1 MIX

Agastache foeniculum (Anise Hyssop)
Asclepias incarnata (Rose Milkweed)
Coreopsis lanceolata (Lance-leaf Coreopsis)
Dalea candida (White Prairie Clover)
Dalea purpurea (Purple Prairie Clover)
Echinacea purpurea (Purple Coneflower)
Eryngium yuccifolium (Rattlesnake Master)
Gentianella quinquefolia (Stiff Gentian)
Helenium autumnale (Sneezeweed)
Heliopsis helianthoides (Early Sunflower)
Lobelia siphilitica (Great Blue Lobelia)
Monarda fistulosa (Wild Bergamot)
Oligoneuron rigidum (Stiff Goldenrod)
Penstemon digitalis (Foxglove Beardtongue)
Ratibida pinnata (Yellow Coneflower)
Rudbeckia hirta (Black-eyed Susan)
Rudbeckia triloba (Brown-eyed Susan)
Symphyotrichum laeve (Smooth Blue Aster)
Verbena hastata (Blue Vervain)
Andropogon gerardii (Big Bluestem)
Bromus ciliatus (Fringed Brome)
Carex bebbii (Bebb's Oval Sedge)
Carex comosa (Bristly Sedge)
Carex hystericina (Porcupine Sedge)
Carex stipata (Common Fox Sedge)
Carex vulpinoidea (Brown Fox Sedge)
Scirpus atrovirens (Dark-green Bulrush)
Sorghastrum nutans (Indian Grass)
Bouteloua curtipendula (Side-oats Grama)

ZONE 2 MIX

Andropogon gerardii (Big Bluestem)
Bromus ciliatus (Fringed Brome)
Carex bicknellii (Copper-shouldered Oval Sedge)
Carex hystericina (Porcupine Sedge)
Carex vulpinoidea (Brown Fox Sedge)
Elymus canadensis (Canada Wild Rye)
Elymus virginicus (Virginia Wild Rye)
Juncus interior (Inland Rush)
Panicum virgatum (Switch Grass)
Sorghastrum nutans (Indian Grass)
Asclepias incarnata (Rose Milkweed)
Boltonia asteroides (False Aster)
Eupatorium perfoliatum (Boneset)
Eupatorium maculatum (Joe Pye Weed)
Heliopsis helianthoides (Early Sunflower)
Hibiscus laevis (Rose Mallow)
Liatris pycnostachya (Prairie Blazing Star)
Lobelia cardinalis (Cardinal Flower)
Lobelia siphilitica (Great Blue Lobelia)
Mimulus ringens (Monkey Flower)
Oligoneuron rigidum (Stiff Goldenrod)
Rudbeckia hirta (Black-eyed Susan)
Rudbeckia subtomentosa (Sweet Black-eyed Susan)
Rudbeckia triloba (Brown-eyed Susan)
Symphyotrichum laeve (Smooth Blue Aster)
Verbena hastata (Blue Vervain)
Vernonia fasciculata (Common Ironweed)

Project No. 2022018

Aster Commons  
6613 Portland Avenue South  
Richfield, MN 55423

I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly Licensed Architect under the Laws of the State of Minnesota.

Architect Seal

Signature \_\_\_\_\_

Print Name \_\_\_\_\_

Date \_\_\_\_\_ License No \_\_\_\_\_

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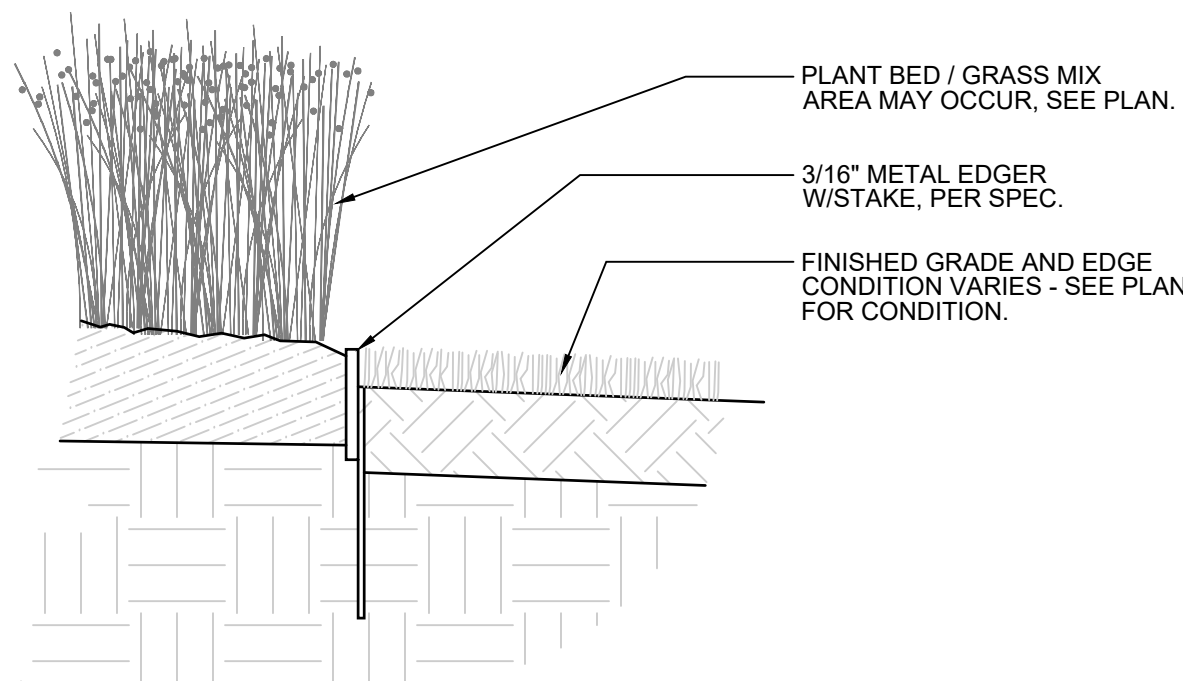
Mark    Date                      Description

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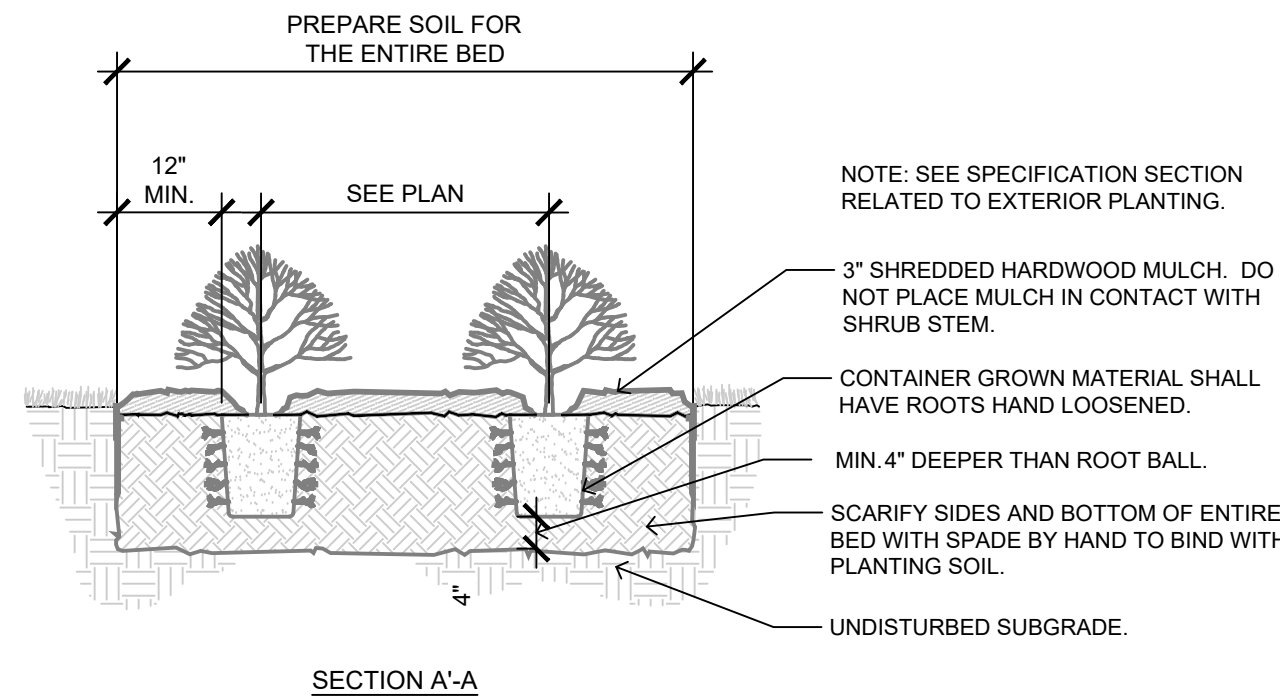
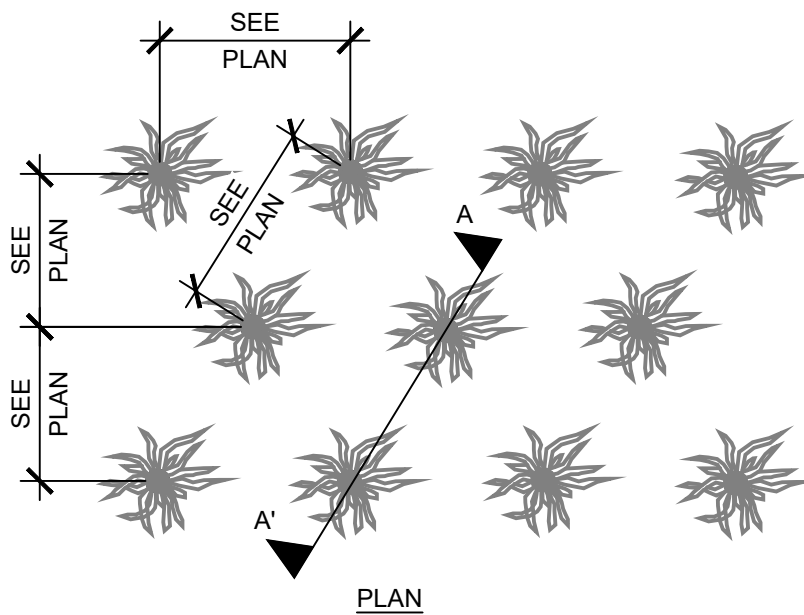
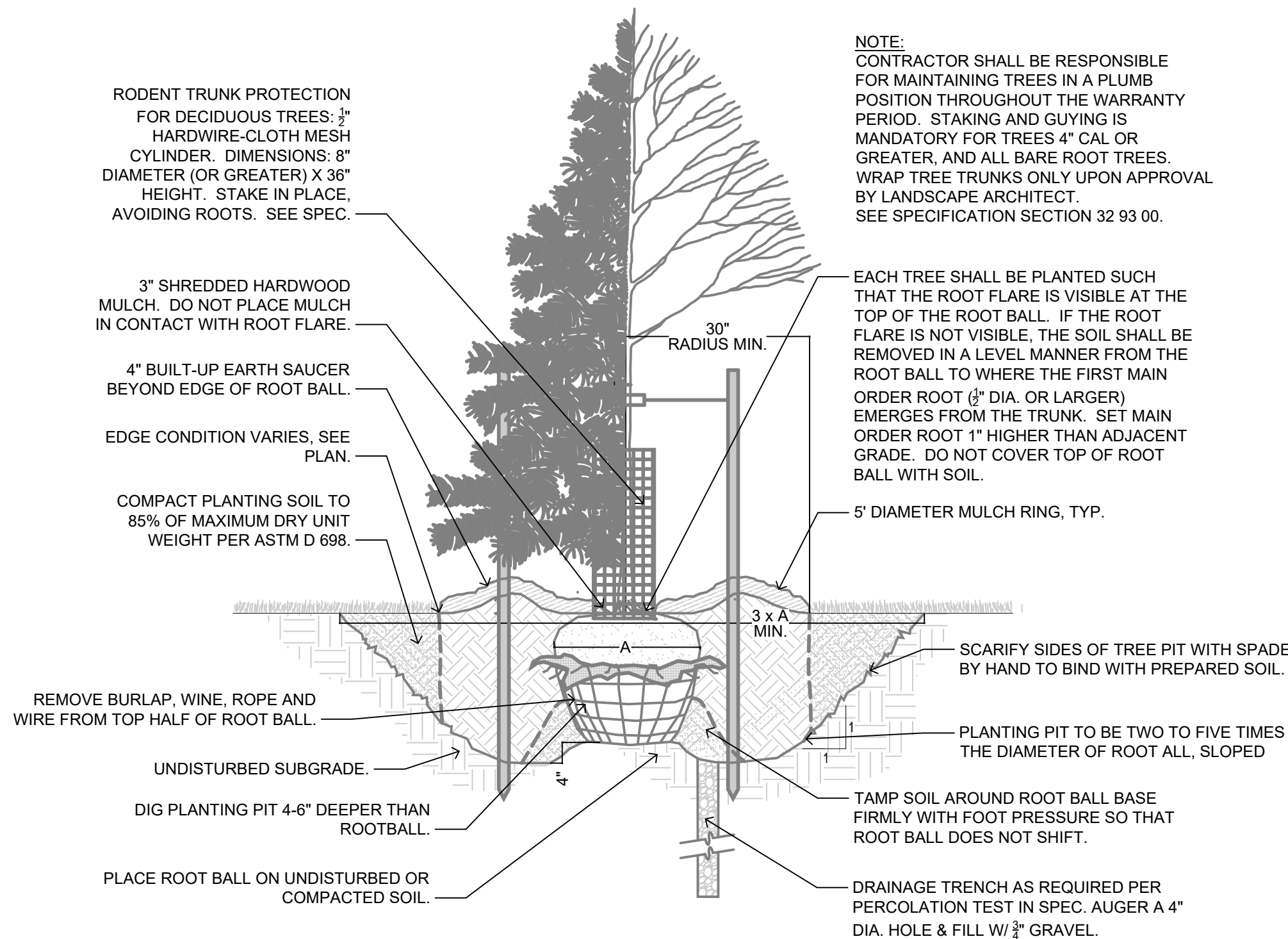
PLANTING PLAN : MIX  
DETAILS

LA501

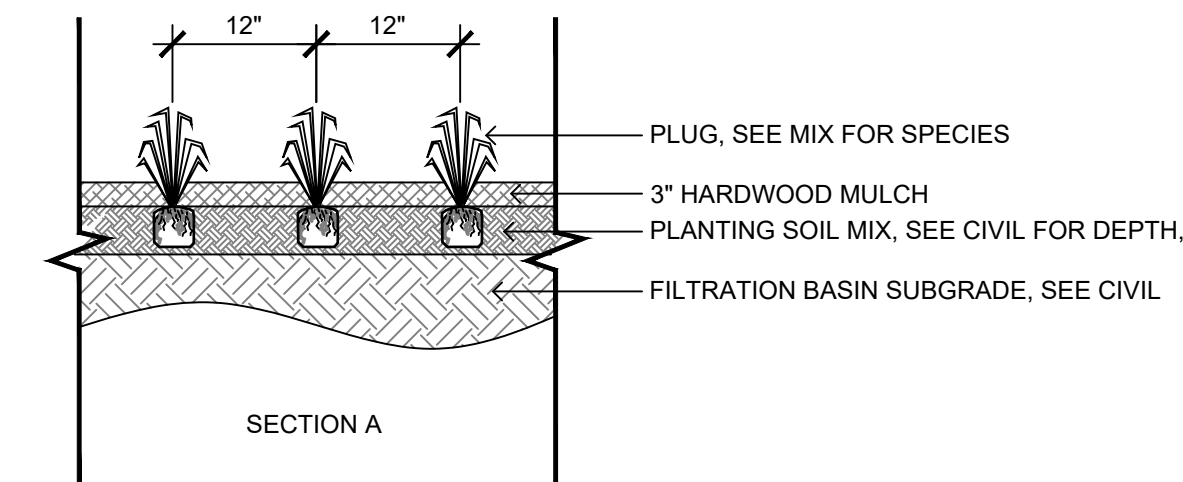
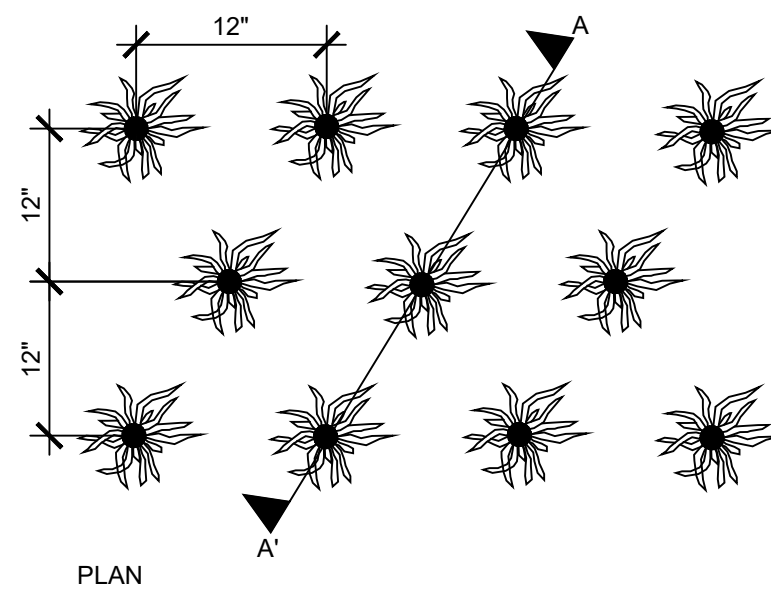
NOT FOR CONSTRUCTION



04 L502 TURF @ PLANT BED 1-1/2" = 1'-0"

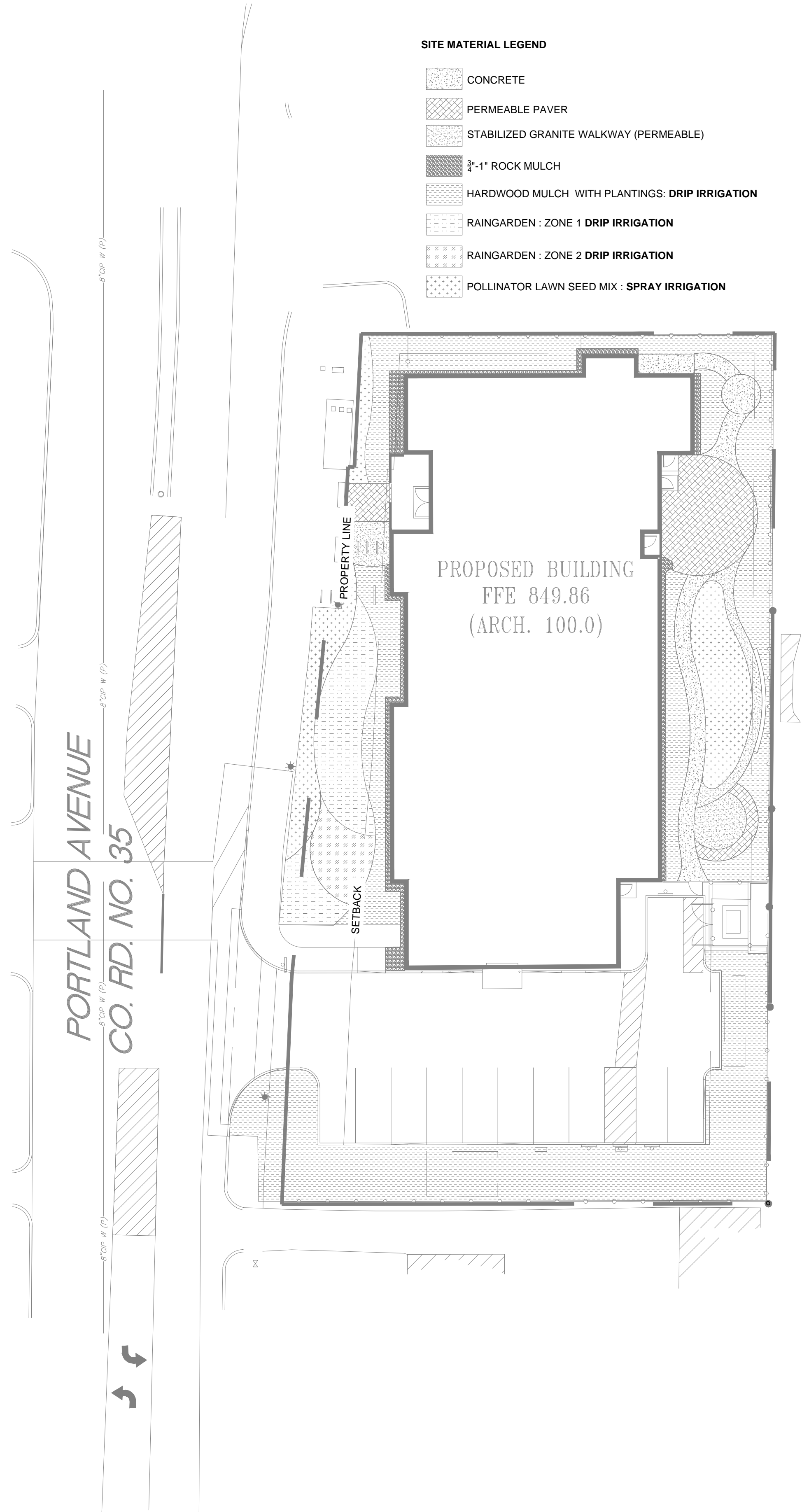


02 L502 PLANTING DETAIL, TYP. 1/2" = 1'-0"



03 L502 STORM FEATURE PLUG LAYOUT 1/2" = 1'-0"





SITE MATERIAL LEGEND

- CONCRETE
- PERMEABLE PAVER
- STABILIZED GRANITE WALKWAY (PERMEABLE)
- ¾"-1" ROCK MULCH
- HARDWOOD MULCH WITH PLANTINGS: DRIP IRRIGATION
- RAINGARDEN : ZONE 1 DRIP IRRIGATION
- RAINGARDEN : ZONE 2 DRIP IRRIGATION
- POLLINATOR LAWN SEED MIX : SPRAY IRRIGATION

GENERAL NOTES

EXISTING CONDITIONS: CONTRACTOR TO VERIFY AND NOTIFY THE LANDSCAPE ARCHITECT OF ANY DISCREPANCIES EXISTING WATER PRESSURE.

THE CONTRACTOR IS RESPONSIBLE FOR OBTAINING A COPY OF UNDERGROUND SPRINKLERS SPECIFICATIONS (328423) PRIOR TO BIDDING. THE PROJECT SPECIFICATIONS ARE A PART OF THESE PLANS AND, THE CONTRACTOR IS RESPONSIBLE FOR IMPLEMENTING WORK AS SPECIFIED IN THE PROJECT SPECIFICATIONS AND ON THE PLANS.

THE CONTRACTOR SHALL BE RESPONSIBLE FOR LOCATING ALL PUBLIC AND PRIVATE UTILITIES WHICH LIE WITHIN THE CONSTRUCTION AREA PRIOR TO ANY CONSTRUCTION. NOTIFY THE ARCHITECT OF ANY DISCREPANCIES.

PROVIDE AND MAINTAIN WARNING SIGNS, BARRICADES AND CONSTRUCTION FENCING AS REQUIRED BY LOCAL AUTHORITIES.

IRRIGATION CONTRACTOR IS RESPONSIBLE FOR COORDINATION AND INSTALLATION OF ALL EQUIPMENT TO PROVIDE A WORKING IRRIGATION SYSTEM FOR THE OWNER. SEE ELECTRICAL AND PLUMBING SHEETS FOR WORK BY OTHERS.

CONTRACTOR TO VERIFY PLUMBING EQUIPMENT (BACKFLOW, ETC) USED WILL MEET DEMANDS OF IRRIGATION AS RECOMMENDED BY MANUFACTURER AND ARE WITHIN TOLERANCES OF SPECIFICATIONS. BACKFLOW DEVICES ARE TO BE INSPECTED BY A CERTIFIED TECHNICIAN WHERE REQUIRED. CONTRACTOR TO COORDINATE ALL INSPECTIONS AS REQUIRED BY CODE.

ALL IRRIGATION EQUIPMENT AND PIPING TO BE INSTALLED PER MANUFACTURER RECOMMENDATIONS AS WELL AS ALL FEDERAL, STATE AND LOCAL LAWS AND ORDINANCES THAT MAY APPLY.

IRRIGATION SLEEVES SHALL BE SCHEDULE 40 PVC AND INSTALLED BY THE IRRIGATION CONTRACTOR. SLEEVES SHALL BE 2X THE PIPE DIAMETER. SEPARATE SLEEVES ARE REQUIRED FOR CONTROL WIRE. COORDINATE INSTALLATION WITH GENERAL CONTRACTOR. WHERE REQUIRED DIRECTIONAL BORING OF PIPE SLEEVES UNDER CONCRETE SHALL BE INCLUDED AT NO ADDITIONAL COST.

INSTALL LATERAL LINES WITH A MINIMUM COVER OF 18" AND MAINLINES WITH A MINIMUM COVER OF 24".

IRRIGATION SYSTEM SHOULD BE INSTALLED WITH AUTOMATIC RAIN SHUT-OFF SENSORS.

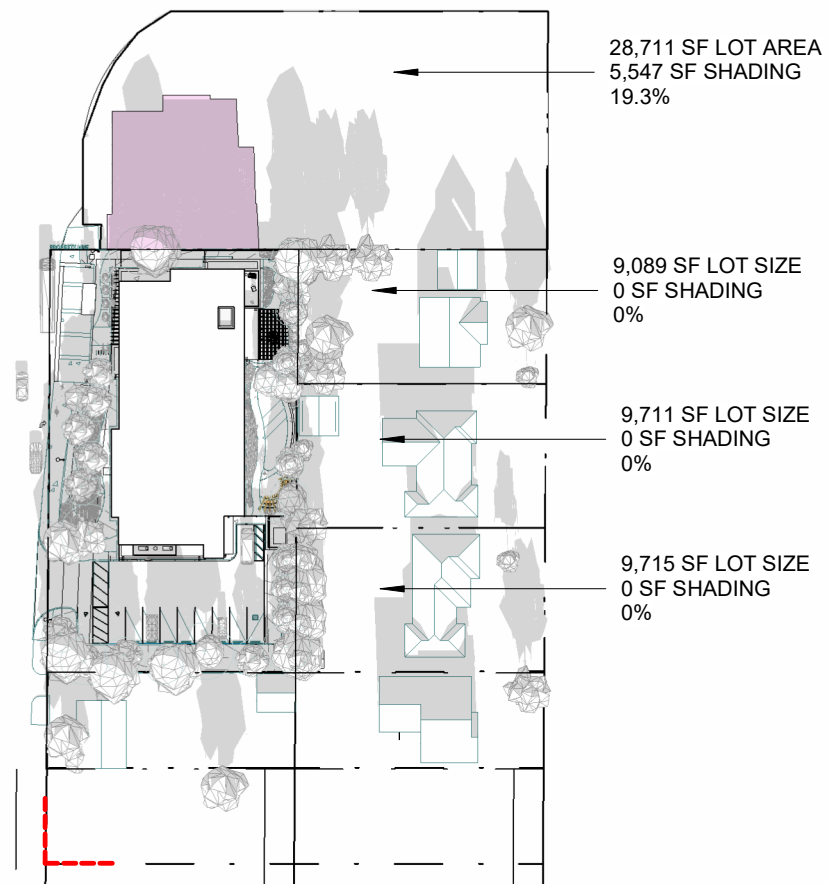
ISSUE / REVISION

Mark Date Description

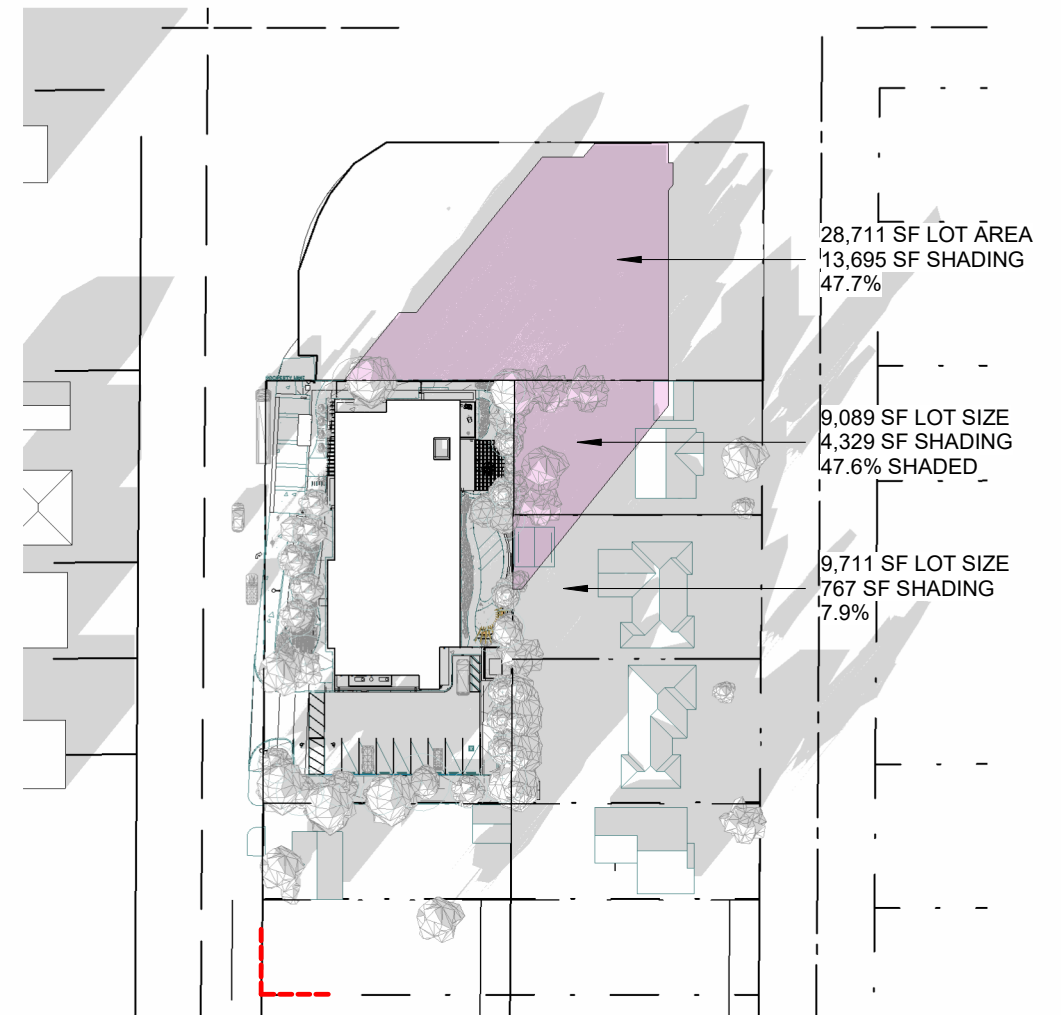




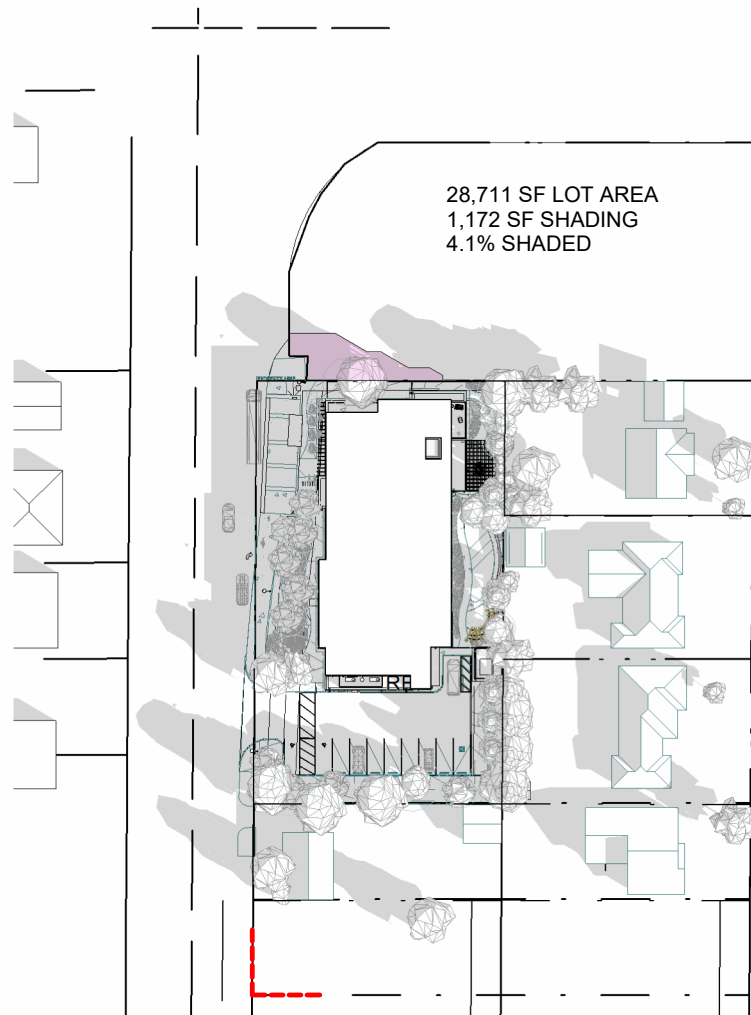
**1** SHADING DEC 23 9AM  
AP401 1" = 100'-0"



**2** SHADING DEC 23 12PM  
AP401 1" = 100'-0"

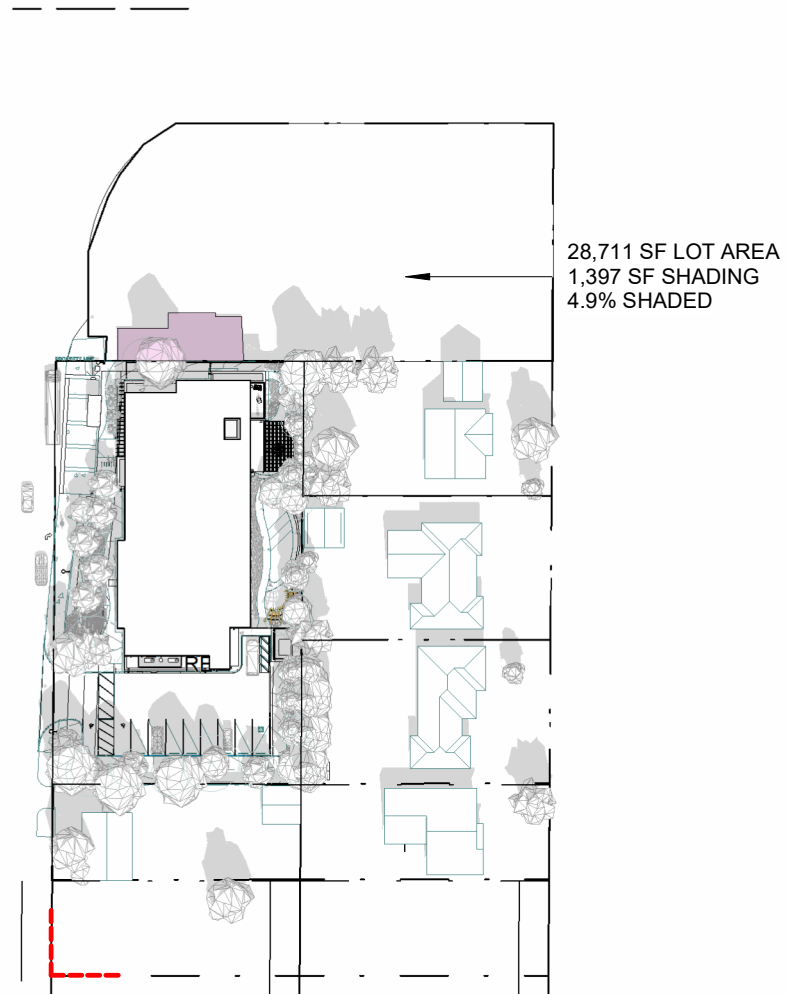


**3** SHADING DEC 23 3PM  
AP401 1" = 100'-0"



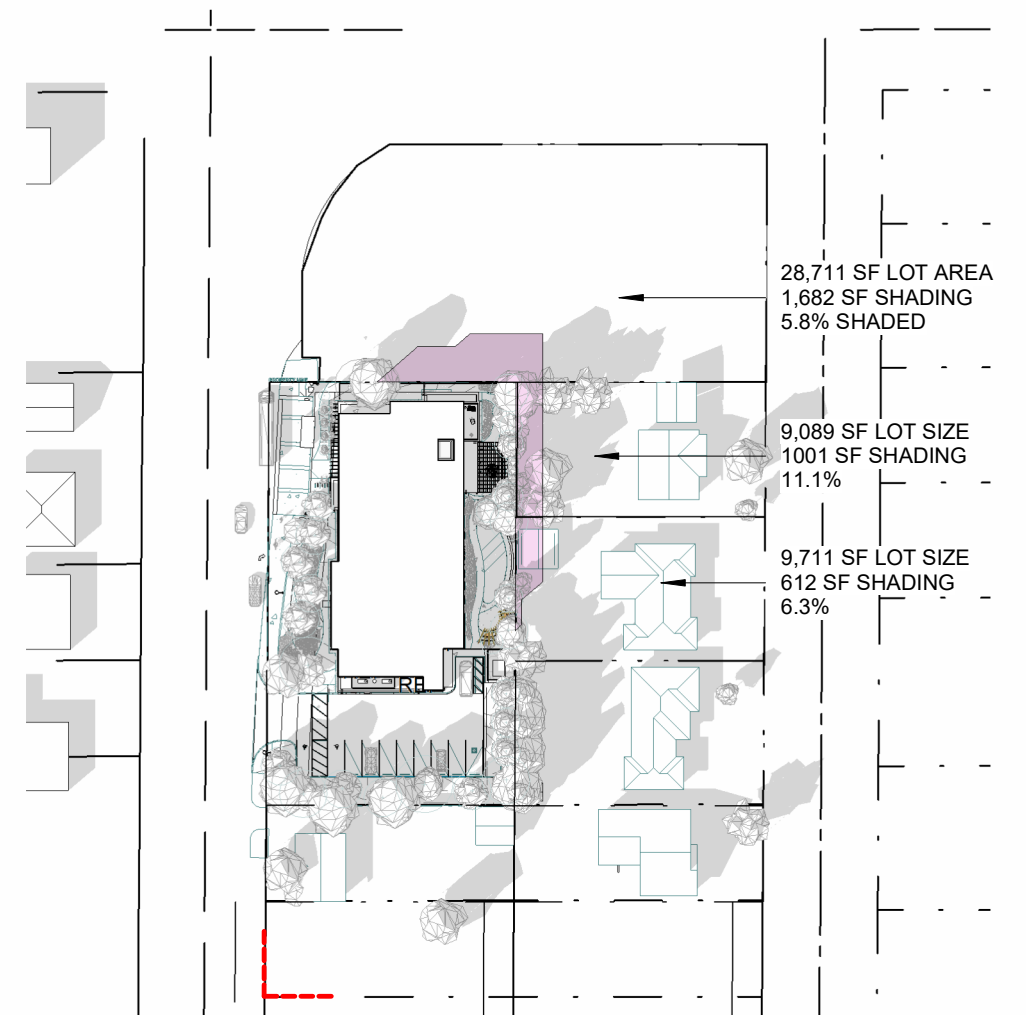
**1** SHADING MAR 23 9AM

AP402 1" = 100'-0"



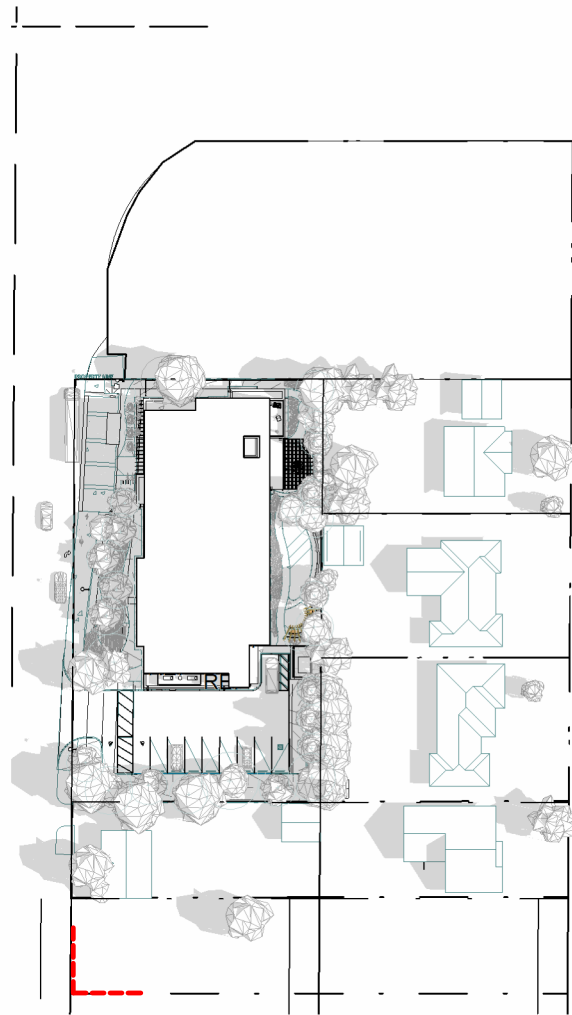
**2** SHADING MAR 23 12PM

AP402 1" = 100'-0"

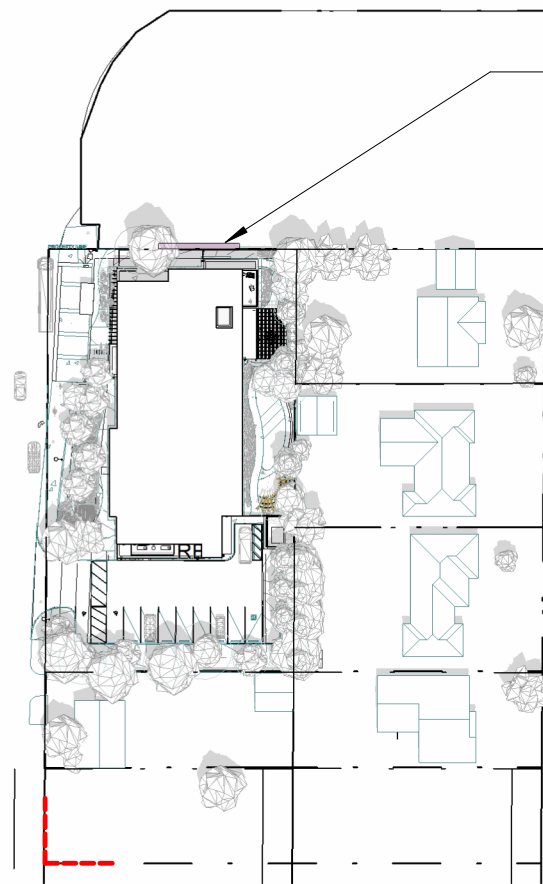


**3** SHADING MAR 23 3PM

AP402 1" = 100'-0"

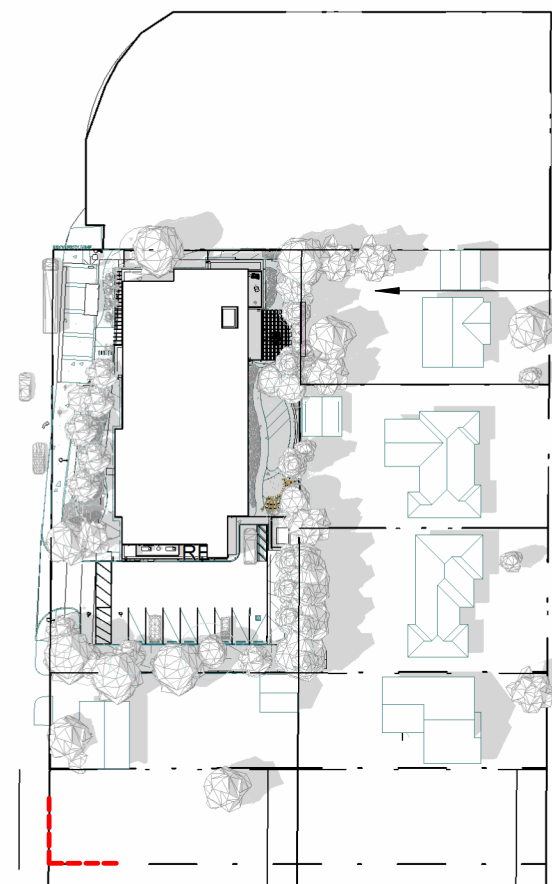


**1** SHADING JUN 23 9AM  
AP403 1" = 100'-0"



28,711 SF LOT AREA  
128 SF SHADING  
0.4%

**2** SHADING JUN 23 12PM  
AP403 1" = 100'-0"



9,089 SF LOT SIZE  
78 SF SHADING  
0.8% SHADED

**3** SHADING JUN 23 3PM  
AP403 1" = 100'-0"



**STAFF REPORT NO. 161**  
**CITY COUNCIL MEETING**  
**11/28/2023**

REPORT PREPARED BY:  
DEPARTMENT DIRECTOR REVIEW:

Julie Urban, Asst. Community Development Director  
Melissa Poehlman, Community Development Director  
11/17/2023

OTHER DEPARTMENT REVIEW:  
CITYMANAGER REVIEW:

Katie Rodriguez, City Manager  
11/20/2023

**ITEM FOR COUNCIL CONSIDERATION:**

Consider a second reading and summary publication of an ordinance amendment to Section 408.01, subdivision 6, clarifying that escrows submitted under the Point of Sale Program can be subject to forfeiture if improvements are not made, and to Section 408.01, subdivision 4, correcting a code reference relating to the appeals process.

**EXECUTIVE SUMMARY:**

The City's Point of Sale (POS) Program requires all single-family and two-family structures, condominiums, and townhomes to be inspected and receive a Certificate of Housing Maintenance Compliance before any transfer of ownership. Any items identified for repair in the inspection must be completed prior to transfer. In the case of non-life safety items, the City may agree to allow the ownership transfer before all items are completed if a cash escrow is submitted for the incomplete items. The Buyer is then responsible for completing the work and receives the escrowed funds upon completion.

Occasionally, buyers do not complete the work, and property ownership transfers again without escrow funds being accessed. A review of the escrow account during the audit process identified several of these situations where ownership changed and the escrow was never accessed. The City Attorney advised that the current ordinance language does not specify what the City will do with these abandoned funds and recommends a change to the ordinance and escrow agreement so that the City has the option of identifying these funds as forfeited and capturing the funds for other purposes.

The proposed amendment of Section 408.01, subdivision 6 would clarify that failure to make the improvements is in violation of the code and the cash escrow amount can be forfeited to the City. The amendment also makes a technical correction to the reference in Section 408.01, subdivision 4, regarding where to find the appeals process in the City Code.

**RECOMMENDED ACTION:**

By motion:

1. Approve a second reading of an amendment to Section 408 of the ordinance code of the City of Richfield relating to the Certification of Housing Maintenance Compliance.
2. Approve a resolution authorizing summary publication of said ordinance.

**BASIS OF RECOMMENDATION:**

A. **HISTORICAL CONTEXT**



- The POS Program was created by the City in 1989 and requires that prior to the voluntary sale of any owner-occupied housing in the City, the Seller must receive a Certificate of Housing Maintenance Compliance from the City (Certificate). A Certificate is issued after an inspection and finding that the property is free from housing code violations. Without the Certificate, the Buyer may not occupy the property, unless the Buyer provides an executed Cash Escrow Agreement and accompanying escrow deposit (Escrow Deposit). The Escrow Deposit is the greater of 25% of the cost to correct the housing code violations or \$1,000 with a maximum of \$5,000.
- A review of the City's escrow fund earlier this year revealed several escrows from many years ago. The escrows have technically been forfeited, but the current ordinance doesn't make it clear that the City can take over the funds.

**B. EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS**

- Amending the ordinance furthers the Strategic Priority of Operational Excellence and works toward the desired outcome of having the operational capability to deliver essential services and helps us meet the target of making process improvements.
- The potential equity impact of capturing forfeited funds could be that Buyers for whom English isn't their primary language are disproportionately impacted if they don't understand that funds are available to make improvements. While the language of the buyers is unknown, it is a goal of the Housing Inspections team to translate documents as capacity allows, which would help to ensure that all buyers understand their rights and responsibilities under the POS Program.

**C. POLICIES (resolutions, ordinances, regulations, statutes, exc):**

The current ordinance governing the POS Program isn't clear what happens to escrowed funds when required improvements aren't made.

**D. CRITICAL TIMING ISSUES:**

- Staff would like to amend the Housing Maintenance Code Cash Escrow Agreement and be able to use it moving forward in order to be able to capture any forfeited funds. The ordinance should be amended to provide clear notice that forfeiture is a possible consequence of not complying with the escrow agreement.
- The POS Program is now operating under CitizenServe, the new online permitting software system, which will make it easier to identify escrows that haven't been accessed and send reminders to Buyers who haven't completed the necessary repairs. While this may reduce the amount of forfeited funds, it's unlikely to eliminate all of it, so an ordinance amendment is recommended.

**E. FINANCIAL IMPACT:**

With the ordinance amendment, forfeited escrow funds could be transferred to the General Fund. Staff does not expect this to be a significant amount of money.

**F. LEGAL CONSIDERATION:**

- The proposed amendment was prepared by the City Attorney and would apply to future Cash Escrow Agreements.
- Once the review of old escrows is completed, staff will work with the City Attorney to clean up forfeited escrows collected under the current ordinance.

**ALTERNATIVE RECOMMENDATION(S):**

Decide not to amend the ordinance or recommend that the ordinance be approved with changes.

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

NA

**ATTACHMENTS:**

Description	Type
<input type="checkbox"/> Proposed Ordinance Amendment	Ordinance
<input type="checkbox"/> Resolution and Summary Publication	Resolution Letter
<input type="checkbox"/> Cash Escrow Agreement Revisions	Backup Material

**BILL NO.**

**AMENDMENT TO SECTION 408  
OF THE ORDINANCE CODE OF THE  
CITY OF RICHFIELD RELATING TO THE CERTIFICATE OF HOUSING  
MAINTENANCE COMPLIANCE**

**THE CITY OF RICHFIELD DOES ORDAIN:**

Subsection 408 of the ordinance code of the City of Richfield entitled "Certificate of Housing Maintenance Compliance for Single- and Two-Family Homes" is hereby amended to correct a reference relating to appeals and to allow for forfeiture of escrow funds in cases of non-compliance:

**408.01**

...

**Subd. 4. Appeal.** A determination that the structure is not in compliance with the housing maintenance code may be appealed in the manner provided in Section ~~405.05, subdivision 2(b)~~ 320.11.

...

**Subd. 6. Occupancy.** A person may be granted permission to occupy a dwelling prior to issuance of the certificate upon the approval of the director of community development, or his/her designee. The approval may be based upon undue hardship or other extraordinary or exceptional circumstances, provided that no such occupancy constitutes an immediate hazard, as determined by the director or his/her designee. Approval will not be given until the prospective owner or designated agent has filed on forms supplied by the city, a statement of intent to comply with the housing maintenance code and submitted the required escrow. Compliance dates in the statement of intent to comply will be established by the director of community development, or his/her designee. (Amended, Bill No. 2015-12)

The director may also approve occupancy prior to issuance of the certificate if a cash escrow agreement is signed and submitted to the Building Official or designee. The cash escrow agreement must be executed on a form provided by the City and accompanied by the fee established in Appendix D of this code. Failure to make the required corrections by the compliance dates in the statement of intent or within the terms of the cash escrow agreement is a violation of this code and will (i) cause the cash escrow amount to be forfeited to the City and (ii) render void any approval given pursuant to this subdivision. If the City conducts any re-inspections beyond the initial inspection and one (1) follow-up inspection, the applicant for a certificate will be

required to pay the re-inspection fee as established in Appendix D of this code.  
(Amended, Bill No. 2005-15)

Passed by the City Council of the City of Richfield, Minnesota this \_\_\_\_ day of  
\_\_\_\_\_, 2023.

\_\_\_\_\_  
Mary B. Supple, Mayor

ATTEST:

\_\_\_\_\_  
Dustin Leslie, City Clerk

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

**RESOLUTION APPROVING SUMMARY PUBLICATION  
OF AN AMENDMENT TO SECTION 408 OF THE ORDINANCE CODE OF THE CITY OF  
RICHFIELD RELATING TO THE CERTIFICATE OF HOUSING MAINTENANCE COMPLIANCE**

**WHEREAS**, the City has adopted the above-referenced amendment of the Richfield City Code; and

**WHEREAS**, the verbatim text of the amendment is cumbersome, and the expense of publication of the complete text is not justified.

**NOW THEREFORE, BE IT RESOLVED** by the City Council of the City of Richfield that the following summary is hereby approved for official publication:

**SUMMARY PUBLICATION  
BILL NO. \_\_\_\_\_**

**AN AMENDMENT TO SECTION 408 OF THE ORDINANCE CODE OF THE CITY OF RICHFIELD  
RELATING TO THE CERTIFICATE OF HOUSING MAINTENANCE COMPLIANCE**

This summary of the ordinance is published pursuant to Section 3.12 of the Richfield City Charter.

This amendment incorporates a provision into the City's Housing Maintenance Compliance Code clarifying that failure to make improvements required under an escrow agreement is in violation of the Code, and funds held in escrow under the agreement can be deemed forfeit and transferred into the City's General Fund. It also updates the code reference relating to the appeals process.

Copies of the ordinance are available for public inspection in the City Clerk's office during normal business hours or upon request by calling the Department of Community Development at (612) 861-9760.

Adopted by the City Council of the City of Richfield, Minnesota this 28<sup>th</sup> day of November, 2023.

\_\_\_\_\_  
Mary B. Supple, Mayor

ATTEST:

\_\_\_\_\_  
Dustin Leslie, City Clerk



# CITY OF RICHFIELD

## Housing Maintenance Code Cash Escrow Agreement

(Rev. ~~12/7/18~~11/--/23)

Policy: A cash escrow will be required in instances where a Certificate of Compliance is sought, the Seller will not complete repairs by the time of closing, and the Buyer intends to comply at a future time in cooperation with the ~~Building Official~~Community Development Director or designee.

### CASH ESCROW REGULATIONS

1. A signed escrow agreement and funds must be provided to the ~~Inspection Division~~Community Development Department prior to closing.
2. The cash escrow amount will be determined as follows:
  - In order to reasonably determine the estimated cost of repairs, a written **ITEMIZED** bid by a licensed contractor must be submitted to the ~~Inspections Division~~Community Development Department for approval.
  - A cash escrow equal to 25% of the itemized bid or \$1,000, whichever is greater, shall be required (except as below).
  - If any certifications are required, contractor must bid REPLACEMENT COST of the item needing certification.
  - For non-certification-required work, a \$5,000 escrow may be accepted in place of an itemized bid, with the approval of the Community Development Director or designee.
3. If electrical or mechanical certifications are required, **no one shall occupy premises** until certifications are completed and proper paperwork is submitted to and approved by the ~~City of Richfield Inspection Division~~Community Development Department.
4. By signing this agreement, Buyers are petitioning the City to allow the purchase and occupancy of the property despite the existence of the violations set forth on the attached list (unless occupancy is prohibited per regulation #3).
5. Correction orders must be made within 60 days of the date of closing, unless an extension is granted by the Community Development Director or designee.
- ~~5.6.~~ Unauthorized changes to this escrow form are not acceptable and will void this agreement.
- ~~6.7.~~ Cash escrow agreement is not valid unless signed by the Buyer and ~~Building Official~~Community Development Director or designee.
- ~~7.8.~~ This agreement is non-transferable ~~and remain attached to the property identified in this agreement.~~ Buyers who fail to complete the Repairs (as defined in the escrow agreement), fail to complete the Reinspection (as also defined in the escrow agreement), or who transfer ownership prior to the ~~correction of items~~completion of the Repairs identified in the attached list shall forfeit all escrow funds to the City.



# Cash Escrow Agreement

## Housing Maintenance Code

I/We \_\_\_\_\_, (Buyer) the Buyer of property located at \_\_\_\_\_ in Richfield, Minnesota, do hereby tender a cash escrow to the City of Richfield in the amount of \$\_\_\_\_\_ (the "Cash Escrow") for the attached *Detailed List of Items Requiring Correction* (the "Repairs" list) and an additional \$50.00 non-refundable fee. ~~This~~ The Cash Escrow amount represents 25% of the amount that the parties (Buyer, City of Richfield) agree is required to complete the ~~improvements~~ Repairs.

The City of Richfield shall deposit the Cash Escrow in a non-interest bearing account; and no interest shall be due and payable to the Buyer as a result.

In signing this cash escrow agreement the Buyer does hereby agree to ~~consult with the Housing Inspections Division and~~ correct all violations and discrepancies described ~~in the attached list as the Repairs~~ by the scheduled reinspection date noted below. ~~An inspection of the property must be conducted by the Building Official~~Community Development Director's ~~or designee to verify acceptable completion (the "Reinspection").~~

Your **Reinspection** is scheduled for: \_\_\_\_\_

The City of Richfield will release the e-is-cCash Eeescrow upon acceptable completion of the items listed Repairs. ~~An inspection of the property will be conducted by the Building Official or designee to verify acceptable completion.~~ Upon verification of completion, the escrowed amount will be released to **THE BUYER - NO EXCEPTIONS** - within ten (10) business days.

The Buyer understands that the failure to comply with the terms of this agreement, including the failure to make the Repairs or participate in the Reinspection, can result in any or all of the following:

- Forfeiture of all or a portion of the Cash Escrow to the City;
- Approval to occupy the premises may be revoked and occupants required to vacate;
- Failure to comply is a violation of the City Code and can be punished as a misdemeanor, including fines and incarceration; and
- Compliance may be compelled by order of the Court.

Any administrative costs involved with enforcing this agreement or any costs incurred by the City of Richfield in excess of the Cash Escrow amount will be paid by the Buyer within 30 days following written notice of such costs.

   DOB         Date:        

Property Buyer(s)

Daytime Phone Number for Buyer \_\_\_\_\_

Email for Buyer \_\_\_\_\_

***Receipt of the cash escrow is acknowledged as intent to comply with the housing maintenance code.***

Date: \_\_\_\_\_

Community Development Director or Designee



**STAFF REPORT NO. 162**  
**CITY COUNCIL MEETING**  
**11/28/2023**

REPORT PREPARED BY:  
DEPARTMENT DIRECTOR REVIEW:  
OTHER DEPARTMENT REVIEW:  
CITYMANAGER REVIEW:

Kelly Wynn, Administrative Assistant

Katie Rodriguez, City Manager  
11/19/2023

**ITEM FOR COUNCIL CONSIDERATION:**

**Consider the appointments to City advisory board and commissions.**

**EXECUTIVE SUMMARY:**

Terms of several City advisory board and commission members are set to expire on January 31, 2024. In addition, due to resignations there are mid-term vacancies that should be filled. The terms for advisory board and commissions are three years. Please refer to the attached list of appointments for reference.

The City Council directs the City Manager's office to conduct an annual recruitment seeking applicants to fill the vacancies. This recruitment includes a press release and information on the City's website and social media platforms. Applicants were interviewed at a special work session held on November 11, 2023.

To ensure a quorum at future advisory board and commission meetings, the City Council should make appointments to fill vacant positions.

Recognizing the importance of a functional and responsive Advisory Board of Heath (ABH), especially with the recent global pandemic and civil unrest, the city is reducing the number of commissioners on the ABH to make it more likely the commission will make quorum and will allow them to perform their work. Staff are recommending that the commission membership be reduced to seven (7) members, with two (2) additional youth commissioners. With the two (2) appointments recommended to council at this meeting the commission will be at seven (7) members.

**RECOMMENDED ACTION:**

**By motion: Appoint members to fill the expiring or vacant terms on City advisory board and commissions referenced in the attached list.**

**BASIS OF RECOMMENDATION:**

**A. HISTORICAL CONTEXT**

This information is contained in the Executive Summary.

**B. EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS**

Appointing residents to commissions vacancies will make for more community-representative conversations and decision making. We continue to look for ways to improve the commission application process, and increase the diversity of both applications and appointments.

**C. POLICIES (resolutions, ordinances, regulations, statutes, exc):**

City advisory board and commissions were established by City ordinance or resolution.

**D. CRITICAL TIMING ISSUES:**

- Several terms of City advisory board and commission members will expire on January 31, 2024.
- To ensure a quorum at future advisory board and commission meetings, the City Council should make appointments to fill future vacancies.

**E. FINANCIAL IMPACT:**

None

**F. LEGAL CONSIDERATION:**

None

**ALTERNATIVE RECOMMENDATION(S):**

None

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

**ATTACHMENTS:**

Description	Type
<input type="checkbox"/> Commission/Board Appointments	Backup Material

<b>Commission/Board</b>	<b>Commissioner</b>	<b>Term Expires</b>	
<b>Advisory Board of Health</b>	Joel Schleisman	<b>January 31, 2027</b>	
	Kelly Hauer	<b>January 31, 2027</b>	
<b>Arts Commission</b>	John Blackshear	<b>January 31, 2026</b>	<b>Mid-term vacancy</b>
	Cheryl Gunness	<b>January 31, 2027</b>	
	Ann Bieganeck	<b>January 31, 2027</b>	
	Luke Smith	<b>January 31, 2027</b>	
<b>Civil Service Commission</b>	James Frechette	<b>January 31, 2027</b>	
<b>Community Services Commission</b>	Grace Bronken	<b>January 31, 2025</b>	<b>Mid-term vacancy</b>
	Krstine Torgeson Anderson	<b>January 31, 2027</b>	
	Jessica Johnson Kreps	<b>January 31, 2027</b>	
	Jeff Klein	<b>January 31, 2027</b>	
	Jim Reilly	<b>January 31, 2027</b>	
<b>Human Rights Commission</b>	Madeline Vukson	<b>January 31, 2026</b>	<b>Mid-term vacancy</b>
	Tiffany Bighley	<b>January 31, 2027</b>	
	Valerie Hurst-Baker	<b>January 31, 2027</b>	
	Tyler Olson	<b>January 31, 2027</b>	
	Callmie Dennis	<b>January 31, 2027</b>	
<b>Planning Commission</b>	Brendan Kennealy	<b>January 31, 2027</b>	
	Stephanie Hollman	<b>January 31, 2027</b>	
<b>Sustainability Commission</b>	Amanda McKnight	<b>January 31, 2026</b>	<b>Mid-term vacancy</b>
<b>Transportation Commission</b>	Adam Knosalla	<b>January 31, 2026</b>	<b>Mid-term vacancy</b>
	McKenzie Burke	<b>January 31, 2026</b>	<b>Mid-term vacancy</b>
	Jaz Warren	<b>January 31, 2027</b>	
	Eli Straub	<b>January 31, 2027</b>	
	David Gepner	<b>January 31, 2027</b>	





**STAFF REPORT NO. 163**  
**CITY COUNCIL MEETING**  
**11/28/2023**

REPORT PREPARED BY:  
 DEPARTMENT DIRECTOR REVIEW:

Julie Urban, Asst. Community Development Director  
 Melissa Poehlman, Community Development Director  
 11/17/2023

OTHER DEPARTMENT REVIEW:  
 CITY MANAGER REVIEW:

**ITEM FOR COUNCIL CONSIDERATION:**

**Consider a resolution affirming that Aster Commons received approvals from the City and is authorized to apply for an Environmental Response Fund grant from Hennepin County for environmental assessment.**

**EXECUTIVE SUMMARY:**

On June 20, 2023, the Housing and Redevelopment Authority (HRA) approved a Contract for Private Redevelopment (Contract) with Beacon Interfaith Housing Collaborative (Beacon) to develop 38 affordable, supportive housing units, targeted at neuro-diverse young adults, on HRA-owned property located at 6613-25 Portland Avenue South.

As part of the Contract, Beacon conducted due diligence, including environmental testing through Phase I and Phase II Environmental Site Assessments (ESA). The reports identified arsenic and diesel range organics impacts that will require remediation during redevelopment.

Beacon has applied to Hennepin County for funding from its Environmental Remediation Fund (ERF) grant to pay for a Supplemental Phase II ESA in order to further define the soil impacts for management during redevelopment. The ERF application requires City approval of the project in order to be funded. Land Use approvals are before the City Council for consideration at this meeting. These approvals must be granted before the Council can affirm City approval.

**RECOMMENDED ACTION:**

**If land use approvals are granted to the project by the Council:**

**By motion: Approve a resolution affirming that the Aster Commons project, located at 6613-25 Portland Avenue South, received land use approvals and that Beacon Interfaith Housing Collaborative is authorized to apply to Hennepin County for an Environmental Response Fund grant.**

**OR**

**If land use approvals are not granted to the project by the Council:**

**By Motion: Deny the resolution affirming that the Aster Commons received land use approvals and do not authorize submittal of the application to Hennepin County for an Environmental Response Fund grant.**

**BASIS OF RECOMMENDATION:**

**A. HISTORICAL CONTEXT**

- The properties at 6613-25 Portland Avenue South were acquired by the City for the construction of the Portland Avenue and 66th Street roundabout in 2008. The remnants were turned over to the HRA to facilitate redevelopment.
- Properties to the north and northwest of the HRA site are former petroleum leak sites causing the potential for residual petroleum impacts in groundwater and soil vapor to have migrated to the HRA properties. A former printing operation was located at 6613 Portland Avenue South. The activities commonly associated with printing create a potential for contamination.

**B. EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS**

- The project furthers the City's Strategic Priority of Community Development by helping to maintain Richfield as an affordable place to live and increase the tax base of the currently tax-exempt property.
- The project also advances equity by providing housing designed specifically to meet the currently unmet needs of neuro-diverse young adults for accessible, supportive and affordable housing.

**C. POLICIES (resolutions, ordinances, regulations, statutes, exc):**

- The City and HRA encourage developers to apply for outside funding when possible.
- An assessment of environmental conditions and related clean up is required before new development can occur.

**D. CRITICAL TIMING ISSUES:**

- Land use approvals for the project are also before the Council on November 28. Those approvals need to be granted first before a resolution regarding the ERF application can be considered.
- The application for funds was due November 1 and a resolution approving the project is required as soon as possible to complete the application.

**E. FINANCIAL IMPACT:**

Grant funds from Hennepin County would pay the cost of the Phase II Supplemental ESA. There is no cost to the City or HRA.

**F. LEGAL CONSIDERATION:**

The ERF application requires submittal of a City Council resolution approving the project and authorizing the application for funds.

**ALTERNATIVE RECOMMENDATION(S):**

Decide not to authorize the submittal of the ERF application.

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

N/A

**ATTACHMENTS:**

Description	Type
□ Resolution	Resolution Letter

## **RESOLUTION NO.**

### **RESOLUTION AFFIRMING APPROVAL OF ASTER COMMONS AND AUTHORIZING BEACON INTERFAITH HOUSING COLLABORATIVE TO APPLY FOR A GRANT FROM HENNEPIN COUNTY'S ENVIRONMENTAL RESPONSE FUND**

**WHEREAS**, Beacon Interfaith Housing Collaborative ("Beacon") is proposing to construct Aster Commons ("Project"), a development containing 38 units of affordable, supportive housing targeted to neurodiverse young adults on property owned by the City's Housing and Redevelopment Authority (HRA) located at 6613-25 Portland Avenue South; and

**WHEREAS**, Beacon conducted environmental testing on the property that indicates that some environmental contamination is present and needs to be remediated; and

**WHEREAS**, on November 1, 2023, Beacon applied for \$21,641 in environmental assessment funds through the Hennepin County Environmental Response Fund (ERF); and

**WHEREAS**, the ERF application requires a resolution from the City stating that it grants its approval of the Project; and

**WHEREAS**, Beacon applied to the City for various land use approvals on July 11, 2023, to construct the Project; and

**WHEREAS**, on November 28, 2023, the City Council reviewed and approved the application for land use approvals; and

### **NOW, THEREFORE, BE IT RESOLVED**

1. On November 28, 2023, the City of Richfield granted land use approvals for the Aster Commons project, for which an Environmental Response Fund grant application was submitted to the Hennepin County Environment and Energy Department on November 1, 2023, by Beacon Interfaith Housing Collaborative.
2. The City Council authorizes Beacon to apply for an ERF grant from Hennepin County.

Adopted by the City Council of the City of Richfield, Minnesota this 28th day of November, 2023.

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Mary B. Supple, Mayor

ATTEST:

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Dustin Leslie, City Clerk