

REGULAR CITY COUNCIL MEETING VIRTUAL MEETING HELD VIA WEBEX NOVEMBER 24, 2020 7:00 PM

INTRODUCTORY PROCEEDINGS

Call to order

Pledge of Allegiance

Open forum

Each speaker is to keep their comment period to three minutes to allow sufficient time for others. Comments are to be an opportunity to address the Council on items not on the agenda. Individuals who wish to address the Council may call 612-861-0651 during the Open Forum portion or must have registered prior to the meeting by calling 612-861-9711 or emailing kwynn@richfieldmn.gov.

Approval of the Minutes of the (1) City Council Work Session of November 10, 2020; and (2) City Council Meeting of November 10, 2020.

PRESENTATIONS

- 1. Civil Service Commission annual report presentation.
- 2. Friendship Commission annual report presentation.
- 3. Arts Commission annual report presentation.

AGENDA APPROVAL

- 4. Approval of the Agenda
- 5. 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. Continue a public hearing and consider the approval of a resolution regarding the modification of the Redevelopment Plan for the Richfield Redevelopment Project Area, the establishment of the 2020-2 Tax Increment Financing District: Emi (a redevelopment tax increment financing district), and the proposed adoption of a Tax Increment Financing Plan.

Staff Report No. 148

6. Consideration of items, if any, removed from Consent Calendar

PUBLIC HEARINGS

7. Public hearing to consider approval of a modification to the Redevelopment Plan and approval of a Tax

Increment Financing Plan for the 2020-3 Tax Increment Finance District: Lynk 65.

Staff Report No. 149

RESOLUTIONS

8. Consider a resolution and a first reading of an ordinance establishing a six-month moratorium on the development of certain properties in the vicinity of Veteran's Park. The moratorium would apply to properties that are guided for Medium and High Density Residential or Commercial use in the 2040 Richfield Comprehensive Plan.

Staff Report No. 150

CITY MANAGER'S REPORT

9. City Manager's Report

CLAIMS AND PAYROLLS

10. Claims and Payroll

COUNCIL DISCUSSION

- 11. Hats Off to Hometown Hits
- 12. Adjournment

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



CITY COUNCIL MEETING MINUTES

Richfield, Minnesota

City Council Work Session

November 10, 2020

CALL TO ORDER

The meeting	was called to order by Mayor Regan Gonzalez at 5:45 p.m. virtually via WebEx.
Council Members Present:	Maria Regan Gonzalez, Mayor; Ben Whalen; Mary Supple; and Simon Trautmann
Council Members Absent:	Edwina Garcia
Staff Present:	Katie Rodriguez, City Manager; Amy Markle, Recreation Services Director; Rachel Lindholm, Sustainability Specialist; Blanca Martinez Gavina, Executive Analyst; and Kelly Wynn, Senior Office Assistant.
Others Present:	Peder Sandhei, Principal Planner-Sustainable Materials Management Unit
	

Item #1 ORGANIZING CURBSIDE RESIDENTIAL SOLID WASTE (TRASH, RECYCLING AND ORGANICS) COLLECTION

City Manager Rodriguez introduced the item and Director Amy Markle.

Director Markle gave an overview of items to be discussed. She then spoke of the guiding principle and plans including equity, affordability, sustainability and quality of life. She also explained why organized collection makes sense for the City of Richfield including economic, environmental and social and education benefits.

Sustainability Specialist Lindholm added that many of these benefits have been identified by staff as well as residents. It has become a priority for many residents for many reasons. She then spoke of recent industry developments including Republic Services acquiring Randy's Environmental Services. She also gave a process overview for the remainder of 2020 including public engagement and education events where staff will be able to answer questions residents may have regarding organized hauling. She then reviewed the process for 2021 which will include public engagement and education, public hearing and contract proposal, approval and implementation.

Council Member Whalen expressed his support for the effort. He asked for clarification on the public engagement and education piece and how residents will be able to provide feedback. He also asked about the options committee and if residents will be a part of it or if it will be staff and Council.

Sustainability Specialist Lindholm explained there will be a variety of ways for residents to provide feedback to staff along the way. She then spoke of the options committee and they would like to have residents included. Members of that committee will be appointed.

City Manager Rodriguez reminded Council that there is no road map for this process and staff is doing their best to create one. The city has a strong tradition to make decisions with residents and they will be included throughout the process.

Council Member Trautmann thanked staff for their efforts. He asked about the services residents will receive and if it will be one bundle of services or a menu of residents can choose from.

Sustainability Specialist Lindholm clarified residents would have options on can size and services available. She then spoke of the options committee that will focus on alternatives if necessary.

Director Markle spoke of the options committee being another route for brainstorming and feedback regarding collection options and what would be best for the community.

Council Member Supple stated her excitement to see this process moving forward. She asked about the initial meeting with haulers and who would be attending. She also asked who would be assisting with reaching out to the community to retrieve feedback.

Sustainability Specialist Lindholm stated the Sustainability Commission will be assisting with learning about the process and gathering feedback from residents. She then spoke of how details are still in progress regarding an initial meeting with collectors and will try to coordinate with as many Council Members as possible.

Council Member Whalen stated how some engagement is challenging and even more with the pandemic. He suggested a mailer since not all residents have internet and asked about non virtual ways to reach residents.

Director Markle stated there have been many conversations around mailers or postcards. A contract has also been extended to someone to assist in translating items into Spanish.

Sustainability Specialist Lindholm elaborated on Director Markle's comments in that new technological items have been acquired to provide closed captioning in Spanish.

Council Member Trautmann spoke of the residents with lack of internet access will be taken most by surprise and have the hardest time with the transition. He appreciates the staff efforts in developing other lines of communication.

Sustainability Specialist Lindholm stated she has heard from residents that neighbors are sharing information with each other and have opened up alternative routes of communication.

Council Member Supple stated how students at the Richfield High School are very interested in sustainability and could be a resource to tap into for feedback and ideas.

Mayor Regan Gonzalez believed this process is headed in the right direction. She commended staff on outlining how this will benefit the community. She then spoke of how important this item is but will be somewhat of a struggle with COVID mitigations.

Director Markle spoke of getting information up on the community channel.

Council Member Trautmann offered utilizing kid's backpacks to help communicate efforts of the process.

Council Member Whalen asked about the transition and making it as seamless as possible for residents.

Sustainability Specialist Lindholm thanked Council Member Whalen for bringing up the disruption it may have on residents but they are hoping to develop a plan so residents will not have extra charges or possibility of overlap so residents are not without a collection cart. Staff is making it a priority to make the transition as smooth as possible.

Peder Sandhei expressed appreciation of being involved in this process. He shared observations of how public engagement is important as some residents will oppose this transition. It is vital to be present in the community with what, why and how this transition is taking place. He also urged Council to consider the number of haulers and size of each hauler. The cost to residents will need to be weighed along with keeping local small haulers in business.

Sustainability Specialist Lindholm stated the city is fortunate to have options of haulers within Richfield. She believed this will be greatly beneficial to the community and its residents.

Peder Sandhei expressed his curiosity of the acquisition of Randy's Sanitation and how it will affect the process as they were the most vocal against the organized collection process.

Council Member Trautmann would like to make sure cost to residents is a priority.

Mayor Regan Gonzalez echoed having the best interest of the residents in mind.

Sustainability Specialist Lindholm spoke of how currently, there are five licensed haulers and the city would be looking to have three or less.

Council Member Whalen asked for clarification that it is not an option to have only a single hauler for the city.

Sustainability Specialist Lindholm confirmed the city needs to enter into negotiations with a consortium of haulers available and willing to negotiate. Staff will enter negotiations with licensed haulers willing to enter the process.

Peder Sandhei confirmed the process of determining price gets easier with only three licensed haulers.

Mayor Regan Gonzalez thanked staff for attending and providing information along with Council asking a variety of questions.

ADJOURNMENT

The work session was adjourned by unanimous consent at 6:35pm

Date Approved: November 24, 2020

Maria Regan Gonzalez Mayor

Kelly Wynn Senior Office Assistant Katie Rodriguez City Manager



CITY COUNCIL MEETING MINUTES

Richfield, Minnesota

Regular Council Meeting Virtual Meeting held via WebEx

November 10, 2020

CALL TO ORDER

The meeting was called to order by Mayor Maria Regan Gonzalez at 7:00 p.m. via WebEx.

Council Members Maria Regan Gonzalez, Mayor; Ben Whalen; Mary Supple; Edwina Garcia; and *Present:* Simon Trautmann

Staff Present: Katie Rodriguez, City Manager; Mary Tietjen, City Attorney; John Stark, Community Development Director; Melissa Poehlman, Assistant Community Development Director; Amy Markle, Recreation Service Director; Rachel Lindholm, Sustainability Specialist; Chris Regis, Finance Director; Jay Henthorne, Public Safety Director; Jane Skov, IT Manager; Blanca Martinez Gavina, Executive Analyst; and Kelly Wynn, Senior Office Assistant

Others Present: Kathryn Quam, Planning Commission Chair; and Lisa Rudolph, Community Services Commission Chair

PLEDGE OF ALLEGIANCE

Mayor Regan Gonzalez led the Pledge of Allegiance

OPEN FORUM

Senior Office Assistant Wynn reviewed the options to participate:

- Participate live by calling 612-861-0651 during the open forum portion
 - Call prior to meeting 612-861-9711

Senior Office Assistant Wynn stated there were no comments for the open forum.

APPROVAL OF MINUTES

<u>M/Trautmann, S/Garcia to approve the minutes of the (1) City Council Work Session of October</u> 27, 2020; and City Council Meeting of October 27, 2020.

Executive Analyst Martinez Gavina took roll call vote:

Regan Gonzalez: AYE Supple: AYE Trautmann: AYE Garcia: AYE Whalen: AYE

Motion carried 5-0

Item #1 PRESENTATION OF THE COMMUNITY SERVICES COMMISSION ANNUAL REPORT

Lisa Rudolph spoke of adapting to virtual meetings for the Community Services Commission due to the pandemic but have been extremely productive this year. She listed things the commission accomplished this year such as: recommend approval for the capital improvement budget; advised replacement of playground equipment; provided guidance and feedback for the Round-up for Richfield; regular updates of the replacement of the floating boardwalk at Wood Lake Nature Center; discussed options and provided feedback about the off-leash dog park; appointed new and returning members to the FOWL board; and had regular updates regarding COVID mitigation efforts within the Recreation Department. She then spoke of the ongoing efforts such as: appoint liaisons for regular attendance to other commissions and boards; receive regular reports from staff; and looking forward to next year.

Council Member Trautmann thanked everyone involved in the commission. He spoke of the widely applauded off leash dog park completion and all-inclusive playground project. These projects continue to make the community of Richfield a better place.

Mayor Regan Gonzalez added in sharing accolades for all the great projects across the community and the commission's involvement in COVID related issues and mitigations.

Item #2 PRESENTATION OF THE PLANNING COMMISSION ANNUAL REPORT

Kathryn Quam explained who the Planning Commission is and what they do for the community. She then reviewed some of the items the Planning Commission assisted with this year including the Emi construction project and voting on a variety of variances within the city. She also shared ideas of how to improve the Planning Commission meetings. She expressed her gratitude for being able to serve on the commission and appreciates the Council's support on their decisions.

Council Member Supple thanked all the commission members for their service and hard work. She expressed appreciation for the thoughtful ideas on how to improve the commission. Council Member Garcia stated how impressed she was by the delivery and thoughtfulness of the presentation given by Kathryn Quam. She thanked all commission members for their work and service to the community.

Council Member Whalen thanked the commission members and stated it has been a pleasure being the liaison to the commission. He spoke of how it is a reactive commission but they are still able to plan ahead and do what is best for the community.

Council Member Trautmann expressed appreciation for the leadership Kathryn Quam as it is a difficult role.

Mayor Regan Gonzalez echoed thanks to Kathryn Quam and the commission for their efforts and spoke of how difficult the role can be in balancing what is right for both the community and its residents.

M/Garcia, S/Supple to approve the agenda

Executive Analyst Martinez Gavina took roll call vote:

Regan Gonzalez: AYE Supple: AYE Trautmann: AYE Garcia: AYE Whalen: AYE

Motion carried 5-0

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Item #4 CONSENT CALENDAR

City Manager Rodriguez presented the consent calendar with the amendment of removing the American Legion in Item A as they have withdrawn their application.

A. Consider approval of setting a public hearing to be held on December 8, 2020, for the consideration of the renewal of On-Sale Intoxicating and Sunday Liquor licenses for 2021 for El Tejaban Mexican Grill, LLC d/b/a El Tejaban Mexican Grill, Thompson's Fireside Pizza, Inc. d/b/a Fireside Foundry, Frenchman's Pub, Inc. d/b/a Frenchman's, VPC Richfield Pizza, LLC d/b/a Giordano's of Richfield, Wiltshire Restaurants, LLC d/b/a Houlihan's Restaurant & Bar, Los Sanchez Taqueria II, LLC d/b/a Los Sanchez Taqueria, Lyn 65, LLC d/b/a Lyn 65 Kitchen & Bar, Lyndale Smokehouse, LLC d/b/a Lyndale Smokehouse, Fred Babcock VFW Post 5555 and American Legion 435 d/b/a Minneapolis-Richfield American Legion Post 435.

B. Consider the approval of setting a public hearing to be held on December 8, 2020, for the consideration of the renewal of Pawnbroker and Secondhand Goods Dealer licenses for 2021 for Metro Pawn and Gun, Inc. Staff Report No. 138

C. Consider approval of setting a public hearing to be held on December 8, 2020, for the consideration of the renewal of On-Sale Wine and On-Sale 3.2 Percent Malt Liquor licenses for 2021 for Chipotle Mexican Grill of Colorado, LLC d/b/a Chipotle Mexican Grill, Davanni's, Inc. d/b/a Davanni's Pizza & Hot Hoagies, Joy's Pattaya Thai Restaurant, LLC d/b/a Joy's Pattaya Thai Restaurant, Paisan, Inc. d/b/a Khan's Mongolian Barbeque, LRFC, LLC d/b/a Local Roots Food & Coffee, Minnesota Junior Hockey Group, LLC d/b/a Minnesota Magicians (located in the Richfield Ice Arena), My Burger Operations, LLC d/b/a My Burger, Patrick's French Bakery, Inc. d/b/a Patrick's Bakery & Café, Henry Thou d/b/a Red Pepper Chinese Restaurant, and O'Reilly Custom 6, LLC d/b/a Sandy's Tavern. Staff Report No. 139

D. Consider the adoption of a resolution to accept a grant of \$10,601.55 from the Office of Justice Programs for bullet proof vests. Staff Report No. 140

RESOLUTION NO. 11788

RESOLUTION APPROVING THE GRANT WITH THE U.S. DEPARTMENT OF JUSTICE, OFFICE OF JUSTICE PROGRAMS AND RICHFIELD POLICE FOR BULLETPROOF VESTS

E. Consider approval of a request for a new Secondhand Goods Dealer license for Marquis Jewelers, Inc. d/b/a Wedding Day Diamonds, located at 700 West 78th Street. Staff Report No. 141

F. Consider approval of a contract renewal with Adesa Minneapolis for 2020-2021 for auctioning forfeited vehicles from Public Safety/Police. Staff Report No. 142

G. Consider a resolution authorizing a 90-day extension for recording the Lunds of Richfield plat. Staff Report No. 143

RESOLUTION NO. 11789

RESOLUTION GRANTING AN EXTENSION OF PLATTING DEADLINE FOR THE LUNDS OF RICHFIELD PLAT

H. Consider the renewal of the agreement for assessment services with Hennepin County. Staff Report No. 144

M/Garcia, S/Supple to approve the consent calendar with the amendment to remove the American Legion as they have withdrawn their application.

Executive Analyst Martinez Gavina took roll call vote:

Regan Gonzalez: AYE Supple: AYE Trautmann: AYE

Garcia: AYE Whalen: AYE

Motion carried 5-0

Item #5 CONSIDERATION OF ITEMS, IF ANY, REMOVED FROM CONSENT CALENDAR

None

Item #6 PUBLIC HEARING AND CONSIDER AN APPEAL TO THE BOARD OF ADJUSTMENTS AND APPEALS REGARDING THE PLANNING COMMISSION'S DENIAL OF A VARIANCE TO ALLOW A 25.5-FOOT DRIVEWAY AT 2015 FOREST DRIVE. STAFF REPORT NO. 145

Council Member Trautmann read staff report 145. He spoke of the difference of opinions that were shared at the Planning Commission regarding this item.

Director Stark explained the variance criteria set forth by state statute is very specific and binding upon cities. The circumstances need to be unique to the property such as an existing tree where a driveway should go on a piece of property. Staff has been unable to find rationale where all three criteria set forth are to be met.

Assistant Director Poehlman added the landowner did apply for a variety of variances when going through the construction process but this was not one of them. There has been no evidence the landowner is unable to abide by the code of maximum driveway width.

Director Stark spoke of how this is the least favorite part of their job. Staff tried to find a way for this to meet criteria but was unable to do so.

Mayor Regan Gonzalez asked for a walk through of the process and scope of the Council for this matter.

City Attorney Tietjen explained the three factor practical difficulty test is the legal standard and all three need to be met to grant the variance. She spoke of how the Council will act in a quasi-judicial capacity to apply the legal standard to the facts that are presented. She stated if the Council can explain the rationale for meeting all three factors; the Council can overturn the Planning Commission's decision.

Council Member Trautmann asked for explanation if a judge were to grant deference versus not granting deference.

City Attorney Tietjen wanted to emphasize that if a resident is unsatisfied with Council's decision, they would have the right to take it to court. A legislative decision is much easier to defend where something like this is not. There are certain legal requirements that need to be met so there would not as much flexibility in being able to defend it.

Council Member Trautmann asked for clarification on the reference of 'impossible' or 'nearly impossible' to create a practical difficulty to get a variance. He also wondered about factor number two.

City Attorney Tietjen clarified that statute specifically states the landowner's situation must be due to the unique characteristics of the property that make it impossible for the landowner to comply.

Council Member Trautmann asked about the reference of 'nearly impossible' as a standard he was not aware of and also discussion of case law. He then asked if the Mayor had thoughts of tabling the discussion for a future date.

Mayor Regan Gonzalez asked about difficulty in complying and if it was discussed with the contractor and applicants and if there were options of how to come into compliance.

Assistant Director Poehlman explained there have been conversations between staff, contractor and applicants; however, it is not staff's role to design a compliant situation but have made suggestions that are in the staff report. Staff was never provided with a plan.

Mayor Regan Gonzalez asked about tabling this item until December 8th to better understand what compliance looks like and develop a plan to become compliant.

Director Stark explained the applicants will need to provide a plan or proposal to come into compliance rather than having staff design that for them.

Council Member Garcia spoke against tabling the item as it will set precedent. She believed the Planning Commission made the right decision and she stands by their vote as they are a group of people that have been appointed by Council.

Assistant Director Poehlman explained staff would like to work with the applicants to make the situation compliant. She then stated the matter before Council is whether the driveway is in compliance or not.

Council Member Whalen agreed and wondered about upholding the Planning Commission's decision if the 60 days to come into compliance could be extended. He then asked Council Member Trautmann to explain why he believes the decision should be overturned.

Council Member Garcia reiterated the matter before Council is if the driveway is in compliance or not.

Council Member Trautmann believes the statue can read differently to people and doesn't believe the homeowner should be penalized for something the contractor did without their knowledge. He stated he thinks staff believes the homeowners are not being forthright.

Council Member Garcia strongly disagreed with Council Member Trautmann in his comments about staff.

Council Member Trautmann stated he is repeating information he specifically heard.

Council Member Garcia stated again that this decision should be based on the facts presented.

Director Stark clarified that his staff never said they don't believe the applicants. He believes the contractor made a mistake and believes the contractor should remedy the situation.

Council Member Supple believes Council has a fiduciary responsibility to look at the facts and make a decision. She would also like information on the possibility of extending the plan for compliance due to weather.

Director Stark stated staff needs a plan from the homeowners and then a timeline can be developed, if the Council decides to uphold the Planning Commission's decision.

Council Member Trautmann opened the public hearing.

Renato Krsnik, 2015 Forest Drive, variance granted for garage 25 ft wide and considers it a practical difficulty as the plans included a driveway to fit the garage doors. He stated they have followed the steps have not received a remedy from the city on how to move forward. He said he spoke with an employee of an option to alter the driveway. He would like for the Planning Commission to consider those details. He believes there have not been significant discussions with city staff on how to remedy the situation.

Christine Krsnik, 2015 Forest Drive, stated they would like to work with the city in finding a solution that does not compromise anyone or anything. She spoke of how thankful they are for the opportunity to be heard and becoming educated on this process.

Renato Krsnik added that he believes the definition of practical difficulty needs to be looked at again and reassessed when incorporating the garage doors.

M/Trautmann, S/Whalen to close the public hearing.

Executive Analyst Martinez Gavina took roll call vote:

Regan Gonzalez: AYE Supple: AYE Trautmann: AYE Garcia: AYE Whalen: AYE

Motion carried 5-0

Council Member Whalen stated the issue continues to come down to the second point and the facts are clear to him and the Council needs to vote on the issue. He believes there has been some unfortunate miscommunication between the contractor and the homeowner and has to hear evidence of how the situation meets the second requirement.

Council Member Trautmann believes this issue meets the practical difficulty requirement in that the homeowner was granted to build a specific size garage and would like a driveway to fit the garage. He also stated he is not casting any defect on anyone's character.

Council Member Whalen asked staff if the code is written in that the garage door would land on dirt or if a flare can be created to meet the garage door.

Director Stark stated there are options to make this driveway work including having the driveway become wider after the sidewalk to the house and continue to the garage.

Assistant Director Poehlman stated the plan approved by the Planning Commission had a 20 foot wide driveway and the width of the garage doors was unknown. She reiterated the option of making the driveway 20 feet wide up to the sidewalk and becoming wider to the garage and be considered an extended walkway.

Council Member Supple stated the miscommunication with the contractor has created an unfortunate situation. She believes it does not meet the second requirement.

M/Garcia, S/Supple to adopt a resolution denying an appeal from the decision of the Planning Commission and affirming the Planning Commission's decision to deny a variance for a driveway wider than the allowed maximum at 2015 Forest Drive.

RESOLUTION NO. 11790

RESOLUTION DENYING AN APPEAL FROM THE DECISION OF THE PLANNING COMMISSION AND AFFIRMING THE PLANNING COMMISSION'S DECISION DENYING A VARIANCE AT 2015 FOREST DRIVE

Director Stark recommended the addition of the homeowner provide a plan to come into compliance within 45 days of today.

M/Garcia, S/Supple to adopt a resolution denying an appeal from the decision of the Planning Commission and affirming the Planning Commission's decision to deny a variance for a driveway wider than the allowed maximum at 2015 Forest Drive with the addition of the homeowners to provide a plan to Director Stark within 45 days of November 10, 2020.

Executive Analyst Martinez Gavina took roll call vote:

Regan Gonzalez: AYE Supple: AYE Trautmann: NAY Garcia: AYE Whalen: AYE

Motion carried 4-1

Item #7 APPROVAL RESOLUTION APPROVING THE COMMENCEMENT OF ORGANIZING SOLID WASTE COLLECTION BETWEEN THE CITY OF RICHFIELD AND LICENSED RESIDENTIAL COLLECTORS AS PER MINNESOTA STATUTE 115A.94. STAFF REPORT NO. 146

Council Member Whalen presented staff report 146. He also encouraged residents to view the work session from tonight when it becomes available.

Sustainability Specialist Lindholm reviewed how Richfield has had a number of waste related efforts over the years including providing an organics drop-off program. Staff then began to look at next steps in waste reduction including organized collection to be able to offer a variety of services at affordable rates for residents. Moving forward with organized hauling will be beneficial for residents

along with helping maintain city streets. There is now a web page dedicated to the efforts where residents can go and see where the process is currently at and where it will be going.

Director Markle added organized hauling is a part of the Climate Action Plan (CAP). Organized hauling will hopefully help the city to reach its environmental efforts moving forward along with state, county and local sustainability goals.

Council Member Supple spoke of how this topic has been under discussion for many years. She spoke of how many trucks are on the roads doing pick and it has a negative effect on the maintenance of the roads along with jeopardizing the safety of residents and their children.

Council Member Trautmann thanked staff for the great work session and developing a plan to save residents money, improve public safety and helps the environment.

Council Member Whalen spoke of how many community members have spoken to him about organized waste collection. He encouraged residents to go to the web page to find answers to questions along with reaching out to Sustainability Specialist Lindholm. He also clarified the decision today is to put the process in motion but there will be plenty of opportunities to provide feedback and engage in public events.

Sustainability Specialist spoke of how this topic has been in discussion for quite some time and has not come to fruition hastily. She encouraged residents to reach out if they have questions or would like to provide feedback. She understands how important it is to so many residents and staff is available to answer any questions or concerns.

Mayor Regan Gonzalez spoke of how staff has provided so much information and examples in the process. She stated how Richfield is in the bottom two cities in Hennepin County regarding recycling and organics. She spoke of how community members will be and have been a part of this process from the beginning and will continue to assist to see it through. Advancing equity and focusing on sustainability have been two areas the city has done tremendous work on over the years and she is excited to see where this will be able to take the community.

M/Whalen, S/Trautmann to adopt a resolution approving the commencement of organizing solid waste collection between the City of Richfield and licensed residential collectors as per Minnesota Statute 115A.94

RESOLUTION NO. 11791 RESOLUTION APPROVING THE COMMENCEMENT OF ORGANIZING SOLID WASTE COLLECTION BETWEEN THE CITY OF RICHFIELD AND LICENSED RESIDENTIAL COLLECTORS AS PER MINNESOTA STATUTE 115A.94

Executive Analyst Martinez Gavina stated Council Member Garcia messaged her as her microphone is not working and will be voting yes on this item.

Executive Analyst Martinez Gavina took roll call vote:

Regan Gonzalez: AYE Supple: AYE Trautmann: AYE Garcia: AYE Whalen: AYE

Motion carried 5-0

Item #8 CITY MANAGER REPORT

City Manager Rodriguez provided a COVID update in that cases continue to rise in not only Minnesota but in Richfield as well. A number of staff has been out due testing positive or risk of exposure. The following mitigations have been put into place until further notice:

- All in person recreational activities are cancelled;
- Motor vehicle in-person services except passport by appointment are closed; drop box is still available;
- Asking staff to work from home if possible;
- Directors will be submitting plans to define mitigation ideas;
- Swab tests for essential staff at City Hall;
- Meeting with Bloomington and Edina to develop more ideas of how to keep the community safe;

She spoke of how most exposures are not happening at work and is asking staff to be cautious in what they are doing outside of work as it will affect not only them but their coworkers as well.

Council Member Whalen asked about any new advice to community members regarding COVID mitigations.

City Manager Rodriguez stated the guidance is still the same and how social gatherings are being noted as the cause of spreading.

Council Member Supple commented the Richfield Public Schools sent out notification at 7:30pm with a distance learning plan moving forward.

Council Member Trautmann thanked City Manager Rodriguez for her guidance during this unprecedented time. He encouraged residents to be careful and cautious as this disease has so many effects on different people.

11/10/2020

Item #9 CLAIMS AND PAYROLL

M/Supple, S/Trautmann that the following claims and payrolls be approved:

U.S. Bank

A/P Checks 291996 - 292317	\$ 1,343,967.17
Payroll: 157468 - 157770	 674,225.34
TOTAL	\$ 2,018,192.51

Executive Analyst Martinez Gavina took roll call vote:

Regan Gonzalez: AYE Supple: AYE Trautmann: AYE Garcia: AYE Whalen: AYE

Motion carried 5-0

Item #10 HATS OFF TO HOMETOWN HITS

Council Member Trautmann stated the trial has begun regarding the 2017 bombing of the Dar al-Farooq Islamic Center in Bloomington. He supports the community that is suffering through the constant harassment while trying to worship. He hopes this trial will give them an opportunity to be heard and get some justice for the heinous acts committed against the Muslim community.

Council Member Supple thanked everyone who helped with the Census including Executive Analyst Martinez Gavina. The City of Richfield did a wonderful job in filling out their Census forms. She also reminded residents the Truth in Taxation mailings will be going out soon so they should watch their mailbox. She then thanked all Veterans for their service and everyone assisting with the Honoring all Veterans Memorial. She also thanked everyone who has served on commissions this year and reminded residents applications will open for commissions in December.

Council Member Whalen spoke of the tremendous work City Clerk VanHoose did around the election. She continues to do an amazing job year after year and giving everyone the chance to have their voices be heard. He then thanked staff, commissioners and residents who had a hand in the opening of the off-leash dog park.

Mayor Regan Gonzalez spoke of how wonderful it has been to see the community pulling together around COVID, elections, Census among other things. She reiterated that COVID is not going anywhere anytime soon so the community will need to continue to pull together. She then spoke of Give to the Max beginning next week which will give residents the opportunity to donate to support local groups within the community.

Item #11 ADJOURNMENT

The meeting was adjourned by unanimous consent at 9:04 p.m.

Date Approved: November 24, 2020

Maria Regan Gonzalez Mayor

Kelly Wynn Senior Office Assistant Katie Rodriguez City Manager **Council Meeting Minutes**

AGENDA SECTION: AGENDA ITEM # CONSENT CALENDAR

5.A.





STAFF REPORT NO. 148 CITY COUNCIL MEETING 11/24/2020

REPORT PREPARED BY:Melissa Poehlman, Asst. Community Development DirectorDEPARTMENT DIRECTOR REVIEW:John Stark, Community Development Director
11/18/2020OTHER DEPARTMENT REVIEW:N/ACITY MANAGER REVIEW:Katie Rodriguez, City Manager
11/18/2020

ITEM FOR COUNCIL CONSIDERATION:

Continue a public hearing and consider the approval of a resolution regarding the modification of the Redevelopment Plan for the Richfield Redevelopment Project Area, the establishment of the 2020-2 Tax Increment Financing District: Emi (a redevelopment tax increment financing district), and the proposed adoption of a Tax Increment Financing Plan.

EXECUTIVE SUMMARY:

Housing and Redevelopment Authority (HRA) staff, financial consultant, and the HRA Attorney are continuing to work with PLH & Associates (Developer) to negotiate a Contract for Private Development (Contract) and refine the financial analysis for the Emi project. HRA staff anticipates bringing a Contract to the HRA in December and therefore recommends continuation of this public hearing to the January 12, 2021 City Council Meeting.

RECOMMENDED ACTION:

By motion: Continue a public hearing to consider the approval of a resolution regarding the modification of the Redevelopment Plan for the Richfield Redevelopment Project Area, the establishment of the 2020-2 Tax Increment Financing District: Emi (a redevelopment tax increment financing district), and the proposed adoption of a Tax Increment Financing Plan.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- PLH & Associates has been working to redevelop the site at 101 66th Street East since 2016. Approved plans for the mixed use development now include 42 rental apartments and approximately 1,300 square feet of ground floor commercial space. Of the 42 units, 20% would be reserved for households earning 60% or less of area median income (AMI).
- The HRA approved a Preliminary Development Agreement on July 20, 2020.
- B. POLICIES (resolutions, ordinances, regulations, statutes, etc):

C. CRITICAL TIMING ISSUES:

N/A

N/A

D. FINANCIAL IMPACT:

A financial analysis is underway. Details will be presented when this item comes before the HRA in December and the Council in January.

E. LEGAL CONSIDERATION:

- In accordance with State Statute, Hennepin County, School Districts, and other taxing jurisdictions received notice of the proposed Tax Increment Plan and other information on fiscal impacts related to the modification/establishment of a Redevelopment Project Area and/or TIF District at least 30 days prior to the hearing or agreed to waive the 30-day requirement.
- Notice of this hearing was published in the Sun Current Newspaper on November 12, 2020.

ALTERNATIVE RECOMMENDATION(S):

Cancel and republish for the upcoming public hearing at an additional cost.

PRINCIPAL PARTIES EXPECTED AT MEETING:

None

AGENDA SECTION: AGENDA ITEM # PUBLIC HEARINGS

7.



STAFF REPORT NO. 149 CITY COUNCIL MEETING 11/24/2020

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

DEPARTMENT DIRECTOR REVIEW: John Stark, Community Development Director 11/18/2020

OTHER DEPARTMENT REVIEW:

CITY MANAGER REVIEW:

Katie Rodriguez, City Manager 11/19/2020

ITEM FOR COUNCIL CONSIDERATION:

Public hearing to consider approval of a modification to the Redevelopment Plan and approval of a Tax Increment Financing Plan for the 2020-3 Tax Increment Finance District: Lynk 65.

EXECUTIVE SUMMARY:

The Richfield Housing and Redevelopment Authority (HRA) approved a preliminary agreement with Enclave Development, LLC, now Lynk 65, LLC, (Developer) to explore the redevelopment of 65th Street and Lyndale Avenue on February 18, 2020. In July, the Developer returned to a work session to present revised plans for a 5-story mixed use building that included 157 rental apartments and approximately 8,000 square feet of ground floor retail space. A preliminary financial feasibility analysis indicated that the financing gap would be too large to incorporate affordable units into the project, and instead staff anticipated a proposal that would "pool" Tax Increment Dollars into the Housing and Redevelopment Fund. However, after significant work by all parties, the proposed development will include 10 affordable, 2-bedroom units and also contribute to the Housing and Redevelopment Fund. On November 16, the HRA considered and approved a Contract for Private Development, a Modification to the Redevelopment Plan, and a Tax Increment Financing Plan (Plan) for the 2020-3 Tax Increment Finance (TIF) District: Lynk 65. Tonight, the Council is asked to also consider the Modification to the Redevelopment Plan and Tax Increment Plan.

The Modification and Plan are attached to this report and contain the following:

- The Modification to the existing Richfield Redevelopment Plan, including a map update identifying the 2020-3 Lynk 65 TIF District (District) and a short text passage citing the new District;
- A summary of the HRA and City's Authority to create such a District,
- A description of its classification as a Redevelopment District (requiring that more than 50 percent of the existing buildings are structurally substandard);
- An identification of the original Net Tax Capacity that the "base" taxes will be calculated on those taxes will be distributed to all the local taxing jurisdictions (Hennepin County, Richfield Public Schools and the City of Richfield) as was the case prior to the establishment of the TIF District;
- \$23,430,664 as the maximum TIF that could theoretically be collected in the District over its maximum lifespan of 26 years;
- The types of uses eligible for expenditure (including acquisition, affordable housing and other qualifying improvements such as structured parking);

• The "But-For" analysis concluding that the resulting development "would not reasonably be expected to occur solely through private investment."

While the TIF Plan identifies the maximum amount of Tax Increment that could be generated and the maximum expenditure on certain eligible uses, it does not commit the use of those funds. That commitment is contained in the approved Contract for Private Redevelopment which sets forth the following uses of TIF funds:

• Up to \$5,723,074 to the Developer as a TIF Pay-As-You-Go Note to assist them in funding TIF qualifying expenses, to be distributed as follows:

Years in which TIF Received	Increment to Developer	Increment to HRA
Year 1 - 12	90%	10%
Year 12.5 - 15	70%	30%
Year 15.5 - 17	21%	79%

- 10% of the TIF collected will be retained by the Richfield HRA for reimbursement of expenses (including staff costs) in administering this District.
- 15% of the TIF collected will be retained as a contribution to the City's Housing and Redevelopment Fund.

RECOMMENDED ACTION:

Conduct and close a public hearing and by motion: Adopt a resolution approving a modification to the Redevelopment Plan for the Richfield Redevelopment Project; and approving a Tax Increment Financing Plan for the 2020-3 Tax Increment Finance District: Lynk 65.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- On September 24, 2019 representatives of Lynk 65, LLC presented conceptual plans for a mixed use development to the City Council, HRA, and Planning Commission.
- The HRA approved a preliminary development agreement with the Developer on February 18, 2020.
- Revised conceptual plans were presented to the City Council, HRA, and Planning Commission on July 20, 2020.
- The City and HRA have established similar TIF Districts in the past to advance the redevelopment of parcels that have been deemed "blighted."

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

- The proposed Redevelopment Area Modification and TIF Plan describes the statutory authority by which the City and HRA can create a TIF District.
- The City's Inclusionary Housing Policy requires that developments receiving financial assistance from the City either:
 - Reserve 20% of the units for households earning 60% or less of the Area Median Income; OR
 - Contribute 15% of the available Tax Increment to the Housing and Redevelopment Fund.
- The proposed development will contribute 15% of the available Tax Increment to the Housing and Redevelopment Fund and also reserve 10, 2-bedroom units for households earning 60% or less of the Area Median Income.

C. CRITICAL TIMING ISSUES:

- The HRA approved the Modification and the Plan on November 16, 2020.
- Notice was placed in the local newspaper (the Richfield Sun-Current) forecasting that the City Council would be considering this item on November 24.

• The Developer is hoping to begin their project in 2021 and still needs land use approvals. Without the approval of these items, the Developer cannot move forward on other entitlements.

D. FINANCIAL IMPACT:

- The TIF Plan identifies the Original Net Tax Capacity that the "base" taxes will be calculated on those taxes will be distributed to all the local taxing jurisdictions (Hennepin County, Richfield Public Schools and the City of Richfield) as was the case prior to the establishment of the TIF District;
- According to the TIF Plan, the HRA would be eligible to retain 10% of the TIF collected in the District to reimbuse its costs incurred in administering the District.
- The Contract for Private Development identifies up to \$5,723,074 to the Developer as a TIF Pay-As-You-Go Note; this "Pay-Go" Note obligates the HRA to make payment to the Developer only in the event that the Developer has paid adequate taxes to provide the funding for such payment.
- Without the Tax Increment, this project would not be able to proceed.

E. LEGAL CONSIDERATION:

- The City's financial advisor and HRA attorney have reviewed the required documents.
- In accordance with State Statute, Hennepin County, School Districts, and other taxing jurisdictions received notice of the proposed Tax Increment Plan and other information on fiscal impacts related to the modification/establishment of a Redevelopment Project Area and/or TIF District at least 30 days prior to the hearing or agreed to waive the 30-day requirement.

ALTERNATIVE RECOMMENDATION(S):

Defer final consideration of the recommended items until a later date in order to obtain further information.

PRINCIPAL PARTIES EXPECTED AT MEETING:

Representatives of Lynk 65, LLC HRA Financial Consultant Rebecca Kurtz of Ehlers Inc.

ATTACHMENTS:

- Description
- Resolution
- D TIF Plan

Type Resolution Letter Exhibit

CITY OF RICHFIELD, MINNESOTA

RESOLUTION NO.

RESOLUTION APPROVING A MODIFICATION TO THE REDEVELOPMENT PLAN FOR THE RICHFIELD REDEVELOPMENT PROJECT; AND APPROVING A TAX INCREMENT FINANCING PLAN FOR THE 2020-3 TAX INCREMENT FINANCING DISTRICT: LYNK 65

WHEREAS, the City of Richfield, Minnesota (the "City") and the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (the "Authority") have established, and the Authority administers, the Richfield Redevelopment Project (the "Redevelopment Project") located within the City and have created a Redevelopment Plan (the "Redevelopment Plan") therefor, pursuant to Minnesota Statutes, Sections 469.001 through 469.047, as amended (the "HRA Act"); and

WHEREAS, within the Redevelopment Project the City and the Authority have created certain tax increment financing districts pursuant to the HRA Act and Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the "TIF Act"); and

WHEREAS, the City and the Authority have determined to modify the Redevelopment Plan and approve a tax increment financing plan (the "TIF Plan") relating to the creation of a new tax increment financing district within the Redevelopment Project designated as the 2020-3 Tax Increment Financing District: Lynk 65 (the "TIF District"), a redevelopment district, all as described in a plan document presented to the City Council of the City (the "City Council") on the date hereof; and

WHEREAS, pursuant to Section 469.175, subdivision 2a of the TIF Act, notice of the proposed TIF District was provided to the county commissioner who represents the area included in the TIF District on or about October 9, 2020; and

WHEREAS, pursuant to Section 469.175, subdivision 2 of the TIF Act, the proposed TIF Plan and the estimates of the fiscal and economic implications of the TIF Plan were presented to the Clerk of the Board of Education of Richfield Public Schools and to the Taxpayer Services Division Manager, as the County Auditor, of Hennepin County, Minnesota (the "County") on or about October 23, 2020; and

WHEREAS, on November 16, 2020, the Board of Commissioners of the Authority approved the modified Redevelopment Plan and the TIF Plan for the TIF District and referred such plans to the City Council for consideration; and

WHEREAS, on the date hereof, the City Council conducted a duly noticed public hearing relating to the approval of the modified Redevelopment Plan and the TIF Plan for the TIF District, and the views of all interested parties were heard at the public hearing; and

WHEREAS, the City Council has reviewed the contents of the modified Redevelopment Plan and the TIF Plan; and

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

Section 1. <u>Findings; Redevelopment Project</u>. The City Council hereby finds that (a) the land in the Redevelopment Project would not be made available for development or redevelopment without the

use of tax increment financing; and (b) the modified Redevelopment Plan is intended to and, in the judgment of the City Council, the effect of such actions will be to (i) afford maximum opportunity, consistent with the needs of the City as a whole, for the development of the Redevelopment Project by private enterprise; and (ii) conform to the general plan for development of the City as a whole.

Section 2. <u>Findings; TIF District</u>.

2.01. It is found and determined that it is necessary and desirable for the sound and orderly development of the Redevelopment Project, and for the protection and preservation of the public health, safety, and general welfare of the City and its residents, that the authority of the TIF Act be exercised by the City to provide public financial assistance to the TIF District and the Redevelopment Project.

2.02. It is further found and determined, and it is the reasoned opinion of the City, that the development proposed in the TIF Plan could not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value expected to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the district permitted by the TIF Plan.

2.03. The proposed public improvements to be financed in part through tax increment financing are necessary to permit the City to realize the full potential of the TIF District in terms of development of housing, renovation of substandard properties, development intensity, and tax base.

2.04. The TIF Plan conforms to the general plan for development of the City as a whole.

2.05. The TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development of the TIF District and the Redevelopment Project by private enterprise.

2.06. The TIF District is a redevelopment district under Section 469.174, subdivision 10 of the TIF Act.

2.07. The reasons and facts supporting all the above findings are set forth in the TIF Plan and are incorporated herein by reference. The City Council has also relied upon the reports and recommendations of its staff and consultants, as well as the personal knowledge of members of the City Council, in reaching its conclusions regarding the TIF Plan.

Section 3. <u>Public Purpose</u>. The adoption of the TIF Plan conforms in all respects to the requirements of the TIF Act. The TIF Plan will help facilitate redevelopment that will create additional rental housing, create new commercial uses, and improve the tax base. The City expressly finds that the tax increment assistance is provided solely to make the development financially feasible and thus produce the public benefits described. Therefore, the City finds that the public benefits of the TIF Plan exceed any private benefits.

Section 4. <u>Approvals; Further Proceedings</u>

4.01. The modified Redevelopment Plan is hereby approved.

4.02. The TIF Plan for the TIF District is hereby approved and adopted in substantially the form on file at City Hall.

4.03. Authority staff and consultants are authorized and directed to file a request for certification of the TIF District with the Taxpayer Services Division Manager, as the County Auditor, of the County and to file a copy of the modified Redevelopment Plan and the TIF Plan with the Minnesota Commissioner of Revenue and the State Auditor as required by the TIF Act.

Adopted by the City Council of the City of Richfield, Minnesota this 24th day of November, 2020.

Maria Regan Gonzalez, Mayor

ATTEST:

Elizabeth VanHoose, City Clerk



MODIFICATION TO THE REDEVELOPMENT PLAN Richfield Redevelopment Project Area

- AND -

TAX INCREMENT FINANCING PLAN Establishment of 2020-3 Tax Increment Financing District: Lynk65 (a redevelopment district)

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

Public Hearing: November 24, 2020





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Modification to the Redevelopment Plan for the Richfield Redevelopment Project Area

Foreword

The following text represents a Modification to the Redevelopment Plan for the Richfield Redevelopment Project Area. This modification represents a continuation of the goals and objectives set forth in the Redevelopment Plan for the Richfield Redevelopment Project Area. Generally, the substantive changes include the establishment of 2020-3 Tax Increment Financing District: Lynk65.

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

Tax Increment Financing Plan for 2020-3 Tax Increment Financing District: Lynk65

Foreword

The Richfield Housing and Redevelopment Authority (the "HRA"), the City of Richfield (the "City"), staff and consultants have prepared the following information to expedite the establishment of the 2020-3 Tax Increment Financing District: Lynk65 (the "District"), a redevelopment tax increment financing district, located in the Richfield Redevelopment Project Area.

Statutory Authority

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

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

Statement of Objectives

The District currently consists of three parcels of land and adjacent and internal rights-of-way. The District is being created to facilitate the development of a mixed-use project including 157 units of apartments and approximately 8,000 square feet of commercial space in the City. The HRA has entered into a preliminary agreement with the Enclave Development, LLC, as the developer. Note that the entity has been updated to Lynk65 for the Contract for Redevelopment. Development is anticipated to begin in the Spring 2021. This TIF Plan is expected to achieve many of the objectives outlined in the Redevelopment Plan for the Richfield Redevelopment Project Area.

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

Redevelopment Plan Overview

Pursuant to the Redevelopment Plan and authorizing state statutes, the HRA is authorized to undertake the following activities in the District:

- 1. Property to be Acquired Selected property located within the District may be acquired by the HRA and is further described in this TIF Plan.
- 2. Relocation Relocation services, to the extent required by law, are available

pursuant to *M.S., Chapter 117* and other relevant state and federal laws.

- 3. Upon approval of a developer's plan relating to the project and completion of the necessary legal requirements, the HRA may sell to a developer selected properties that it may acquire within the District or may lease land or facilities to a developer.
- 4. The HRA may perform or provide for some or all necessary acquisition, construction, relocation, demolition, and required utilities and public street work within the District.

Description of Property in the District and Property to be Acquired

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

Parcel number	Address	Owner	
27.028.24.23.0074	6439 Lyndale	HNC Properties	
27.028.24.23.0053	415 - 64 1/2 St. W.	HNC Properties	
27.028.24.23.0010	6467 Lyndale	HNC Properties	

Please also see the map in Appendix A for further information on the location of the District.

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

Classification of the District

The City and HRA, in determining the need to create a tax increment financing district in accordance with *M.S.*, *Sections 469.174 to 469.1794*, as amended, inclusive, finds that the District, to be established, is a redevelopment district pursuant to *M.S.*, *Section 469.174*, *Subd.* 10(a)(1).

- The District is a redevelopment district consisting of three parcels.
- An inventory shows that parcels consisting of more than 70 percent of the area in the District are occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures.
- An inspection of the buildings located within the District found that more than 50 percent of the buildings are structurally substandard as defined in the TIF Act. (See Appendix D).

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

for certification of the District.

Duration and First Year of Tax Increment of the District

Pursuant to *M.S., Section 469.175, Subd. 1, and Section 469.176, Subd. 1*, the duration and first year of tax increment of the District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b.*, the duration of the District will be 25 years after receipt of the first increment by the HRA (a total of 26 years of tax increment). The HRA elects to receive the first tax increment in 2023, which is no later than four years following the year of approval of the District.

Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2048, or when the TIF Plan is satisfied. The HRA reserves the right to decertify the District prior to the legally required date.

Original Tax Capacity, Tax Rate and Estimated Captured Net Tax Capacity Value/Increment and Notification of Prior Planned Improvements

Pursuant to *M.S., Section 469.174, Subd. 7 and M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the assessor in 2020 for taxes payable 2021.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2022) the amount by which the original value has increased or decreased as a result of:

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

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

The original local tax rate for the District will be the local tax rate for taxes payable 2021, assuming the request for certification is made before June 30, 2021). The ONTC and the Original Local Tax Rate for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. 4 and M.S., Section 469.177, Subd. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within the Richfield Redevelopment Project Area, upon completion of the projects within the District, will annually approximate tax increment revenues as shown in the table below. The HRA requests 100 percent of the available increase in tax capacity for repayment of its obligations and current expenditures, beginning in the tax year payable 2023. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

Project Tax Capacity					
Project estimated Tax Capacity upon completion	918,317				
Original estimated Net Tax Capacity	39,890				
Fiscal Disparities	16,695				
Estimated Captured Tax Capacity	861,732				
Original Local Tax Rate	136.6880%	Pay 2020			
Estimated Annual Tax Increment	\$1,177,885				
Percent Retainted by the City	100%				

Note: Tax capacity includes a 2.00% inflation factor for the duration of the District. The tax capacity included in this chart is the estimated tax capacity of the District in year 25. The tax capacity of the District in year one is estimated to be \$285,469.

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

Sources of Revenue/Bonds to be Issued

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

SOURCES	
Tax Increment	\$ 23,430,664
Interest	2,343,066
TOTAL	\$ 25,773,730

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

The HRA or City may issue bonds (as defined in the TIF Act) secured in whole or in part with tax increments from the District in a maximum principal amount of \$18,587,388. Such bonds may be in the form of pay-as-you-go notes, revenue bonds or notes, general obligation bonds, or interfund loans. This estimate of total bonded indebtedness is a cumulative statement of authority under this TIF Plan as of the date of approval.

Uses of Funds

Currently under consideration for the District is a proposal to facilitate the development of a mixeduse project including 157 units of apartments and approximately 8,000 square feet of commercial space. The HRA has determined that it will be necessary to provide assistance to the project for certain District costs, as described.

The HRA has studied the feasibility of the development or redevelopment of property in and around the District. To facilitate the establishment and development or redevelopment of the District, this TIF Plan authorizes the use of tax increment financing to pay for the cost of certain eligible expenses. The estimate of public costs and uses of funds associated with the District is outlined in the following table.

USES	
Land/Building Acquisition	\$ 4,300,000
Site Improvements/Preparation	9,000,000
Affordable Housing	2,300,000
Utilities	100,000
Other Qualifying Improvements	544,322
Administrative Costs (up to 10%)	 2,343,066
PROJECT COSTS TOTAL	\$ 18,587,388
Interest	 7,186,342
PROJECT AND INTEREST COSTS TOTAL	\$ 25,773,730

The total project cost, including financing costs (interest) listed in the table above does not exceed the total projected tax increments for the District as shown in the Sources of Revenue section.

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

Fiscal Disparities Election

Pursuant to *M.S., Section 469.177, Subd. 3*, the HRA may elect one of two methods to calculate fiscal disparities.

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

Estimated Impact on Other Taxing Jurisdictions

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

Impact on Tax Base					
Entity	Estimated Captured Tax Capacity (CTC) upon completion	Percent of CTC to Entity Total			
Hennepin County	1,941,694,561	861,732	0.0444%		
City of Richfield	36,111,232	861,732	2.3863%		
ISD No. 280	50,666,987	861,732	1.7008%		

Impact on Tax Rates					
Entity	Pay 2020 Extension Rate Percent of Total		СТС		Potential Taxes
Hennepin County	41.0840%	30.06%	861,732	\$	354,034
City of Richfield	54.7270%	40.04%	861,732		471,600
ISD No. 280	32.6580%	23.89%	861,732		281,425
Other	8.2190%	6.01%	861,732		70,826
	136.6880%	100.00%		\$	1,177,885

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the Pay 2020 rate. The total net capacity for the entities listed above are based on Pay 2020 figures. The District will be certified under the Pay 2021 rates, which were unavailable at the time this TIF Plan was prepared.

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

- (1) <u>Estimate of total tax increment.</u> It is estimated that the total amount of tax increment that will be generated over the life of the District is \$23,430,664;
- (2) Probable impact of the District on city provided services and ability to issue debt. An impact of the District on police protection is expected. With any addition of new residents or businesses, police calls for service will be increased. New developments add an increase in traffic, and additional overall demands to the call load. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

The probable impact of the District on fire protection is not expected to be significant. Typically, new buildings generate few calls, if any, and are of superior construction. The existing buildings, which will be eliminated by the new development, have public safety concerns that include several unprotected old buildings with issues such as access, hydrant locations, and converted structures. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

The impact of the District on public infrastructure is expected to be minimal. The development is not expected to significantly impact any traffic movements in the area. The current infrastructure for sanitary sewer, storm sewer and water will be able to handle the additional volume generated from the proposed development. Based on the development plans, there are no additional costs associated with street maintenance, sweeping, plowing, lighting and sidewalks. The development in the District is expected to contribute an estimated \$390,145 in sanitary sewer (SAC) fees and no anticipated increase in water (WAC) connection fees.

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

- (3) <u>Estimated amount of tax increment attributable to school district levies.</u> It is estimated that the amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is \$5,598,140;
- (4) <u>Estimated amount of tax increment attributable to county levies.</u> It is estimated that the amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same, is \$7,042,501;
- (5) <u>Additional information requested by the county or school district.</u> The City is not aware of any standard questions in a county or school district written policy regarding tax increment districts and impact on county or school district services. The county or school district must request additional information pursuant to *M.S. Section 469.175 Subd. 2(b)* within 15 days after receipt of the tax increment financing plan.

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

Supporting Documentation

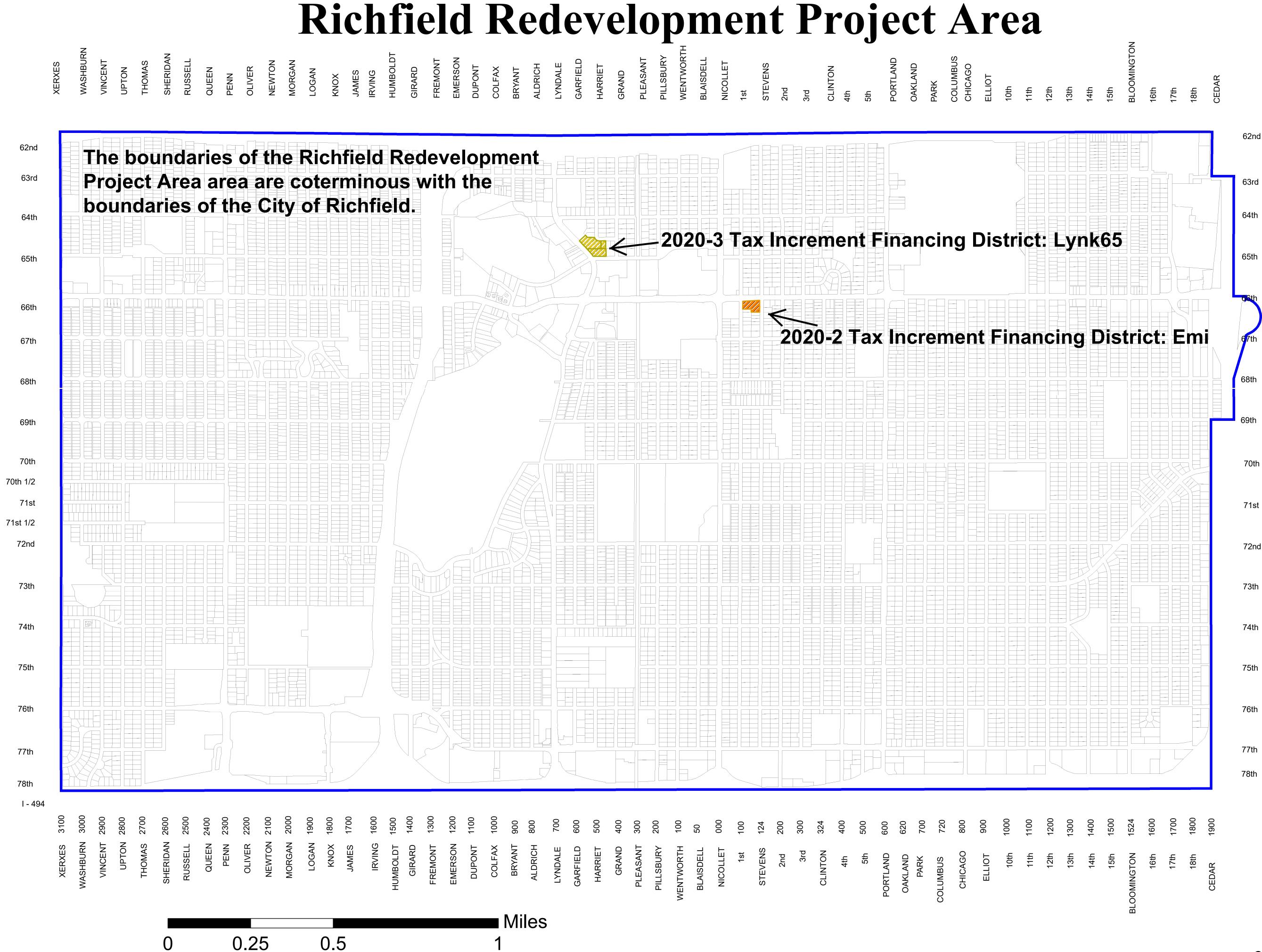
Pursuant to *M.S.* Section 469.175, Subd. 1 (a), clause 7 the TIF Plan must contain identification and description of studies and analyses used to make the determination set forth in *M.S.* Section 469.175, Subd. 3, clause (b)(2) and the findings are required in the resolution approving the District.

- (i) In making said determination, reliance has been placed upon (1) written representation made by the developer to such effects, (2) review of the developer's proforma; and (3) City staff awareness of the feasibility of developing the project site within the District, which is further outlined in the City Council resolution approving the establishment of the TIF District and Appendix C.
- (ii) A comparative analysis of estimated market value both with and without establishment of the TIF District and the use of tax increments has been performed. Such analysis is included with the cashflow in Appendix B and indicates that the increase in estimated market value of the proposed development (less the indicated subtractions) exceeds the estimated market value of the site absent the establishment of the TIF District and the use of tax increments.

Administration of the District

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

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



Legend Emi TIF District No. 2020-02 Enclave TIF District No. 2020-03 Parcels City Limits Ν



Community Development Department 2013 Appendix B: Estimated Cash Flow for the District



Lynk65 Development - 2% Inflation

City of Richfield, MN

Mixed Use Redevelopment including 157 apartment units and commercial space

ASSUMPTIONS AND RATES

DistrictType: Re	edevelopment	
District Name/Number:	TIF 2020-3	
County District #:	TBD	
First Year Construction or Inflation on Value	2021	
Existing District - Specify No. Years Remaining	2021	
Inflation Rate - Every Year:	2.00%	
Interest Rate:	3.75%	
Present Value Date:	1-Aug-22	
First Period Ending	1-Feb-23	
Tax Year District was Certified:	Pay 2021	
Cashflow Assumes First Tax Increment For Development:	2023	
Years of Tax Increment	26	
Assumes Last Year of Tax Increment	2048	
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	Inside(B)	
Incremental or Total Fiscal Disparities	Incremental	
Fiscal Disparities Contribution Ratio	35.1664%	Pay 2020
Fiscal Disparities Metro-Wide Tax Rate	142.4540%	Pay 2020
Maximum/Frozen Local Tax Rate:	136.688%	Pay 2020
Current Local Tax Rate: (Use lesser of Current or Max.)	136.688%	Pay 2020
State-wide Tax Rate (Comm./Ind. only used for total taxes)	38.8460%	Pay 2020
Market Value Tax Rate (Used for total taxes)	0.14849%	Pay 2020

Tax Rates							
Exempt Class Ra	ate (Exempt)	0.00%					
	strial Preferred Class Rate (C/I Pref.)						
First		1.50%					
Over	\$150.000	2.00%					
Commercial Indu	ustrial Class Rate (C/I)	2.00%					
Rental Housing C	1.25%						
	Housing Class Rate (Aff. Rental)						
First	\$162,000	0.75%					
Over	\$162.000	0.25%					
Non-Homestead	Residential (Non-H Res. 1 Unit)						
First	\$500,000	1.00%					
Over	\$500,000	1.25%					
Homestead Resi	dential Class Rate (Hmstd. Res.)						
First	\$500,000	1.00%					
Over	\$500,000	1.25%					
Agricultural Non-	Agricultural Non-Homestead						

BASE VALUE INFORMATION (Original Tax Capacity)

				Building	Total	Percentage		Tax Year	Property	Current	Class	After	
			Land	Market	Market	Of Value Used	Original	Original	Tax	Original	After	Conversion	Area/
PID	Owner	Address	Market Value	Value	Value	for District	Market Value	Market Value	Class	Tax Capacity	Conversion	Orig. Tax Cap.	Phase
27.028.24.23.0074	HNC Properties	6439 Lyndale	849,000	687,000	1,536,000	100%	1,536,000	Pay 2021	C/I Pref.	29,970	Rental	19,200	1
27.028.24.23.0053	HNC Properties	415 - 64 1/2 St. W.	81,000	96,000	177,000	100%	177,000	Pay 2021	C/I Pref.	2,790	C/I Pref.	2,790	
27.028.24.23.0010	HNC Properties	6467 Lyndale	524,000	908,000	1,432,000	100%	1,432,000	Pay 2021	C/I Pref.	27,890	Rental	17,900	
							3,145,000			60,650		39,890	

Note:

1. Base values are for pay 2021 based upon review of County website on October 19, 2020.

2. Located in SD #280 and WS #0.



Mixed Use Redevelopment including 157 apartment units and commercial space

	PROJECT INFORMATION (Project Tax Capacity)												
		Estimated	Taxable		Total Taxable	Property			Percentage	Percentage	Percentage	Percentage	First Year
		Market Value	Market Value	Total	Market	Tax	Project	Project Tax	Completed	Completed	Completed	Completed	Full Taxes
Area/Phase	New Use	Per Sq. Ft./Unit	Per Sq. Ft./Unit	Sq. Ft./Units	Value	Class	Tax Capacity	Capacity/Unit	2021	2022	2023	2024	Payable
1	Commercial	200	200	8,000	1,600,000	C/I Pref.	31,250	4	50%	100%	100%	100%	2024
1	Apartment	275,000	275,000	157	43,175,000	Rental	539,688	3,438	50%	100%	100%	100%	2024
TOTAL					44,775,000		570,938						
Subtotal Residential				157	43,175,000		539,688						
Subtotal Comme	ercial/Ind.			8,000	1,600,000		31,250						

Note:

1. Market values are based upon estimates. Apartment value is the high end of a range (\$230,000 to \$275,000) provided by the County Assessor on 10/13/2020.

	TAX CALCULATIONS												
	Total	Fiscal	Local	Local	Fiscal	State-wide	Market						
	Tax	Disparities	Tax	Property	Disparities	Property	Value	Total	Taxes Per				
New Use	Capacity	Tax Capacity	Capacity	Taxes	Taxes	Taxes	Taxes	Taxes	Sq. Ft./Unit				
Commercial	31,250	10,990	20,261	27,694	15,655	11,557	2,376	57,281	7.16				
Apartment	539,688	0	539,688	737,688	0	0	64,111	801,799	5,107.00				
TOTAL	570,938	10,990	559,948	765,382	15,655	11,557	66,486	859,080					
Note:								•					

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

WHAT IS EXCLUDED FROM TIF?								
Total Property Taxes	859,080							
less State-wide Taxes	(11,557)							
less Fiscal Disp. Adj.	(15,655)							
less Market Value Taxes	(66,486)							
less Base Value Taxes	(53,184)							
Annual Gross TIF	712,198							

MARKET VALUE BUT / FOR ANALYSIS	
Current Market Value - Est.	3,145,000
New Market Value - Est.	44,775,000
Difference	41,630,000
Present Value of Tax Increment	13,907,814
Difference	27,722,186
/alue likely to occur without Tax Increment is less than:	27,722,186



Lynk65 Development - 2% Inflation

City of Richfield, MN

Mixed Use Redevelopment including 157 apartment units and commercial space

						AX INCR	EMENT CA	SH FLOW							
	Project	Original	Fiscal	Captured	Local	Annual	Semi-Annual	State	Admin.	Pooling	Semi-Annual	Semi-Annual	PERIOD		
% of	Тах	Тах	Disparities	Тах	Тах	Gross Tax	Gross Tax	Auditor	at	at	Net Tax	Present		Тах	Payment
OTC	Capacity	Capacity	Incremental	Capacity	Rate	Increment	Increment	0.36%	10%	15%	Increment	Value	Yrs.	Year	Date 02/01/23
100%	285,469	(39,890)	(4,514)	241,065	136.688%	329,507	- 164,754	(593)	(16,416)	(24,624)	123,120	118,630	0.5	2023	02/01/23
		,	(1,011)			,	164,754	(593)	(16,416)	(24,624)	123,120	235,077	1	2023	02/01/24
100%	570,938	(39,890)	(10,008)	521,039	136.688%	712,198	356,099	(1,282)	(35,482)	(53,223)	266,113	482,133	1.5	2024	08/01/24
100%	582,356	(39,890)	(10,228)	532,238	136.688%	727,506	356,099 363,753	(1,282) (1,310)	(35,482) (36,244)	(53,223) (54,366)	266,113	724,641 967,803	2 2.5	2024 2025	02/01/25 08/01/25
100 /6	362,330	(39,890)	(10,220)	552,250	130.000 /6	727,500	363,753	(1,310)	(36,244)	(54,366)	271,832 271,832	1,206,490	2.5	2025	02/01/25
100%	594,003	(39,890)	(10,452)	543,661	136.688%	743,119	371,560	(1,338)	(37,022)	(55,533)	277,667	1,445,812	3.5	2026	08/01/26
4000/	005 000	(00,000)	(10.004)	555 040	100.0000/	750.045	371,560	(1,338)	(37,022)	(55,533)	277,667	1,680,729	4	2026	02/01/27
100%	605,883	(39,890)	(10,681)	555,312	136.688%	759,045	379,523 379,523	(1,366) (1,366)	(37,816) (37,816)	(56,723) (56,723)	283,617 283,617	1,916,265 2,147,465	4.5 5	2027 2027	08/01/27 02/01/28
100%	618,001	(39,890)	(10,914)	567,197	136.688%	775,290	387,645	(1,396)	(38,625)	(57,937)	289,687	2,379,268	5.5	2027	08/01/28
		,	(,)			,	387,645	(1,396)	(38,625)	(57,937)	289,687	2,606,804	6	2028	02/01/29
100%	630,361	(39,890)	(11,152)	579,319	136.688%	791,860	395,930	(1,425)	(39,450)	(59,176)	295,878	2,834,925	6.5	2029	08/01/29
100%	642,968	(39,890)	(11,395)	591,684	136.688%	808,760	395,930 404,380	(1,425) (1,456)	(39,450) (40,292)	(59,176) (60,439)	295,878 302,193	3,058,848 3,283,341	7 7.5	2029 2030	02/01/30 08/01/30
10070	042,300	(53,630)	(11,535)	331,004	130.00078	000,700	404,380	(1,456)	(40,292)	(60,439)	302,193	3,503,703	8	2030	02/01/31
100%	655,828	(39,890)	(11,642)	604,295	136.688%	825,999	413,000	(1,487)	(41,151)	(61,727)	308,635	3,724,619	8.5	2031	08/01/31
		(00.000)	(413,000	(1,487)	(41,151)	(61,727)	308,635	3,941,469	9	2031	02/01/32
100%	668,944	(39,890)	(11,895)	617,159	136.688%	843,583	421,791 421,791	(1,518) (1,518)	(42,027) (42,027)	(63,041) (63,041)	315,205 315,205	4,158,859 4,372,249	9.5 10	2032 2032	08/01/32 02/01/33
100%	682,323	(39,890)	(12,152)	630,281	136.688%	861,518	430.759	(1,551)	(42,921)	(64,381)	321,906	4,586,164	10.5	2032	02/01/33
	,	(,)	(,,			,	430,759	(1,551)	(42,921)	(64,381)	321,906	4,796,142	11	2033	02/01/34
100%	695,970	(39,890)	(12,415)	643,665	136.688%	879,812	439,906	(1,584)	(43,832)	(65,748)	328,742	5,006,633	11.5	2034	08/01/34
100%	709,889	(39,890)	(12,683)	657,316	136.688%	898,472	439,906 449,236	(1,584) (1,617)	(43,832) (44,762)	(65,748) (67,143)	328,742 335,714	5,213,249 5,420,364	12 12.5	2034 2035	02/01/35 08/01/35
100 /6	709,009	(39,890)	(12,003)	057,510	130.000 /6	090,472	449,236	(1,617)	(44,762)	(67,143)	335,714	5,623,667	12.5	2035	02/01/35
100%	724,087	(39,890)	(12,956)	671,241	136.688%	917,505	458,753	(1,652)	(45,710)	(68,565)	342,826	5,827,456	13.5	2036	08/01/36
1000/	700 500	(00,000)	(10.005)	005 444	100.0000/	000.040	458,753	(1,652)	(45,710)	(68,565)	342,826	6,027,494	14	2036	02/01/37
100%	738,569	(39,890)	(13,235)	685,444	136.688%	936,919	468,460 468,460	(1,686) (1,686)	(46,677) (46,677)	(70,016) (70,016)	350,080 350,080	6,228,005 6,424,825	14.5 15	2037 2037	08/01/37 02/01/38
100%	753,340	(39,890)	(13,519)	699,931	136.688%	956,721	478,361	(1,722)	(47,664)	(71,496)	357,479	6,622,107	15.5	2038	08/01/38
			,				478,361	(1,722)	(47,664)	(71,496)	357,479	6,815,758	16	2038	02/01/39
100%	768,407	(39,890)	(13,809)	714,707	136.688%	976,919	488,460 488,460	(1,758) (1,758)	(48,670) (48,670)	(73,005)	365,026 365,026	7,009,857 7,200,384	16.5 17	2039 2039	08/01/39 02/01/40
100%	783,775	(39,890)	(14,105)	729,780	136.688%	997,521	488,460	(1,796)	(49,697)	(73,005) (74,545)	372,724	7,391,349	17.5	2039	02/01/40
10070	100,110	(00,000)	(11,100)	120,100	100.00070	001,021	498,761	(1,796)	(49,697)	(74,545)	372,724	7,578,799	18	2040	02/01/41
100%	799,450	(39,890)	(14,407)	745,154	136.688%	1,018,535	509,268	(1,833)	(50,743)	(76,115)	380,576	7,766,675	18.5	2041	08/01/41
100%	815,439	(39,890)	(14,715)	760,835	136.688%	1,039,970	509,268 519,985	(1,833) (1,872)	(50,743) (51,811)	(76,115) (77,717)	380,576 388,585	7,951,093 8,135,927	19 19.5	2041 2042	02/01/42 08/01/42
100 /0	010,409	(08,080)	(14,713)	100,000	100.000 /0	1,039,970	519,985	(1,872)	(51,811)	(77,717)	388,585	8,317,358	20	2042	02/01/42
100%	831,748	(39,890)	(15,028)	776,830	136.688%	1,061,833	530,916	(1,911)	(52,901)	(79,351)	396,754	8,499,195	20.5	2043	08/01/43
1000/	040.000	(00.000)	(45.0.10)	700 4 4 4	400.0000/	4 004 400	530,916	(1,911)	(52,901)	(79,351)	396,754	8,677,685	21	2043	02/01/44
100%	848,383	(39,890)	(15,349)	793,144	136.688%	1,084,133	542,067 542,067	(1,951) (1,951)	(54,012) (54,012)	(81,017) (81,017)	405,086 405,086	8,856,569 9,032,161	21.5 22	2044 2044	08/01/44 02/01/45
100%	865,351	(39,890)	(15,675)	809,785	136.688%	1,106,880	553,440	(1,992)	(55,145)	(81,017)	403,080	9,208,138	22.5	2044	02/01/45
			/				553,440	(1,992)	(55,145)	(82,717)	413,586	9,380,875	23	2045	02/01/46
100%	882,658	(39,890)	(16,008)	826,759	136.688%	1,130,081	565,040	(2,034)	(56,301)	(84,451)	422,255	9,553,988	23.5	2046	08/01/46
	_						565,040	(2,034)	(56,301)	(84,451)	422,255	9,723,914	24	2046	02/01/47
100%	900,311	(39,890)	(16,348)	844,073	136.688%	1,153,746	576,873	(2,077)	(57,480)	(86,219)	431,097	9,894,206	24.5	2047	08/01/47
100%	918,317	(39,890)	(16,695)	861,732	136.688%	1,177,885	576,873 588,942	(2,077) (2,120)	(57,480) (58,682)	(86,219) (88,023)	431,097 440,117	10,061,364 10,228,878	25 25.5	2047 2048	02/01/48 08/01/48
100%	910,317	(39,690)	(10,095)	001,732	130.00070	1,177,085	588,942 588,942	(2,120)	(58,682)	(88,023)	440,117	10,228,878	25.5 26	2048	
	Total						23,515,320	(84,655)	(2,343,066)	(3,514,600)	17,572,998	. 1,200,000			
	Pres	sent Value Fro	om 08/01/2022	Present Value Rate	3.75%		13,907,814	(50,068)	(1,385,775)	(2,078,662)	10,393,309				

Appendix C: Findings Including But/For Qualifications

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan (TIF Plan) for 2020-3 Tax Increment Financing District: Lynk65 (the "District"), as required pursuant to Minnesota Statutes, Section 469.175, Subdivision 3 are as follows:

1. Finding that 2020-3 Tax Increment Financing District: Lynk65 is a redevelopment district as defined in M.S., Section 469.174, Subd. 10.

The District consists of three parcels and vacant right-of-way, with plans to redevelop the area for the development of a mixed-use project including 157 units of apartments and approximately 8,000 square feet of commercial space. Parcels consisting of 70 percent of the area of the District are occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures and more than 50 percent of the buildings in the District, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance. (See Appendix D of the TIF Plan.)

2. Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of 2020-3 Tax Increment Financing District: Lynk65 permitted by the TIF Plan.

The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future: This finding is supported by the fact that the redevelopment proposed in the TIF Plan meets the City's objectives for redevelopment. Due to the high cost of redevelopment on the parcels currently occupied by a substandard building, the incompatible land uses at close proximity, and the cost of financing the proposed improvements, this project is feasible only through assistance, in part, from tax increment financing. The developer was asked for and provided a letter and a pro forma as justification that the developer would not have gone forward without tax increment assistance.

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

Therefore, the City concludes as follows:

a. The City's estimate of the amount by which the market value of the entire District will increase without the use of tax increment financing is \$0.

- b. If the proposed development occurs, the total increase in market value will be \$41,630,000.
- c. The present value of tax increments from the District for the maximum duration of the district permitted by the TIF Plan is estimated to be \$13,907,814.
- d. Even if some development other than the proposed development were to occur, the Council finds that no alternative would occur that would produce a market value increase greater than \$27,722,186 (the amount in clause b less the amount in clause c) without tax increment assistance.
- 3. Finding that the TIF Plan for the District conforms to the general plan for the development or redevelopment of the municipality as a whole.

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

4. Finding that the TIF Plan for 2020-3 Tax Increment Financing District: Lynk65 will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of Richfield Redevelopment Project Area by private enterprise.

The project to be assisted by the District will result in an increase in the availability of safe and decent life-cycle housing, the renovation of substandard properties, increased tax base of the State and add a high-quality development to the City.

Appendix D: Redevelopment Qualifications for the District

REPORT OF INSPECTION PROCEDURES AND RESULTS FOR DETERMINING QUALIFICATIONS OF A TAX INCREMENT FINANCING DISTRICT AS A REDEVELOPMENT DISTRICT

6467 LYNDALE AVENUE SOUTH REDEVELOPMENT TIF DISTRICT

RICHFIELD, MINNESOTA



November 4, 2020

Prepared for the CITY OF RICHFIELD

LHB, Inc. 701 Washington Avenue North, Suite 200 Minneapolis, Minnesota 55401



LHB Project No. 200663

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Part 1: Executive Summary

Purpose of the Evaluation

LHB was hired by the City of Richfield to inspect and evaluate the properties within a Tax Increment Financing Redevelopment District ("TIF District") proposed to be established by the City. The proposed TIF District is located near the northeast intersection of Lyndale Avenue South and 65th Street West (Diagram 1). The purpose of LHB's work is to determine whether the proposed TIF District meets the statutory requirements for coverage, and whether three (3) buildings on three (3) parcels, located within the proposed TIF District, meet the qualifications required for a Redevelopment District.



Diagram 1: Proposed TIF District

Scope of Work

The proposed TIF District consists of three (3) parcels with three (3) buildings. Three (3) buildings were inspected on October 1, 2020. Building Code and Condition Deficiency reports for the buildings that were inspected and found substandard are located in Appendix B.

Conclusion

After inspecting and evaluating the properties within the proposed TIF District and applying current statutory criteria for a Redevelopment District under *Minnesota Statutes, Section 469.174, Subdivision 10*, it is our professional opinion that the proposed TIF District qualifies as a Redevelopment District because:

- The proposed TIF District has a coverage calculation of 100 percent which is above the 70 percent requirement.
- 100 percent of the buildings are structurally substandard which is above the 50 percent requirement.
- The substandard buildings are reasonably distributed.

The remainder of this report describes our process and findings in detail.

Part 2: 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(1)."

Qualification Requirements

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

1. COVERAGE TEST

a. Minnesota Statutes, Section 469.174, Subdivision 10(a)(1) states:

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

b. 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."

2. CONDITION OF BUILDINGS TEST

a. 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;"

b. 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."

- i. 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.
- c. 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 is in compliance with 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 on the basis of 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."

- i. 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:
 - 1) 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.
 - 2) 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..."
 - 3) Chapter 11 of the 2015 Minnesota Residential Code incorporates Minnesota Rules, Chapters, 1322 and 1323 *Minnesota Energy Code*.
 - 4) 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.
 - 5) 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.
 - 6) 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. In order 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.

3. DISTRIBUTION OF SUBSTANDARD BUILDINGS

a. Minnesota Statutes, Section 469.174, Subdivision 10, defines a Redevelopment District and requires one or more of the following conditions "reasonably distributed throughout the district.":

"(1) Parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;

(2) the property consists of vacant, unused, underused, inappropriately used, or infrequently used rail yards, rail storage facilities, or excessive or vacated railroad rights-of-way;

(3) tank facilities, or property whose immediately previous use was for tank facilities..."

b. Our interpretation of the distribution requirement is that the substandard buildings must be reasonably distributed throughout the district as compared to the location of all buildings in the district. For example, if all of the buildings in a district are located on one half of the area of the district, with the other half occupied by parking lots (meeting the required 70 percent coverage for the district), we would evaluate the distribution of the substandard buildings compared with only the half of the district where the buildings are located. If all of the buildings in a district are located evenly throughout the entire area of the district, the substandard buildings must be reasonably distributed throughout the entire area of the district. We believe this is consistent with the opinion expressed by the State of Minnesota Court of Appeals in the *Walser Auto Sales, Inc. vs. City of Richfield* case filed November 13, 2001.

Part 3: Procedures Followed

LHB inspected three (3) of the three (3) buildings during the day of October 1, 2020.

Part 4: Findings

1. Coverage Test

- a. The total square foot area of the parcel in the proposed TIF District was obtained from City records, GIS mapping and site verification.
- b. The total square foot area of buildings and site improvements on the parcels in the proposed TIF District was obtained from City records, GIS mapping and site verification.
- c. The percentage of coverage for each parcel in the proposed TIF District was computed to determine if the 15 percent minimum requirement was met. The total square footage of parcels meeting the 15 percent requirement was divided into the total square footage of the entire district to determine if the 70 percent requirement was met.

FINDING

The proposed TIF District met the coverage test under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which resulted in parcels consisting of 100 percent of the area of the proposed TIF District being occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures (Diagram 2). This exceeds the 70 percent area coverage requirement for the proposed TIF District under Minnesota Statutes, Section 469.174, Subdivision (a) (1).



Diagram 2 – Coverage Diagram

Shaded area depicts a parcel more than 15 percent occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures

2. Condition of Building Test

a. BUILDING INSPECTION

i. The first step in the evaluation process is the building inspection. After an initial walk-thru, the inspector makes a judgment whether or not a building "appears" to have enough defects or deficiencies of sufficient total significance to justify substantial renovation or clearance. If it does, the inspector documents with notes and photographs code and non-code deficiencies in the building.

b. REPLACEMENT COST

i. The second step in evaluating a building to determine if it is substandard to a degree requiring substantial renovation or clearance is to determine its replacement cost. This is the cost of constructing a new structure of the same square footage and type on site. Replacement costs were researched using R.S. Means Cost Works square foot models for 2020.

- ii. A replacement cost was calculated by first establishing building use (office, retail, residential, etc.), building construction type (wood, concrete, masonry, etc.), and building size to obtain the appropriate median replacement cost, which factors in the costs of construction in Richfield, Minnesota.
- iii. Replacement cost includes labor, materials, and the contractor's overhead and profit. Replacement costs do not include architectural fees, legal fees or other "soft" costs not directly related to construction activities. Replacement cost for each building is tabulated in Appendix A.

c. CODE DEFICIENCIES

- i. The next step in evaluating a building is to determine what code deficiencies exist with respect to such building. Code deficiencies are those conditions for a building which are not in compliance with current building codes applicable to new buildings in the State of Minnesota.
- ii. Minnesota Statutes, Section 469.174, Subdivision 10(c), specifically provides that a building cannot be considered structurally substandard if its code deficiencies are not at least 15 percent of the replacement cost of the building. As a result, it was necessary to determine the extent of code deficiencies for each building in the proposed TIF District.
- iii. The evaluation was made by reviewing all available information with respect to such buildings contained in City Building Inspection records and making interior and exterior inspections of the buildings. LHB utilizes the current Minnesota State Building Code as the official code for our evaluations. The Minnesota State Building Code is actually a series of provisional codes written specifically for Minnesota only requirements, adoption of several international codes, and amendments to the adopted international codes.
- iv. After identifying the code deficiencies in each building, we used R.S. Means Cost Works 2020; Unit and Assembly Costs to determine the cost of correcting the identified deficiencies. We were then able to compare the correction costs with the replacement cost of each building to determine if the costs for correcting code deficiencies meet the required 15 percent threshold.

FINDING

Three (3) out of three (3) buildings (100 percent) in the proposed TIF District contained code deficiencies exceeding the 15 percent threshold required by Minnesota Statutes, Section 469.174, Subdivision 10(c). Building Code, Condition Deficiency and Context Analysis reports for the buildings in the proposed TIF District can be found in Appendix B of this report.

d. SYSTEM CONDITION DEFICIENCIES

- i. If a building meets the minimum code deficiency threshold under Minnesota Statutes, Section 469.174, Subdivision 10(c), then in order for such building to be "structurally substandard" under Minnesota Statutes, Section 469.174, Subdivision 10(b), the building's defects or deficiencies should be of sufficient total significance to justify "substantial renovation or clearance." Based on this definition, LHB re-evaluated each of the buildings that met the code deficiency threshold under Minnesota Statutes, Section 469.174, Subdivision 10(c), to determine if the total deficiencies warranted "substantial renovation or clearance" based on the criteria we outlined above.
- ii. System condition deficiencies are a measurement of defects or substantial deterioration in site elements, structure, exterior envelope, mechanical and electrical components, fire protection and emergency systems, interior partitions, ceilings, floors and doors.
- iii. The evaluation of system condition deficiencies was made by reviewing all available information contained in City records, and making interior and exterior inspections of the buildings. LHB only identified system condition deficiencies that were visible upon our inspection of the building or contained in City records. We did not consider the amount of "service life" used up for a particular component unless it was an obvious part of that component's deficiencies.
- iv. After identifying the system condition deficiencies in each building, we used our professional judgment to determine if the list of defects or deficiencies is of sufficient total significance to justify "substantial renovation or clearance."

FINDING

In our professional opinion, three (3) out of three (3) buildings (100 percent) in the proposed TIF District are structurally substandard to a degree requiring substantial renovation or clearance, because of 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. This exceeds the 50 percent requirement of Subdivision 10a(1).

3. Distribution of Substandard Structures

a. Much of this report has focused on the condition of individual buildings as they relate to requirements identified by Minnesota Statutes, Section 469.174, Subdivision 10. It is also important to look at the distribution of substandard buildings throughout the geographic area of the proposed TIF District (Diagram 3).

FINDING

The parcels with substandard buildings are reasonably distributed compared to all parcels that contain buildings.



Diagram 3 – Substandard Buildings

Shaded green area depicts parcels with buildings. Shaded orange area depicts substandard buildings.

Michael A. Fischer, AIA, LEED AP - Project Principal/TIF Analyst

Michael has 32 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 Masters degrees in City Planning and Real Estate Development from MIT. He has served on more than 50 committees, boards and community task forces, including a term as a City Council President and as Chair of a Metropolitan Planning Organization. Most recently, he served as Chair of the Edina, Minnesota planning commission and is currently a member of the Edina city council. 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.

Philip Waugh – Project Manager/TIF Analyst

Philip is a project manager with 13 years of experience in historic preservation, building investigations, material research, and construction methods. He previously worked as a historic preservationist and also served as the preservation specialist at the St. Paul Heritage Preservation Commission. Currently, Phil sits on the Board of Directors for the Preservation Alliance of Minnesota. His current responsibilities include project management of historic preservation projects, performing building condition surveys and analysis, TIF analysis, writing preservation specifications, historic design reviews, writing Historic Preservation Tax Credit applications, preservation planning, and grant writing.

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.

Appendices

- **APPENDIX A** Property Condition Assessment Summary Sheet
- APPENDIX B Building Code, Condition Deficiency and Context Analysis Reports
- **APPENDIX C** Building Replacement Cost Reports

Code Deficiency Cost Reports Photographs

APPENDIX A

Property Condition Assessment Summary Sheet

6467 Lyndale Avenue South Redevelopment TIF District

Property Condition Assessment Summary Sheet

TIF Map No.	PID #	Property Address	Improved or Vacant	Survey Method Used	Site Area (S.F.)	Coverage Area of Improvements (S.F.)	Coverage Percent of Improvements	Coverage Quantity (S.F.)	No. of Buildings	Building Replacement Cost	15% of Replacement Cost	Building Code Deficiencies	No. of Buildings Exceeding 15% Criteria	No. of buildings determined substandard
Α	2702824230074	6439 Lyndale Ave S	Improved	Interior/Exterior	49,930	48,817	97.8%	49,930	1	\$2,413,806	\$362,071	\$636,755	1	1
В	2702824230010	6467 Lyndale Ave S	Improved	Interior/Exterior	30,815	30,059	97.5%	30,815	1	\$1,851,131	\$277,670	\$461,650	1	1
С	2702824230053	415 64 1/2 St W	Improved	Interior/Exterior	9,373	2,328	24.8%	9,373	1	\$144,843	\$21,726	\$27,946	1	1
TOTALS					90,118			90,118	3				3	3
						Tota	I Coverage Percent:	100.0%						
Percent of buildings exceeding 15 percent code deficiency threshold: 100.0%														
M:\20Proj\200663\300 Design\Reports\Final Report\[200663 Richfield Lyndale Redevelopment TIF Summary Sheet.xlsx]Property Info										100.0%				

Richfield, Minnesota

APPENDIX B

Building Code, Condition Deficiency and Context Analysis Reports

6467 Lyndale Avenue South Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

Parcel A	Strip Mall
Address:	6439 Lyndale Ave S, Richfield, Minnesota 55423
Parcel ID:	2702824230074
Inspection Date(s) & Time(s):	October 1, 2020 1:00 PM
Inspection Type:	Interior and Exterior
Summary of Deficiencies:	 It is our professional opinion that this building is <u>Substandard</u> 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:	\$2,413,806
Estimated Cost to Correct Building Code Deficiencies:	\$636,755
Percentage of Replacement Cost for Building Code Deficiencies:	26.38%

DEFECTS IN STRUCTURAL ELEMENTS

1. None observed

COMBINATION OF DEFICIENCIES

- 1. Essential Utilities and Facilities
 - a. There is no ADA code compliant route into the building.
 - b. There is no ADA code compliant route to all levels of the building.
 - c. Restrooms are not ADA code compliant.
- 2. Light and Ventilation
 - a. HVAC system does not comply with code.
 - b. Lighting system does not comply with code.
- 3. Fire Protection/Adequate Egress
 - a. Exterior stairways are not code compliant.
 - b. Interior stairways are not code compliant.
 - c. Thresholds do not comply with code.
 - d. Door hardware is not code compliant.
 - e. Glass doors do not have code required 10-inch kick plates.
 - f. Concrete sidewalks are damaged, creating an impediment to emergency egress, which is contrary to code.
 - g. Equipment spacing in the kitchen does not comply with code.
 - h. Smoke detectors are not code compliant.
 - i. Emergency lighting is not code compliant.
 - j. The emergency notification system is not code compliant.
 - k. The building sprinkler system is not code compliant.

- 4. Layout and Condition of Interior Partitions/Materials
 - a. Ceiling tile is stained/missing and should be replaced.
 - b. Interior walls should be repaired/repainted.
 - c. Carpeting is damaged, creating an impediment to emergency egress, which is contrary to code.
- 5. Exterior Construction
 - a. Metal siding is damaged and should be repaired.
 - b. Exterior concrete block walls are cracked, allowing for water intrusion, contrary to code.
 - c. Wood siding should be repainted.
 - d. Windows do not comply with code.
 - e. Chimney is failing, allowing for water intrusion, contrary to code.
 - f. Roofing material has failed, allowing for water intrusion, contrary to code.

DESCRIPTION OF CODE DEFICIENCIES

- 1. An ADA code compliant route into the building should be created.
- 2. An ADA code required route to all levels should be created.
- 3. Restrooms are not ADA code compliant.
- 4. The HVAC system is not code compliant.
- 5. Lighting system does not comply with code.
- 6. Exterior stairways are not code compliant.
- 7. Interior stairways are not code compliant.
- 8. Thresholds do not comply with code.
- 9. Door hardware is not code compliant.
- 10. Glass doors need code required 10-inch kick plates.
- 11. Damaged sidewalks should be repaired to create a code required unimpeded means for emergency egress.
- 12. Equipment spacing in kitchen does not comply with code.
- 13. Smoke detectors are not code compliant.
- 14. Emergency lighting is not code compliant.
- 15. The emergency notification system is not code compliant.
- 16. The building sprinkler system is not code compliant.
- 17. Damaged carpeting is creating an impediment to emergency egress, contrary to code.
- 18. Exterior concrete block walls are cracked, allowing for water intrusion, contrary to code.
- 19. Windows do not comply with code.
- 20. Chimney is failing, allowing for water intrusion, contrary to code.
- 21. Roofing material is failing, allowing for water intrusion, contrary to code.

OVERVIEW OF DEFICIENCIES

This strip mall was built in 1948. Some of the building components are original and do not comply with current code. There is no code compliant route into the building or to all levels of the structure. Restrooms are not code compliant. Interior walls should be repaired/repainted. Ceiling tile is damaged and or missing and should be replaced. Exterior block walls are cracked, allowing for water intrusion, contrary to code. Windows and roofing material have failed, allowing for water intrusion, contrary to code. All life safety systems do not comply with code. Door hardware is not code compliant. Sidewalks and carpeting are damaged, creating an impediment to emergency egress, which is contrary to code. Exterior and interior stairways do not comply with code. The HVAC system does not comply with code. The lighting system does not comply with code.

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6467 Lyndale Avenue South Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

Parcel B	Strip Mall
Address:	6467 Lyndale Ave S, Richfield, Minnesota 55423
Parcel ID:	2702824230010
Inspection Date(s) & Time(s):	October 1, 2020 1:30 PM
Inspection Type:	Interior and Exterior
Summary of Deficiencies:	It is our professional opinion that this building is <u>Substandard</u> because: - Substantial renovation is required to correct Conditions found. Building Code deficiencies total more than 15% of replacement cost. NOT

Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.

Estimated Replacement Cost:	\$1,851,131
Estimated Cost to Correct Building Code Deficiencies:	\$461,650
Percentage of Replacement Cost for Building Code Deficiencies:	24.94%

DEFECTS IN STRUCTURAL ELEMENTS

1. Steel lintels should be protected from rusting per code.

COMBINATION OF DEFICIENCIES

- 1. Essential Utilities and Facilities
 - a. There is no ADA code compliant route to all levels of the building.
 - b. Restrooms are not ADA code compliant.

2. Light and Ventilation

- a. HVAC system does not comply with code.
- b. Lighting system does not comply with code.

3. Fire Protection/Adequate Egress

- a. Interior stairways are not code compliant.
- b. Thresholds do not comply with code.
- c. Door hardware is not code compliant.
- d. Glass doors do not have code required 10-inch kick plates.
- e. Smoke detectors are not code compliant.
- f. Emergency lighting is not code compliant.
- g. The emergency notification system is not code compliant.
- h. The building sprinkler system is not code compliant.
- 4. Layout and Condition of Interior Partitions/Materials
 - a. Ceiling tile is stained/missing and should be replaced.
 - b. Interior walls should be repaired/repainted.
 - c. Carpeting is damaged, creating an impediment to emergency egress, which is contrary to code.
 - d. The freight elevator does not comply with code.

- 5. Exterior Construction
 - a. Exterior brick walls are cracked/damaged, allowing for water intrusion, contrary to code.
 - b. Windows do not comply with code.
 - c. Roofing material has failed, allowing for water intrusion, contrary to code.

DESCRIPTION OF CODE DEFICIENCIES

- 1. An ADA code required route to all levels should be created.
- 2. Restrooms are not ADA code compliant.
- 3. The HVAC system is not code compliant.
- 4. Lighting system does not comply with code.
- 5. Interior stairways are not code compliant.
- 6. Thresholds do not comply with code.
- 7. Door hardware is not code compliant.
- 8. Glass doors need code required 10-inch kick plates.
- 9. Smoke detectors are not code compliant.
- 10. Emergency lighting is not code compliant.
- 11. The emergency notification system is not code compliant.
- 12. The building sprinkler system is not code compliant.
- 13. Damaged carpeting is creating an impediment to emergency egress, contrary to code.
- 14. Freight elevator does not comply with code.
- 15. Exterior concrete brick walls are cracked, allowing for water intrusion, contrary to code.
- 16. Windows do not comply with code.
- 17. Roofing material is failing, allowing for water intrusion, contrary to code.

OVERVIEW OF DEFICIENCIES

Public records indicate this strip mall was built in 1946. Some of the building components are original and do not comply with current code. There is no code compliant route to all levels of the structure. Restrooms are not code compliant. Interior walls should be repaired/repainted. Ceiling tile is damaged and or missing and should be replaced. Exterior brick walls are cracked, allowing for water intrusion, contrary to code. Windows and roofing material have failed, allowing for water intrusion, contrary to code. All life safety systems do not comply with code. Door hardware and thresholds are not code compliant. Carpeting is damaged, creating an impediment to emergency egress, which is contrary to code. Interior stairways do not comply with code. The HVAC system does not comply with code. The lighting system does not comply with code.

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6467 Lyndale Avenue South Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

Parcel C	Residential Dwelling
Address:	416 64 ½ Street W, Richfield, Minnesota 55423
Parcel ID:	2702824230053
Inspection Date(s) & Time(s):	October 1, 2020 1:55 PM
Inspection Type:	Interior and Exterior
Summary of Deficiencies:	 It is our professional opinion that this building is <u>Substandard</u> because: Substantial renovation is required to correct Conditions found. Building Code deficiencies total more than 15% of replacement cost, NOT

Estimated Replacement Cost:	\$144,843
Estimated Cost to Correct Building Code Deficiencies:	\$27,946
Percentage of Replacement Cost for Building Code Deficiencies:	19.29%

including energy code deficiencies.

DEFECTS IN STRUCTURAL ELEMENTS

1. None observed.

COMBINATION OF DEFICIENCIES

- 1. Essential Utilities and Facilities
 - a. Bathroom fixtures do not comply with code for proper spacing.

2. Light and Ventilation

- a. HVAC system does not comply with code.
- 3. Fire Protection/Adequate Egress
 - a. Kitchen outlets do not have code required Ground Fault Circuit Interrupters.
 - b. Smoke detectors do not comply with code.
 - c. Carbon monoxide detectors are not code compliant.
 - d. There are no code required Arc Fault Circuit Interrupters in the building.

4. Layout and Condition of Interior Partitions/Materials

- a. Laminate flooring is damaged and should be replaced.
- b. Basement stairway does not comply with code.
- c. Walls and ceilings should be repaired/repainted.

5. Exterior Construction

- a. Vinyl siding is damaged from excessive heat.
- b. Roofing material is failing, allowing for water intrusion, contrary to code.
- c. Downspouts need to be reattached.
- d. Windows are failing, allowing for water intrusion, contrary to code.
- e. Concrete steps do not comply with code.
- f. Threshold on back door is rotting and should be replaced.
- g. E.I.F.S. is damaged and should be repaired.

DESCRIPTION OF CODE DEFICIENCIES

- 1. The HVAC system is not code compliant.
- 2. The kitchen outlets should have code required GFCI's installed.
- 3. Smoke detectors are not code compliant.
- 4. There are no code required AFCI's in the building.
- 5. The carbon monoxide detectors are not code compliant.
- 6. Bathroom fixture spacing is not code compliant.
- 7. Basement stairway is not code compliant.
- 8. Roofing material is failing, allowing for water intrusion, contrary to code.
- 9. The windows are failing, allowing for water intrusion, contrary to code.
- 10. Concrete steps do not comply with code.

OVERVIEW OF DEFICIENCIES

This two-bedroom residential dwelling has concrete stairways leading into the building that are damaged and do not comply with code. The exterior vinyl siding is damaged by the side door from excessive heat and should be repaired. The windows are failing, allowing for water intrusion, contrary to code. The roofing material is failing, allowing for water intrusion, contrary to code. The side entrance threshold is damaged and should be replaced. The interior composite flooring is damaged and should be repaired. The kitchen does not have a code required GFCI. The bathroom fixture spacing does not comply with code. The smoke detectors do not comply with code. The carbon monoxide detectors do not comply with code. There are no code required Arc Fault Circuit Interrupters in the building. The basement stairway is not code compliant. The HVAC system is not code compliant.

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APPENDIX C

Building Replacement Cost Reports Code Deficiency Cost Reports Photographs

6467 Lyndale Avenue South Redevelopment TIF District

Replacement Cost Report

RSMeans data	Square Foot Cost Estimate Report	Date: 10/2/2020
Estimate Name:	6439 Lyndale Ave S	
Building Type:	Store, Retail with Concrete Block & Metal St	uds / Steel Joists
Location:	RICHFIELD, MN	
Story Count:	1	MA OTOLI M T
Story Height (L.F.):	14.00	
Floor Area (S.F.):	15500	A STREET BET IN A REAS STREET
Labor Type:	OPN	
Basement Included:	Yes	
Data Release:	Year 2019	Costs are derived from a building model with basic components.
Cost Per Square Foot:	\$155.73	Scope differences and market conditions can cause costs to vary significantly.
Building Cost:	\$2,413,805.59	

		QTY	% of Total	Cost Per S.F.	Cost
Α	Substructure		######	\$24.69	\$382,650.83
A1010	Standard Foundations			\$4.82	\$74,712.46
A10101102700	Strip footing, concrete, reinforced, load 11.1 KLF, soil bearing capacity 6 KSF, 12" deep x 24" wide	600		\$1.63	\$25,262.76
A10102107410	Spread footings, 3000 PSI concrete, load 100K, soil bearing capacity 6 KSF, 4' - 6" square x 15" deep	116.76		\$3.19	\$49,449.70
A1030	Slab on Grade			\$5.73	\$88,757.96
A10301202240	Slab on grade, 4" thick, non industrial, reinforced	15500		\$5.73	\$88,757.96
A2010	Basement Excavation			\$3.97	\$61,513.61
A20101104620	Excavate and fill, 10,000 SF, 8' deep, sand, gravel, or common earth, on site storage	15500		\$3.97	\$61,513.61
A2020	Basement Walls			\$10.17	\$157,666.80
A20201107260	Foundation wall, CIP, 12' wall height, pumped, .444 CY/LF, 21.59 PLF, 12" thick	600		\$10.17	\$157,666.80
В	Shell		######	\$54.45	\$843,925.95
B1010	Floor Construction			\$21.46	\$332,612.00
B10102030860	Cast-in-place concrete column, 12" square, tied, 200K load, 12' story height, 142 lbs/LF, 4000PSI	1401.1		\$7.20	\$111,648.65
B10102221720	Flat slab, concrete, with drop panels, 6" slab/2.5" panel, 12" column, 15'x15' bay, 75 PSF superimposed load, 153 PSF total load	15500		\$14.26	\$220,963.35
B1020	Roof Construction			\$9.96	\$154,309.17
B10201123300	Roof, steel joists, beams, 1.5" 22 ga metal deck, on columns, 25'x25' bay, 20" deep, 40 PSF superimposed load, 60 PSF total load	15500		\$8.27	\$128,109.21
B10201123400	Roof, steel joists, beams, 1.5" 22 ga metal deck, on columns, 25'x25' bay, 20" deep, 40 PSF superimposed load, 60 PSF total load, add for column	15500		\$1.69	\$26,199.96
B2010	Exterior Walls			\$11.51	\$178,340.00
B20101014200	Concrete wall, reinforced, 8' high, 8" thick, plain finish, 5000 PSI	7400		\$11.51	\$178,340.00
B2020	Exterior Windows			\$2.03	\$31,443.46
B20202101100	Aluminum flush tube frame, for 1/4"glass,1-3/4"x4", 5'x6' opening, no intermediate horizontals	84		\$0.16	\$2,410.67

B20202201000	Glazing panel, insulating, 1/2" thick, 2 lites 1/8" float glass, clear	1176	\$1.87	\$29,032.79
B2030	Exterior Doors		\$1.76	\$27,205.35
B20301106700	Door, aluminum & glass, without transom, bronze finish, hardware, 3'-0" x 7'-0" opening	5.81	\$1.38	\$21,465.48
B20302203450	Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" x 7'- 0" opening	1.94	\$0.37	\$5,739.87
B3010	Roof Coverings		\$7.67	\$118,814.19
B30101203400	Roofing, single ply membrane, EPDM, 60 mils, loosely laid, stone ballast	15500	\$1.79	\$27,707.80
B30103202700	Insulation, rigid, roof deck, extruded polystyrene, 40 PSI compressive strength, 4" thick, R20	15500	\$4.30	\$66,665.97
B30104201400	Roof edges, aluminum, duranodic, .050" thick, 6" face	600	\$1.10	\$17,121.00
B30106305100	Gravel stop, aluminum, extruded, 4", mill finish, .050" thick	600	\$0.47	\$7,319.42
B3020	Roof Openings		\$0.08	\$1,201.78
B30202100300	Roof hatch, with curb, 1" fiberglass insulation, 2'-6" x 3'-0", galvanized steel, 165 lbs	1	\$0.08	\$1,201.78
С	Interiors	##	#### \$17.18	\$266,367.16
C1010	Partitions		\$1.52	\$23,484.46
C10101265400	Metal partition, 5/8"fire rated gypsum board face, no base,3 -5/8" @ 24" OC framing, same opposite face, no insulation	2583.3	\$0.75	\$11,547.73
C10101280700	Gypsum board, 1 face only, exterior sheathing, fire resistant, 5/8"	7140	\$0.47	\$7,231.61
C10101280960	Add for the following: taping and finishing	7140	\$0.30	\$4,705.12
C1020	Interior Doors		\$1.09	\$16,961.76
C10201022600	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'- 0" x 7'-0" x 1-3/8"	13.56	\$1.09	\$16,961.76
C1030	Fittings		\$0.20	\$3,089.21
C10301100460	Toilet partitions, cubicles, ceiling hung, stainless steel	1.94	\$0.20	\$3,089.21
C2010	Stair Construction		\$2.74	\$42,502.12
C20101100620	Stairs, CIP concrete, w/landing, 24 risers, with nosing	4	\$2.74	\$42,502.12
C3010	Wall Finishes		\$0.95	\$14,784.96
C30102300140	Painting, interior on plaster and drywall, walls & ceilings, roller work, primer & 2 coats	4650	\$0.27	\$4,196.30
C30102300140	Painting, interior on plaster and drywall, walls & ceilings, roller work, primer & 2 coats	7140	\$0.42	\$6,443.35
C30102301940	Ceramic tile, thin set, 4-1/4" x 4-1/4"	516.67	\$0.27	\$4,145.31
C3020	Floor Finishes		\$3.04	\$47,127.75
C30204101600	Vinyl, composition tile, maximum	15500	\$3.04	\$47,127.75
C3030	Ceiling Finishes		\$7.64	\$118,416.90
C30302107400	Acoustic ceilings, 3/4"mineral fiber, 12" x 12" tile, concealed 2" bar & channel grid, suspended support	15500	\$7.64	\$118,416.90
D	Services	##	#### \$39.10	\$606,017.44
D1010	Elevators and Lifts		\$4.80	\$74,449.60
D10101102200	Hydraulic, passenger elevator, 3000 lb, 2 floors, 100 FPM	1	\$4.80	\$74,449.60
D2010	Plumbing Fixtures		\$2.04	\$31,659.89
D20101102000	Water closet, vitreous china, tank type, 2 piece close coupled	3.88	\$0.36	\$5,641.01
D20102102000	Urinal, vitreous china, wall hung	1	\$0.09	\$1,390.40
D20103101560	Lavatory w/trim, vanity top, PE on CI, 20" x 18"	3.88	\$0.33	\$5,059.39
D20104404340	Service sink w/trim, PE on CI,wall hung w/rim guard, 24" x 20"	3.88	\$0.95	\$14,746.70
D20108201880	Water cooler, electric, wall hung, dual height, 14.3 GPH	1.94	\$0.31	\$4,822.39
D2020	Domestic Water Distribution		\$1.82	\$28,206.55

D20202502220	Gas fired water heater, commercial, 100< F rise, 500 MBH input, 480 GPH	1		\$1.82	\$28,206.55
D2040	Rain Water Drainage			\$1.59	\$24,701.77
D20402104200	Roof drain, CI, soil,single hub, 4" diam, 10' high	9.69		\$1.45	\$22,407.19
D20402104240	Roof drain, CI, soil, single hub, 4" diam, for each additional foot add	38.75		\$0.15	\$2,294.58
D3050	Terminal & Package Units			\$8.72	\$135,191.47
D30501502560	Rooftop, single zone, air conditioner, department stores, 10,000 SF, 29.17	15500		\$8.72	\$135,191.47
D4010	Sprinklers			\$4.74	\$73,413.74
D40104101080	Wet pipe sprinkler systems, steel, ordinary hazard, 1 floor, 10,000 SF	15500		\$4.74	\$73,413.74
D4020	Standpipes			\$1.17	\$18,065.69
D40203101540	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, 1 floor	1.94		\$1.17	\$18,065.69
D5010	Electrical Service/Distribution			\$1.48	\$22,877.30
D50101200320	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 400 A	1		\$0.38	\$5,921.50
D50102300320	Feeder installation 600 V, including RGS conduit and XHHW wire, 400 A	50		\$0.31	\$4,801.00
D50102400200	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 400 A	1		\$0.78	\$12,154.80
D5020	Lighting and Branch Wiring			\$10.95	\$169,679.62
D50201100440	Receptacles incl plate, box, conduit, wire, 8 per 1000 SF, .9 watts per SF	15500		\$2.85	\$44,214.06
D50201350360	Miscellaneous power, 1.5 watts	15500		\$0.40	\$6,211.16
D50201400280	Central air conditioning power, 4 watts	20150		\$0.81	\$12,505.90
D50202100520	Fluorescent fixtures recess mounted in ceiling, 1.6 watt per SF, 40 FC, 10 fixtures @32watt per 1000 SF	19375		\$6.89	\$106,748.50
D5030	Communications and Security			\$1.79	\$27,771.81
D50309100452	Communication and alarm systems, fire detection, addressable, 25 detectors, includes outlets, boxes, conduit and wire	0.7		\$0.98	\$15,160.23
D50309100460	Fire alarm command center, addressable without voice, excl. wire &	1.94		\$0.81	\$12,611.58
E	Equipment & Furnishings		0.00%	\$0.00	\$0.00
E1090	Other Equipment			\$0.00	\$0.00
F	Special Construction		0.00%	\$0.00	\$0.00
G	Building Sitework		0.00%	\$0.00	\$0.00

SubTotal	100%	\$135.42	\$2,098,961.38
Contractor Fees (General Conditions, Overhead, Profit)	15.0 %	\$20.31	\$314,844.21
Architectural Fees	0.0 %	\$0.00	\$0.00
User Fees	0.0 %	\$0.00	\$0.00
Total Building Cost		\$155.73	\$2,413,805.59

6467 Lyndale Avenue South Redevelopment TIF District

Code Deficiency Cost Report

Parcel A - 6439 Lyndale Ave S, Richfield, Minnesota 55423

Parcel ID 2702824230074

Code Related Cost Items	ι	Jnit Cost	Unit Quantity	Units		Total
Accessibility Items						
Accessible Routes						
Create a code required accessible route into the building.	\$	1,500.00	Lump	1	\$	1,500.00
Create a code required accessible route to all levels of the building.	\$	4.80	SF	15,500	\$	74,400.00
Restrooms						
Create code required accessible restrooms	\$	1.93	SF	15,500	\$	29,915.00
Structural Elements						
Concrete Block Walls						
Repair cracked concrete block walls to prevent water intrusion per code	\$	1,500.00	Lump	1	\$	1,500.00
Exiting						
Stairways						
Modify exterior stairways to comply with code	\$	2,500.00	Lump	1	\$	2,500.00
Modify interior stairways to comply with code	\$	25,000.00	Lump	1	\$	25,000.00
Thresholds						
Modify thresholds to comply with code for maximum height	\$	500.00	Lump	1	\$	500.00
Door Hardware						
Install code compliant door hardware	\$	250.00	EA	25	\$	6,250.00
Glass Doors	¢	400.00	Ξ.	04	•	0 400 00
Install code required 10-inch kick plates on glass doors	\$	100.00	EA	24	\$	2,400.00
Sidewalks Repair damaged sidewalks to create an unimpeded means for						
emergency egress per code	\$	1,500.00	Lump	1	\$	1,500.00
Equipment Spacing Modity equipment spacing in kitchen to comply with code for			·			
emergency egress	\$	50.00	Lump	1	\$	50.00
Carpeting Replace damaged carpeting to create an unimpeded means for						
emergency egress per code	\$	3.04	SF	5,000	\$	15,200.00
Fire Protection						
Smoke Detectors						
Install code compliant smoke detectors	\$	0.98	SF	15,500	\$	15,190.00
Emergency Lighting						
Install code compliant emergency lighting	\$	0.75	SF	15,500	\$	11,625.00
Emergency Notification System	~		•-			10 -
Install code compliant emergency notification system	\$	0.81	SF	15,500	\$	12,555.00
Building Sprinkler System						

Strip Mall

Code Related Cost Items	U	nit Cost	Unit Quantitv	Units	Total
Install code compliant building sprinkler system	\$	2.00	SF	15,500	\$ 31,000.00
Exterior Construction					
Windows					
Install code compliant windows	\$	2.03	SF	15,500	\$ 31,465.00
Chimney					
Repair chimney to prevent water intrusion per code	\$	500.00	Lump	1	\$ 500.00
Roof Construction					
Roofing Material					
Remove failed roofing material	\$	0.75	SF	15,500	\$ 11,625.00
Install roofing material to prevent water intrusion per code	\$	7.75	SF	15,500	\$ 120,125.00
Mechanical- Electrical					
Mechanical					
Install code compliant HVAC system	\$	8.72	SF	15,500	\$ 135,160.00
Electrical					
Install code compliant electrical lighting	\$	6.89	SF	15,500	\$ 106,795.00
		Total Code Improvements			\$ 636,755

6467 Lyndale Avenue South Redevelopment TIF District Photos: Parcel A - Strip Mall - 6439 Lyndale Avenue South



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6467 Lyndale Avenue South Redevelopment TIF District Photos: Parcel A - Strip Mall - 6439 Lyndale Avenue South







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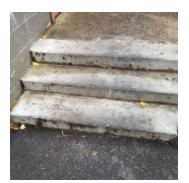
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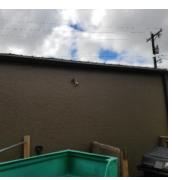
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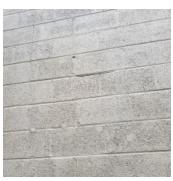
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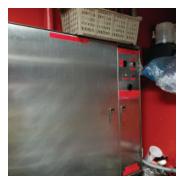
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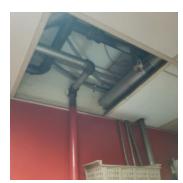
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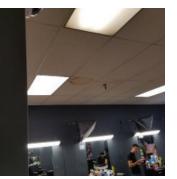


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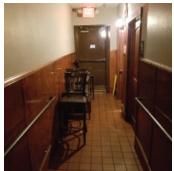


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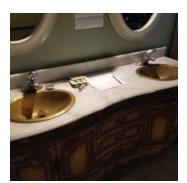
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6467 Lyndale Avenue South Redevelopment TIF District

Replacement Cost Report

RSMeans data	Square Foot Cost Estimate Report	Date: 10/2/2020
Estimate Name:	6467 Lyndale Ave S	
Building Type:	Store, Retail with Concrete Block & Metal	Studs / Steel Joists
Location:	RICHFIELD, MN	~~~ (a) (a)
Story Count:	1	WALL TALLE MALLET
Story Height (L.F.):	14.00	
Floor Area (S.F.):	10000	AS STATI BY IN A PARS ATTRACTOR
Labor Type:	OPN	
Basement Included:	Yes	
Data Release:	Year 2019	Costs are derived from a building model with basic components.
Cost Per Square Foot:	\$185.11	Scope differences and market conditions can cause costs to vary
Building Cost:	\$1,851,131.62	significantly.

			% Of	Cost	
		QTY			Cost
Α	Substructure		######	\$33.62	\$336,166.82
A1010	Standard Foundations			\$7.76	\$77,608.95
A10101102700	Strip footing, concrete, reinforced, load 11.1 KLF, soil bearing capacity 6 KSF, 12" deep x 24" wide	615		\$2.59	\$25,894.33
A10102107410	Spread footings, 3000 PSI concrete, load 100K, soil bearing capacity 6 KSF, 4' - 6" square x 15" deep	122.11		\$5.17	\$51,714.62
A1030	Slab on Grade			\$5.73	\$57,263.20
A10301202240	Slab on grade, 4" thick, non industrial, reinforced	10000		\$5.73	\$57,263.20
A2010	Basement Excavation			\$3.97	\$39,686.20
A20101104620	Excavate and fill, 10,000 SF, 8' deep, sand, gravel, or common earth, on site storage	10000		\$3.97	\$39,686.20
A2020	Basement Walls			\$16.16	\$161,608.47
A20201107260	Foundation wall, CIP, 12' wall height, pumped, .444 CY/LF, 21.59 PLF, 12" thick	615		\$16.16	\$161,608.47
В	Shell		######	\$67.11	\$671,100.62
B1010	Floor Construction			\$25.93	\$259,319.43
B10102030860	Cast-in-place concrete column, 12" square, tied, 200K load, 12' story height, 142 lbs/LF, 4000PSI	1465.3		\$11.68	\$116,762.43
B10102221720	Flat slab, concrete, with drop panels, 6" slab/2.5" panel, 12" column, 15'x15' bay, 75 PSF superimposed load, 153 PSF total load	10000		\$14.26	\$142,557.00
B1020	Roof Construction			\$9.96	\$99,554.30
B10201123300	Roof, steel joists, beams, 1.5" 22 ga metal deck, on columns, 25'x25' bay, 20" deep, 40 PSF superimposed load, 60 PSF total load	10000		\$8.27	\$82,651.10
B10201123400	Roof, steel joists, beams, 1.5" 22 ga metal deck, on columns, 25'x25' bay, 20" deep, 40 PSF superimposed load, 60 PSF total load, add for column	10000		\$1.69	\$16,903.20
B2010	Exterior Walls			\$17.53	\$175,306.00
B20101014000	Concrete wall, reinforced, 8' high, 8" thick, plain finish, 3000 PSI	7400		\$17.53	\$175,306.00
B2020	Exterior Windows			\$3.22	\$32,229.55
B20202101100	Aluminum flush tube frame, for 1/4"glass,1-3/4"x4", 5'x6' opening, no intermediate horizontals	86.1		\$0.25	\$2,470.94
B20202201000	Glazing panel, insulating, 1/2" thick, 2 lites 1/8" float glass, clear	1205.4		\$2.98	\$29,758.61

B2030	Exterior Doors		\$1.76	\$17,551.83
B20301106700	Door, aluminum & glass, without transom, bronze finish, hardware, 3'-0" x 7'-0" opening	3.75	\$1.38	\$13,848.69
B20302203450	Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" x 7'- 0" opening	1.25	\$0.37	\$3,703.14
B3010	Roof Coverings		\$8.59	\$85,937.73
B30101203400	Roofing, single ply membrane, EPDM, 60 mils, loosely laid, stone ballast	10000	\$1.79	\$17,876.00
B30103202700	Insulation, rigid, roof deck, extruded polystyrene, 40 PSI compressive strength, 4" thick, R20	10000	\$4.30	\$43,010.30
B30104201400	Roof edges, aluminum, duranodic, .050" thick, 6" face	615	\$1.75	\$17,549.03
B30106305100	Gravel stop, aluminum, extruded, 4", mill finish, .050" thick	615	\$0.75	\$7,502.40
B3020	Roof Openings		\$0.12	\$1,201.78
B30202100300	Roof hatch, with curb, 1" fiberglass insulation, 2'-6" x 3'-0", galvanized steel, 165 lbs	1	\$0.12	\$1,201.78
С	Interiors	######	\$16.64	\$166,395.74
C1010	Partitions		\$1.97	\$19,685.30
C10101265400	Metal partition, 5/8"fire rated gypsum board face, no base,3 -5/8" @ 24" OC framing, same opposite face, no insulation	1666.7	\$0.75	\$7,450.15
C10101280700	Gypsum board, 1 face only, exterior sheathing, fire resistant, 5/8"	7318.5	\$0.74	\$7,412.40
C10101280960	Add for the following: taping and finishing	7318.5	\$0.48	\$4,822.75
C1020	Interior Doors		\$1.09	\$10,943.07
C10201022600	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'-0" x 7'-0" x 1-3/8"	8.75	\$1.09	\$10,943.07
C1030	Fittings		\$0.20	\$1,993.04
C10301100460	Toilet partitions, cubicles, ceiling hung, stainless steel	1.25	\$0.20	\$1,993.04
C2010	Stair Construction		\$1.50	\$14,985.22
C20101100580	Stairs, CIP concrete, w/landing, 16 risers, with nosing	2	\$1.50	\$14,985.22
C3010	Wall Finishes		\$1.20	\$11,986.11
C30102300140	Painting, interior on plaster and drywall, walls & ceilings, roller work, primer & 2 coats	3000	\$0.27	\$2,707.29
C30102300140	Painting, interior on plaster and drywall, walls & ceilings, roller work, primer & 2 coats	7318.5	\$0.66	\$6,604.43
C30102301940	Ceramic tile, thin set, 4-1/4" x 4-1/4"	333.33	\$0.27	\$2,674.39
C3020	Floor Finishes		\$3.04	\$30,405.00
C30204101600	Vinyl, composition tile, maximum	10000	\$3.04	\$30,405.00
C3030	Ceiling Finishes		\$7.64	\$76,398.00
C30302107400	Acoustic ceilings, 3/4"mineral fiber, 12" x 12" tile, concealed 2" bar & channel grid, suspended support	10000	\$7.64	\$76,398.00
D	Services	######		\$436,016.49
D1010	Elevators and Lifts		\$7.44	\$74,449.60
D10101102200	Hydraulic, passenger elevator, 3000 lb, 2 floors, 100 FPM	1	\$7.44	\$74,449.60
D2010	Plumbing Fixtures		\$2.09	\$20,919.11
D20101102000	Water closet, vitreous china, tank type, 2 piece close coupled	2.5	\$0.36	\$3,639.36
D20102102000	Urinal, vitreous china, wall hung	1	\$0.14	\$1,390.40
D20103101560	Lavatory w/trim, vanity top, PE on CI, 20" x 18"	2.5	\$0.33	\$3,264.13
D20104404340	Service sink w/trim, PE on Cl,wall hung w/rim guard, 24" x 20"	2.5	\$0.95	\$9,514.00
D20108201880	Water cooler, electric, wall hung, dual height, 14.3 GPH	1.25	\$0.31	\$3,111.22
D2020	Domestic Water Distribution		\$2.82	\$28,206.55
D20202502220	Gas fired water heater, commercial, 100< F rise, 500 MBH input, 480 GPH	1	\$2.82	\$28,206.55

D2040	Rain Water Drainage			\$1.59	\$15,936.63
D20402104200	Roof drain, CI, soil,single hub, 4" diam, 10' high	6.25		\$1.45	\$14,456.25
D20402104240	Roof drain, CI, soil, single hub, 4" diam, for each additional foot add	25		\$0.15	\$1,480.38
D3050	Terminal & Package Units			\$8.72	\$87,220.30
D30501502560	Rooftop, single zone, air conditioner, department stores, 10,000 SF, 29.17	10000		\$8.72	\$87,220.30
D4010	Sprinklers			\$4.74	\$47,363.70
D40104101080	Wet pipe sprinkler systems, steel, ordinary hazard, 1 floor, 10,000 SF	10000		\$4.74	\$47,363.70
D4020	Standpipes			\$1.17	\$11,655.28
D40203101540	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, 1 floor	1.25		\$1.17	\$11,655.28
D5010	Electrical Service/Distribution			\$2.29	\$22,877.30
D50101200320	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 400 A	1		\$0.59	\$5,921.50
D50102300320	Feeder installation 600 V, including RGS conduit and XHHW wire, 400 A	50		\$0.48	\$4,801.00
D50102400200	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 400 A	1		\$1.22	\$12,154.80
D5020	Lighting and Branch Wiring			\$10.95	\$109,470.72
D50201100440	Receptacles incl plate, box, conduit, wire, 8 per 1000 SF, .9 watts per SF	10000		\$2.85	\$28,525.20
D50201350360	Miscellaneous power, 1.5 watts	10000		\$0.40	\$4,007.20
D50201400280	Central air conditioning power, 4 watts	13000		\$0.81	\$8,068.32
D50202100520	Fluorescent fixtures recess mounted in ceiling, 1.6 watt per SF, 40 FC, 10 fixtures @32watt per 1000 SF	12500		\$6.89	\$68,870.00
D5030	Communications and Security			\$1.79	\$17,917.30
D50309100452	Communication and alarm systems, fire detection, addressable, 25 detectors, includes outlets, boxes, conduit and wire	0.45		\$0.98	\$9,780.80
D50309100460	Fire alarm command center, addressable without voice, excl. wire &	1.25		\$0.81	\$8,136.50
E	Equipment & Furnishings		0.00%	\$0.00	\$0.00
E1090	Other Equipment			\$0.00	\$0.00
F	Special Construction		0.00%	\$0.00	\$0.00
G	Building Sitework		0.00%	\$0.00	\$0.00

SubTotal	100%	\$160.97	\$1,609,679.67
Contractor Fees (General Conditions, Overhead, Profit)	15.0 %	\$24.15	\$241,451.95
Architectural Fees	0.0 %	\$0.00	\$0.00
User Fees	0.0 %	\$0.00	\$0.00
Total Building Cost		\$185.11	\$1,851,131.62

6467 Lyndale Avenue South Redevelopment TIF District

Code Deficiency Cost Report

Parcel B - 6467 Lyndale Ave S, Richfield, Minnesota 55423

Parcel ID 2702824230010

Code Related Cost Items	l	Unit Cost	Unit Quantity	Units		Total
Accessibility Items						
Accessible Routes						
Create a code required accessible route to all levels of the building.	\$	7.44	SF	10,000	\$	74,400.00
Restrooms						
Create code required accessible restrooms	\$	1.03	SF	10,000	\$	10,300.00
Freight Elevator						
Correct code issues on freight elevator	\$	5,000.00	Lump	1	\$	5,000.00
Structural Elements						
Steel Lintels						
Protect steel lintels from rusting per code	\$	250.00	Lump	1	\$	250.0
Brick Walls						
Repair damaged brick walls to prevent water intrusion per code	\$	1,000.00	Lump	1	\$	1,000.0
Exiting						
Stairways						
Modify interior stairways to comply with code	\$	20,000.00	Lump	1	\$	20,000.0
Thresholds						
Modify thresholds to comply with code for maximum height	\$	500.00	Lump	1	\$	500.0
Door Hardware						
Install code compliant door hardware	\$	250.00	EA	20	\$	5,000.0
Glass Doors						
Install code required 10-inch kick plates on glass doors	\$	100.00	EA	16	\$	1,600.0
Carpeting Replace damaged carpeting to create an unimpeded means for						
emergency egress per code	\$	3.04	SF	5,000	\$	15,200.0
	Ψ	0.01	01	0,000	Ψ	10,200.0
Fire Protection						
Smoke Detectors	¢	0.00	ог	10.000	¢	9,800.0
Install code compliant smoke detectors Emergency Lighting	\$	0.98	SF	10,000	\$	9,000.0
Install code compliant emergency lighting	\$	0.75	SF	10,000	\$	7,500.0
Emergency Notification System	ψ	0.75	0	10,000	ψ	7,500.0
Install code compliant emergency notification system	\$	0.81	SF	10,000	\$	8,100.0
Building Sprinkler System	Ψ	0.01	01	10,000	Ψ	0,100.0
Install code compliant building sprinkler system	\$	2.00	SF	10,000	\$	20,000.0
Exterior Construction						
Exterior Construction Windows						
Install code compliant windows	\$	3.23	SF	10,000	¢	32,300.0
	φ	3.23	ЭГ	10,000	φ	32,300.0
467 Lyndale Avenue South Redevelopment TIF District				Code F)eficie	ency Cost Rep

Strip Mall

Code Related Cost Items	Un	it Cost	Unit Quantitv	Units	Total
Roof Construction					
Roofing Material					
Remove failed roofing material	\$	0.75	SF	10,000	\$ 7,500.00
Install roofing material to prevent water intrusion per code	\$	8.71	SF	10,000	\$ 87,100.00
Mechanical- Electrical					
Mechanical					
Install code compliant HVAC system	\$	8.72	SF	10,000	\$ 87,200.00
Electrical					
Install code compliant electrical lighting	\$	6.89	SF	10,000	\$ 68,900.00
		Total C	ode Improv	vements	\$ 461,650





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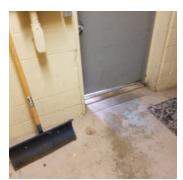


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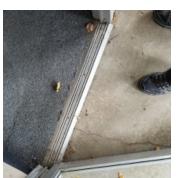




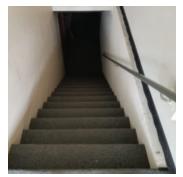
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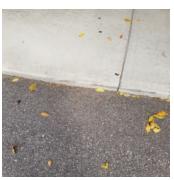
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6467 Lyndale Avenue South Redevelopment TIF District Replacement Cost Report

RSMeans data from GORDIAN	Square Foot Cost Estimate Report		Date:	10/5/2020
Estimate Name:	415 64 1/2 St West			
Building Type:	Economy 1 Story with Wood Siding - Wood F	rame		
Location:	RICHFIELD, MN			
Story Count:	1	ALL STREET		-s-a
Story Height (L.F.):	8.00	AND		
Floor Area (S.F.):	900		W THE D	and a start
Labor Type:	RES	The Color March March	Contraction of the second	<u> 71</u> -
Basement:	Finished			
Data Release:	Year 2019		Costs are derived from a building mode	el with basic components.
Cost Per Square Foot:	\$160.94		Scope differences and market conditio significantly.	ns can cause costs to vary
Building Cost:	\$144,843.68		agrinoanuy.	

		% of Total	Cost Per S.F.	Cost
01	Site Work	2.37%	\$3.32	\$2,990.39
0104034	Footing excavation, building, 26' x 46', 4' deep		\$3.32	\$2,990.39
02	Foundation	20.16%	\$28.22	\$25,395.26
0204030	Footing systems, 10" thick by 20" wide footing		\$3.16	\$2,841.27
0208034	Block wall systems, 8" wall, grouted, full height		\$11.05	\$9,943.86
0208034	Block wall systems, 8" wall, grouted, full height		\$9.67	\$8,700.88
0220034	Floor slab systems, 4" thick slab		\$4.34	\$3,909.25
03	Framing	14.65%	\$20.50	\$18,452.56
0302106	Floor framing, wood joists, #2 or better, pine, 2" x 8", 16" OC		\$2.07	\$1,861.82
0302112	Floor framing, bridging, wood 1" x 3", joists 16" OC		\$0.40	\$357.90
0302119	Box sills, #2 or better pine, 2" x 8"		\$0.31	\$279.87
0302123	Girders, including lally columns, 3 pieces spiked together, 2" x 8"		\$1.68	\$1,511.97
0308026	Exterior wall framing systems, 2" x 4", 16" OC		\$0.49	\$442.99
0308026	Exterior wall framing systems, 2" x 4", 16" OC		\$5.20	\$4,675.63
0316042	Truss roof framing systems, 24" OC, 4/12 pitch, 1' overhang, 26' span		\$7.21	\$6,485.76
0348026	Partition framing systems, 2" x 4", 16" OC		\$3.15	\$2,836.62
04	Exterior Walls	14.75%	\$20.64	\$18,574.40
0416042	Metal & plastic siding systems, vinyl clapboard siding, 8" wide, white		\$6.79	\$6,111.00
0420043	Non-rigid insul, batts, fbgls, kraft faced, 3-1/2" thick, R13, 15" W		\$0.84	\$755.45
0420051	Non-rigid insul, batts, fbgls, kraft faced, 12" thick, R38, 23" wide		\$1.57	\$1,416.82
0440026	Sliding window systems, builder's quality wood window, 3' x 2'		\$7.28	\$6,552.15
0452046	Door systems, solid core birch, flush, 3' x 6'-8"		\$3.19	\$2,874.96
0460025	Storm door, al, combination, storm & screen, anodized, 3'-0" x 6'-8"		\$0.96	\$864.02
05	Roofing	3.91%	\$5.48	\$4,930.73
0504034	Gable end roofing, asphalt, roof shingles, class A		\$5.48	\$4,930.73
06	Interiors	27.56%	\$38.57	\$34,716.41

Total Building Co	st		\$160.94	\$144,843.68
User Fees		0.0 %	\$0.00	\$0.00
Architectural Fees	General Conditions, Overhead, Profit)	15.0 % 0.0 %	\$20.99 \$0.00	\$18,892.6 \$0.00
SubTotal	Concred Conditions Overhead Profit	100%	\$139.95	
0945112	Light fixture systems, economy to 1200 S.F.		\$0.54	\$482.63
0935112	Wiring device systems, economy to 1200 S.F.		\$2.00	\$1,804.14 \$482.62
0930018	Duplex receptacles using non-metallic sheathed cable		\$1.70	\$1,528.62
0910036	100 amp electric service		\$1.36	\$1,226.27
0040026	Electrical	4.00%	\$5.60	\$5,041.60
0860147	Plenum, heating only, 100 MBH	4.00%	\$0.19 \$5.00	\$175.2
0860143	Thermostat, manual, 1 set back		\$0.14	\$125.58
0860139	Return air grille, area to 1500 SF 12" x 12"		\$0.10	\$87.43
0860137	Floor registers, enameled steel w/damper, to 1500 SF		\$0.34	\$303.30
0860135	Register elbows, to 1500 SF		\$0.52	\$469.8
0860123	Lateral ducts, flexible round 6" insulated, to 1200 SF		\$0.91	\$820.12
0860121	Return duct, sheet metal galvanized, to 1500 SF		\$1.02	\$921.9
0860111	Supply duct, rectangular, area to 1200 SF, rigid fiberglass		\$0.85	\$767.9
0860109	Intermittent pilot, 100 MBH furnace		\$0.31	\$282.1
0860101	Furnace, gas heating only, 100 MBH, area to 1200 SF		\$1.33	\$1,196.4
0812046	Three fixture bathroom with wall hung lavatory		\$5.30	\$4,766.8
8	Mechanical	7.87%	\$11.02	\$9,916.9
0712039	Water heater, electric, 30 gallon		\$1.53	\$1,377.4
0712035	Sinks, stainless steel, single bowl 16" x 20"		\$1.89	\$1,703.5
0708026	Kitchen, economy grade		\$3.17	\$2,851.7
07	Specialties	4.71%	\$6.59	\$5,932.7
0690137	Basement stairs, open risers		\$1.31	\$1,181.0
0664048	Resilient flooring, sleepers, treated, 16" OC, 1" x 3"		\$1.08	\$968.3
0664008	Resilient flooring, asphalt tile on wood subflr, 1/8" thk, group B		\$3.13	\$2,817.0
0660038	Underlayment plywood, 1/2" thick		\$2.11	\$1,901.8
0660027	Padding, sponge rubber cushion, minimum		\$0.77	\$693.1
0660017	Carpet, Olefin, 15 oz		\$2.07	\$1,867.2
0620026	Lauan, flush door, hollow core, interior		\$7.45	\$6,704.1
0618034	Suspended ceiling 2' x 4' grid, film faced fiberglass, 5/8" thick		\$5.30	\$4,765.7
0608026	1/2" gypsum wallboard, taped & finished ceilings		\$2.75	\$2,476.4
0604026	Wall system, 1/2" drywall, taped & finished		\$3.42	\$3,074.0
0604026	Wall system, 1/2" drywall, taped & finished		\$9.19	\$8,267.3

6467 Lyndale Avenue South Redevelopment TIF District

Code Deficiency Cost Report

Parcel C - 415 64 1/2 Street W, Richfield, Minnesota 55423

Residential Dwelling

Parcel ID 2702824230053

Code Related Cost Items	ι	Jnit Cost	Unit Quantity	Units	Total
Accessibility Items					
Bathroom					
Modify fixture spacing to comply with code	\$	5.30	SF	900	\$ 4,770.00
Structural Elements					
					\$ -
Exiting					
Stairway					
Basement stairway does not comply with code	\$	1.31	SF	900	\$ 1,179.00
Replace concrete steps to comply with code	\$	2,500.00	Lump	1	\$ 2,500.00
Fire Protection					
Smoke Detectors					
Install code compliant smoke detectors	\$	150.00	EA	3	\$ 450.00
Carbon Monoxide Detectors					
Install code compliant carbon monoxide detectors	\$	150.00	EA	2	\$ 300.00
Arc Fault Circuit Interrupters					
Install code required AFCI's	\$	150.00	EA	8	\$ 1,200.00
Ground Fault Circuit Interrupters					
Install code required GFCI's in kitchen	\$	150.00	EA	1	\$ 150.00
Exterior Construction					
Windows					
Install code compliant windows to prevent water intrusion per code	\$	7.28	SF	900	\$ 6,552.00
Roof Construction					
Roofing Material					
Remove failed roofing material	\$	0.50	SF	900	\$ 450.00
Install roofing material to prevent water intrusion per code	\$	5.84	SF	900	\$ 5,256.00
Mechanical- Electrical					
Mechanical					
Install code compliant HVAC system	\$	5.71	SF	900	\$ 5,139.00
	Т	otal Code	e Improv	ements	\$ 27,946





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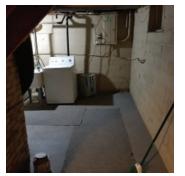
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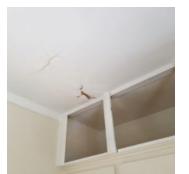


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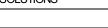
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AGENDA SECTION: AGENDA ITEM # RESOLUTIONS

8.





STAFF REPORT NO. 150 CITY COUNCIL MEETING 11/24/2020

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

DEPARTMENT DIRECTOR REVIEW: John Stark, Community Development Director 11/18/2020

OTHER DEPARTMENT REVIEW:

CITY MANAGER REVIEW: Katie Rodriguez, City Manager 11/19/2020

ITEM FOR COUNCIL CONSIDERATION:

Consider a resolution and a first reading of an ordinance establishing a six-month moratorium on the development of certain properties in the vicinity of Veteran's Park. The moratorium would apply to properties that are guided for Medium and High Density Residential or Commercial use in the 2040 Richfield Comprehensive Plan.

EXECUTIVE SUMMARY:

Veteran's Park is an important community asset, providing year-round recreational opportunities for Richfield residents and visitors. The 108-acre park includes important facilities (ice arena, pool, mini-golf, band shell), as well as as natural space, and the Veteran's Memorial.

The City's Comprehensive Plan guides land uses along the edge of the Park, along Portland Avenue and 66th Street, as a mix of low to high density residential and community commercial, but provides no specific guidance for how these parcels relate to the Park itself. The American Legion (Legion) owns a large piece of property that essentially extends into the Park. As the Legion prepares to sell this property, staff has begun considering how the redevelopment of this parcel, and others nearby, could be done in a way that would be complimentary to the Park - adding value to any potential redevelopment and also to one of the City's most popular destinations.

Staff is recommending that the City Council conduct a planning study of the area along Portland Avenue between Highway 62 and 67th Street and 66th Street between 5th Avenue and 11th Avenue. The study would provide an opportunity for additional policymaker and community engagement to better inform redevelopment goals. In order to conduct this study, we recommend a short-term (6-month) moratorium on properties with a Planned Land Use designation of Medium Density Residential, High Density Residential, or Community Commercial in the 2040 Comprehensive Plan. Without a moratorium, development could occur in this area that satisfies the minimum requirements of the Zoning Code, but does not meet the intent or long-term goals of the City.

The likely outcome of a study would be a recommendation for either zoning modification though adoption of an Overlay District, similar to what has been done for the Penn Avenue Corridor, or design guidelines. In either case, the purpose would be to ensure that private and public investments in the area works together for mutual benefit.

RECOMMENDED ACTION:

By Motion: Adopt the attached resolution and conduct a first reading of the attached ordinance establishing a six-month moratorium on the development of properties in the vicinity of Veteran's Park that are guided for Medium or High Density Residential, or Commercial use in the 2040 Comprehensive Plan, and schedule a public hearing and second reading of the attached ordinance for December 8, 2020.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- Planned land use designations in Veteran's Park area have changed only slightly over the past 25 years, modestly expanding and contracting the commercial areas at the 66th & Portland interchange and varying residential densities along both streets.
- The home at 6505 Portland Avenue was built in 1935. The Legion and the Morris Nilson Funeral Chapel were constructed in 1956 and 1958, respectively.
- The City most recently studied the 66th Street portion of the proposed study area in partnership with Hennepin County, prior to the road reconstruction (2011). Identified next steps included continued collaboration with property owners in the area of Veteran's Park to strengthen the relationship between public and private spaces.

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

- State Law allows cities to adopt interim ordinances for the purposes of protecting the planning process and the health, safety, and welfare of its citizens.
- Should the attached resolution be approved, affected property owners will be notified of the resolution and upcoming public hearing on the proposed ordinance.
- If approved, the moratorium may be rescinded at any time.

C. CRITICAL TIMING ISSUES:

- There is a potential for the submittal of land use or building permit applications which do not meet the intent or long-term goals of the City for this area.
- It is likely that the Legion site will be sold for redevelopment in the near future.
- The City does not wish to unduly delay a sale or the redevelopment of this parcel or any other within the planning study area; however, it is important to take a closer look at our current regulations and whether or not they provide sufficient guidance to achieve community goals for the area.

D. FINANCIAL IMPACT:

Staff spoke with several planning firms about the potential study and ultimately requested proposals from two firms. Staff anticipates bringing a contract to the Council for consideration in December.

E. LEGAL CONSIDERATION:

Notice of the public hearing will be sent, if this first reading and resolution are approved.

ALTERNATIVE RECOMMENDATION(S):

Decline or delay adoption of a moratorium in relation to a study of the land use controls in the Veterans Park Area.

PRINCIPAL PARTIES EXPECTED AT MEETING:

ATTACHMENTS:

	Description	Туре
D	Resolution	Resolution Letter
D	Ordinance	Ordinance
D	Map - Moratorium Area	Exhibit

CITY OF RICHFIELD STATE OF MINNESOTA

RESOLUTION NO.

A RESOLUTION ESTABLISHING A SIX-MONTH MORATORIUM ON THE DEVELOPMENT OF CERTAIN PROPERTIES IN THE VINICITY OF VETERANS MEMORIAL PARK THAT ARE GUIDED FOR MEDIUM DENSITY RESIDENTIAL, HIGH DENSITY RESIDENTIAL, OR COMMUNITY COMMERCIAL USE IN THE 2040 RICHFIELD COMPREHENSIVE PLAN, AND DIRECTING THAT A PLANNING STUDY BE CONDUCTED

WHEREAS, the 2040 Richfield Comprehensive Plan (the "Comprehensive Plan") describes Veterans Memorial Park as one of the City's most popular parks and a destination park drawing in people from the surrounding metro area; and

WHEREAS, the Comprehensive Plan identifies the need for additional study of a Community Center strategy to weigh costs and benefits of a potential community center, potential locations, and more; and

WHEREAS, the 66th Street Corridor Plan ("66th Street Plan") identifies a need for continued exploration of public/private partnerships, synergy of future uses with adjacent neighborhoods, and a strategic vision to strengthen development along East 66th Street; and

WHEREAS, the City has not studied or adopted any zoning or design regulations specific to the Veterans Memorial Park area that would effectuate the synergy and strengthened relationship contemplated by these plans, nor has the City further explored a potential Community Center as described in the Comprehensive Plan; and

WHEREAS, some of the land within the area of Veterans Memorial Park that is guided for Medium Density Residential, High Density Residential, or Community Commercial use is presently zoned R – Low-Density Residential; and

WHEREAS, at the present time there is no zoning classification, overlay district regulations, or design guidelines that appropriately correspond to the type of development contemplated in the Veterans Memorial Park Area; and

WHEREAS Minnesota Statutes Section 473.865, subdivision 3 requires that official controls, such as zoning codes, that are inconsistent with the Comprehensive Plan be amended within nine months of adoption of the Comprehensive Plan so as not to conflict with the Comprehensive Plan; and

WHEREAS, the City of Richfield has received information that a large parcel of land in this area may soon be available for redevelopment; and

WHEREAS the City has received more than one inquiry about potential redevelopment of property within the Veterans Memorial Park Area that further evidences the need for the City to bring its official controls into conformance with its Comprehensive Plan; and

WHEREAS the lack of an adequate and available zoning classification that corresponds to the desire for a complementary development is a barrier to staged and orderly implementation of the Comprehensive Plan and is contrary to the fundamental precepts of orderly municipal planning; and WHEREAS the public interest will be harmed if piecemeal development is permitted to continue according to zoning standards that conflict with the stated goals of the Comprehensive Plan; and

WHEREAS the City Council has determined a need to undertake a study to determine the appropriate zoning controls for the land in the Veterans Memorial Park area that is guided for Medium Density Residential, High Density Residential, or Community Commercial use; and

WHEREAS upon completion of the study, the City Council, together with such city commissions as the City Council deems appropriate or as may be required by law, will consider the advisability of amending certain official controls, which may include the City's Comprehensive Plan, zoning ordinance, and capital improvement program, or other official controls.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RICHFIELD, MINNESOTA as follows:

- 1. The City Council finds that it is necessary to conduct planning studies to determine the appropriate land use controls that should apply to properties that meet all of the following characteristics:
 - a. The lands have a Comprehensive Plan land use guide plan designation of Medium Density Residential, High Density Residential, or Community Commercial; and
 - b. The lands are located within the Veterans Memorial Park Area, which is defined as that area lying along Portland Avenue between Highway 62 to the North and 67th Street to the South, and 66th Street East between 5th Avenue and 12th Avenue.
- 2. The purpose of the study to be conducted includes, but is not limited to determining the appropriate land use and development standards that should apply to such property and determining the appropriate changes, if any that should be made to the City's official land use controls, including but not limited to the City's Zoning Ordinance, Comprehensive Plan and Capital Improvement Program.
- 3. The City Council finds that there is a need to adopt a moratorium ordinance for a portion of the City ("Moratorium Area"), while the study referenced in paragraph 1 of this resolution is being conducted. The Moratorium Area includes those properties generally described in the preceding paragraph 1 and shown in the attached Exhibit A.
- 4. The City Council finds that this moratorium should apply to the following types of land use applications, as more specifically described at section 3.02 below: requests for rezoning, subdivisions, conditional use permits, site plan review, and building permits for construction in excess of 500 square feet, all signs, or exterior remodeling.
- 5. A study is authorized to be conducted by City staff, to be followed by consideration of potential changes to the city's official land use controls by the City Council and such other commissions of the City as required by law or as directed by the City Council.

- 6. Pending completion of the study and adoption of any amendments to the City's official controls, a moratorium is established on the issuance of City approvals for the properties in the Moratorium Area, as provided in this section:
 - a. Except as provided at subparagraph c of this paragraph, no building permit may be issued (i) for the expansion of any existing use in the Moratorium Area, where the expansion is greater than 500 square feet, or (ii) for the establishment of a new use; or (iii) for exterior remodeling or façade improvements; or (iv) for the construction of a new building.
 - b. Except as provided at subparagraph c of this paragraph, no applications for any of the following approvals may be granted or processed during the period of the moratorium: rezoning, comprehensive land use plan amendment, subdivision or consolidation approval, variances, conditional use permits, site plan approval, free-standing or monument signs, or changes in curb cut location.
 - c. The moratorium will not apply to building permits issued for routine maintenance or routine repairs of an existing use that do not constitute an expansion or a change in use. The moratorium will not apply to interior remodeling or improvements. The moratorium will not apply to wall signs related to change in tenancy.
- 7. During the period of the moratorium, applications for any such approvals related to property in the Moratorium Area shall not be accepted by the City nor shall the Planning Commission or City Council consider or grant approval of any such application, except after approval of the City Council as provided in paragraph 9 of this resolution.
- 8. The Moratorium established by this resolution shall apply to any application pending as of the date of this resolution, but it shall not apply to a subdivision or consolidation that has received preliminary plat approval prior to the adoption of this resolution, nor shall the moratorium extend the timeline for acting upon an application as provided in Minnesota Statutes, Section 15.99. Any application submitted to which the moratorium applies shall be denied unless the application includes a specific request that it be excepted from the moratorium, in which case the City staff shall submit the application to the City Council for consideration of granting an exception.
- 9. The City Council may approve exceptions to this moratorium for an application if the City Council, in its sole discretion, determines that the approval being sought will not interfere with the purposes for which this moratorium was adopted.
- 10. Unless earlier repealed by the City Council, the moratorium established under this resolution shall remain in effect for a period of six months after its effective date.
- 11. This resolution is effective upon adoption.

Elizabeth VanHoose, City Clerk

CITY OF RICHFIELD STATE OF MINNESOTA

ORDINANCE NO.

AN ORDINANCE ESTABLISHING A SIX-MONTH MORATORIUM ON THE DEVELOPMENT OF CERTAIN PROPERTIES IN THE VINICITY OF VETERANS MEMORIAL PARK THAT ARE GUIDED FOR MEDIUM DENSITY RESIDENTIAL, HIGH DENSITY RESIDENTIAL, OR COMMUNITY COMMERCIAL USE IN THE 2040 RICHFIELD COMPREHENSIVE PLAN, AND DIRECTING THAT A PLANNING STUDY BE CONDUCTED

THE CITY OF RICHFIELD DOES ORDAIN:

Section 1. Background.

- 1.01. The 2040 Richfield Comprehensive Plan ("Comprehensive Plan") describes Veterans Memorial Park as one of the City's most popular parks and a destination park drawing in people from the surrounding metro area.
- 1.02. The Comprehensive Plan identifies the need for additional study of a Community Center strategy to weigh costs and benefits of a potential community center, potential locations, and more; and
- 1.03. The 66th Street Corridor Plan ("66th Street Plan") identifies a need for continued exploration of public/private partnerships, synergy of future uses with adjacent neighborhoods, and a strategic vision to strengthen development along East 66th Street.
- 1.04. The City has not studied or adopted any zoning or design regulations specific to the Veterans Memorial Park area that would effectuate the synergy and strengthened relationship contemplated by these plans, nor has the City further explored a potential Community Center as described in the Comprehensive Plan
- 1.05. The Comprehensive Plan guides certain parcels of land in the vicinity of Veterans Memorial Park as Medium Density Residential, High Density Residential, or Community Commercial.
- 1.06. Some of the land within the area of Veterans Memorial Park that is guided for Medium Density Residential, High Density Residential, or Community Commercial use in the Comprehensive Plan is presently zoned R – Low-Density Residential.
- 1.07. At the present time there is no zoning classification, overlay district regulations, or design guidelines that appropriately correspond to the type of development contemplated in the Veterans Memorial Park Area.
- 1.08. Minnesota Statutes Section 472.865, subdivision 3 requires that official controls, such as zoning codes, that are inconsistent with the Comprehensive Plan be amended within nine months of adoption of the Comprehensive Plan so as not to conflict with the Comprehensive Plan.
- 1.09. The City has received more than one inquiry about potential redevelopment of property within the Veterans Memorial Park Area that further evidences

the need for the City to bring its official controls into conformance with its Comprehensive Plan.

- 1.10. The lack of an adequate and available zoning classification that corresponds to the desire for a complementary development is a barrier to staged and orderly implementation of the Comprehensive Plan and is contrary to the fundamental precepts of orderly municipal planning; and
- 1.11. The public interest will be harmed if piecemeal development is permitted to continue according to zoning standards that conflict with the stated goals of the Comprehensive Plan.
- 1.12. The City Council has determined a need to undertake a study to determine the appropriate zoning controls for the land in the Veterans Memorial Park area that is guided for Medium Density Residential, High Density Residential, or Community Commercial use.
- 1.13. Upon completion of the study, the City Council, together with such city commissions as the City Council deems appropriate or as may be required by law, will consider the advisability of amending certain official controls, which may include the City's Comprehensive Plan, zoning ordinance, and capital improvement program, or other official controls.
- 1.14. Minnesota Statutes, Section 462.355, subdivision 4 allows the City to adopt an interim ordinance for the purpose of protecting the planning process and the health, safety, and welfare of its citizens.
- Sec. 2. Findings.
- 2.01 The City Council finds that it is necessary to conduct planning studies to determine the appropriate land use controls that should apply to properties that meet all of the following characteristics:
- a. The lands have a Comprehensive Plan land use guide plan designation of Medium Density Residential, High Density Residential, or Community Commercial; and
- b. The lands are located within the Veterans Memorial Park Area, which is defined as that area lying along Portland Avenue between Highway 62 to the North and 67th Street to the South, and 66th Street East between 5th Avenue and 12th Avenue;
- 2.02 The purpose of the studies to be conducted includes, but is not limited to determining the appropriate land use and development standards that should apply to such property and determining the appropriate changes, if any that should be made to the City's official land use controls, including but not limited to the City's Zoning Ordinance, Comprehensive Plan and Capital Improvement Program.
- 2.03 The City Council finds that there is a need to adopt a moratorium ordinance for a portion of the City to prevent development within the Moratorium Area as shown in Exhibit A, while the studies referenced in section 2.01 are conducted.
- 2.04 The City Council finds that this moratorium should apply to the following types of land use applications, as more specifically described at section 3.02 below: requests for rezoning, subdivisions, conditional use permits, site plan

review, and building permits for construction in excess of 500 square feet, all signs, or exterior remodeling.

Sec. 3. Planning Study: Moratorium.

3.01. A study is authorized to be conducted by City staff, to be followed by consideration of potential changes to the city's official land use controls by the City Council and such other commissions of the City as required by law or as directed by the City Council.

3.02. Pending completion of the study and adoption of any amendments to the City's official controls, a moratorium is established on the issuance of City approvals for the properties in the Moratorium Area, as provided in this section:

- a. Except as provided at paragraph c of this section 3.02, no building permit may be issued (I) for the expansion of any existing use in the Moratorium Area, where the expansion is greater than 500 square feet, or (ii) for the establishment of a new use; or (iii) for exterior remodeling or façade improvements; or (iv) for the construction of a new building.
- b. Except as provided at paragraph c of this section 3.02, no applications for any of the following approvals may be granted or processed during the period of the moratorium: rezoning, comprehensive land use plan amendment, subdivision or consolidation approval, variances, conditional use permits, site plan approval, free-standing or monument signs, or changes in curb cut location.
- c. The moratorium will not apply to building permits issued for routine maintenance or routine repairs of an existing use that do not constitute an expansion or a change in use. The moratorium will not apply to interior remodeling or improvements. The moratorium will not apply to wall signs related to change in tenancy.
- 3.03 During the period of the moratorium, applications for any such approvals related to property in the Moratorium Area shall not be accepted by the City nor shall the Planning Commission or City Council consider or grant approval of any such application, except after approval of the City Council as provided in section 3.05 of this ordinance.
- 3.04 The Moratorium established by this ordinance shall apply to any application pending as of the date of this ordinance, but it shall not apply to a subdivision or consolidation that has received preliminary plat approval prior to the adoption of Resolution No._____, nor shall the moratorium extend the timeline for acting upon an application as provided in Minnesota Statutes, Section 15.99. Any application submitted to which the moratorium applies shall be denied unless the application includes a specific request that it be excepted from the moratorium, in which case the City staff shall submit the application to the City Council for consideration of granting an exception.
- 3.05 The City Council may approve exceptions to this moratorium for an application if the City Council, in its sole discretion, determines that the approval being sought will not interfere with the purposes for which this moratorium was adopted.

Sec. 4. <u>Enforcement.</u> The City may enforce this ordinance by mandamus, injunction or other appropriate civil remedy in any court of competent jurisdiction.

Sec. 5. <u>Term.</u> Unless earlier repealed by the City Council, the moratorium established under this ordinance shall remain in effect until May 24, 2021. The moratorium may be extended for a reasonable time, in accordance with Minnesota Statutes Section 462.355.

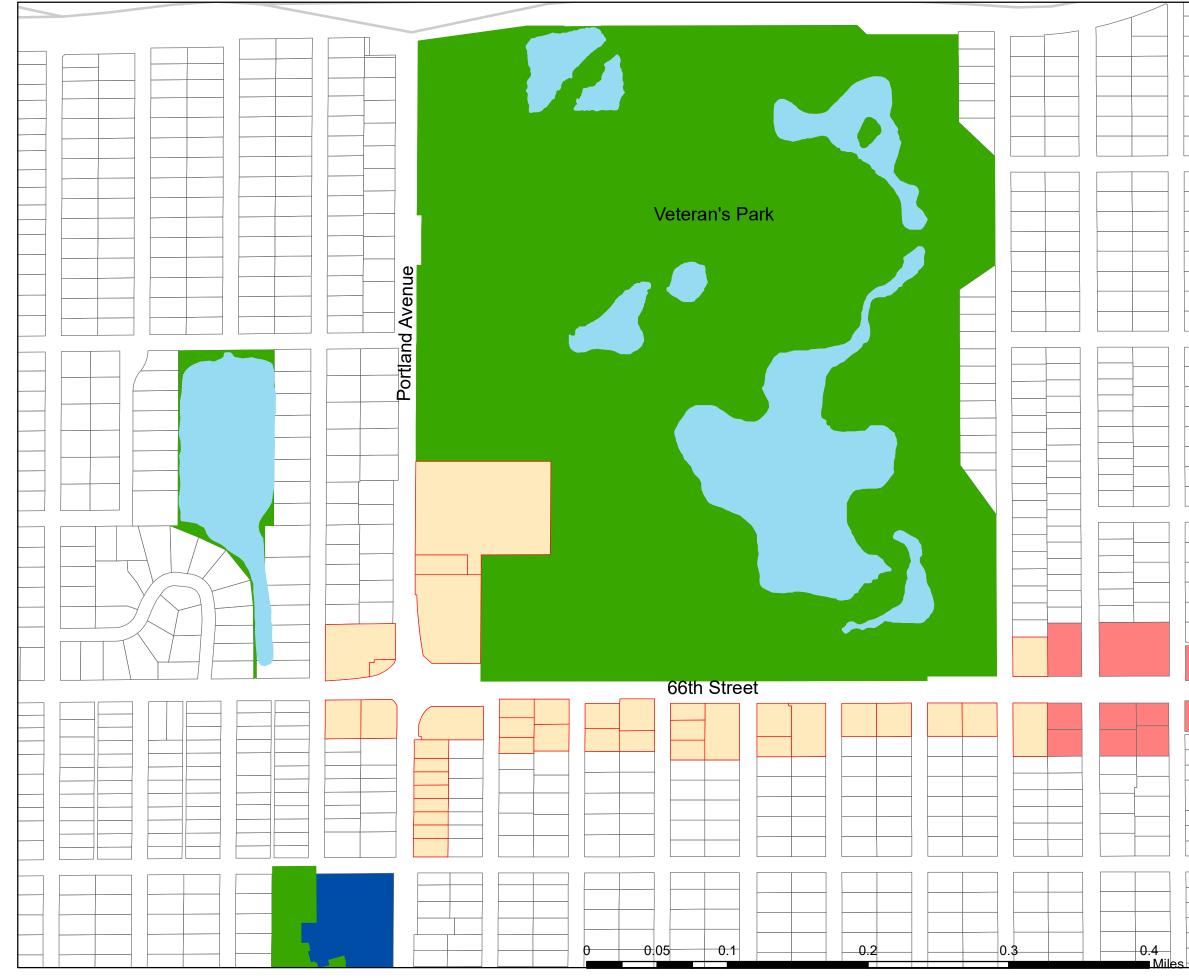
Sec. 6. <u>Effective Date.</u> This ordinance is effective as provided by section 3.09 of the Richfield City Charter.

Maria Regan Gonzalez, Mayor

ATTEST:

Elizabeth VanHoose, City Clerk

Veteran's Park Area Study Area



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