



**PLANNING COMMISSION MEETING
RICHFIELD MUNICIPAL CENTER, COUNCIL CHAMBERS
JULY 23, 2018
7:00 PM**

Call to Order

Approval of minutes of the regular Planning Commission meeting of June 25, 2018.

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

Agenda Approval

1. Approval of the Agenda

Public Hearings

2. Consideration of the adoption of a resolution authorizing a three year interim use permit to allow temporary inventory storage of vehicles on a designated parking lot of the Church of St. Richard located at 7540 Penn Avenue.
3. Continue a public hearing to consider plans for the Cedar Point housing development along Richfield Parkway to August 27, 2018.

18-PUD-03, 18-RZN-03

Other Business

4. Consideration of a resolution finding that the following are consistent with the Richfield Comprehensive Plan:
 - 1) Modification to the Redevelopment Plan for the Richfield Redevelopment Project Area;
 - 2) Modification to the Tax Increment Financing Plan for the Cedar Avenue Tax Increment Financing District, and
 - 3) Proposed establishment of Tax Increment Financing District No. 2018-1.

Letter #8

Liaison Reports

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

City Planner's Reports

5. City Planner's Report

6. Next Meeting Time and Location

August 27, 2018, at 7:00 p.m. in the Council Chambers.

7. Adjournment

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



Planning Commission Minutes

June 25, 2018

MEMBERS PRESENT: Acting Chairperson Allysen Hoberg, Susan Rosenberg, Dan Kitzberger, James Rudolph, Bryan Pynn, and Kathryn Quam

STAFF PRESENT: Melissa Poehlman, Assistant Community Development Director
Matt Brillhart, Associate Planner
Chris Regis, Finance Manager

OTHERS PRESENT: Tim Carter, Richfield Bloomington Honda– applicant & representative
Tom Krey, Variance applicant
Lisa Hendricks, Partnership Academy
Ben Ford, Rehder and Associates

See attached sign-in sheet for additional speakers.

Acting Chairperson Allysen Hoberg called the meeting to order at 7:00 p.m.

APPROVAL OF MINUTES

M/Rudolph, S/Rosenberg to approve the minutes of the May 29, 2018 meeting.

Motion carried: 6-0

OPEN FORUM

No members of the public spoke.

ITEM #1 APPROVAL OF AGENDA

M/Rudolph, S/Rosenberg to approve the agenda.

Motion carried: 6-0

ITEM #2 OTHER BUSINESS

Consideration of the 2020-2023 Capital Improvement Program and a finding of consistency with the Comprehensive Plan of the Capital Improvement Program and the 2019 Capital Improvement Budget.

Finance Manager Chris Regis presented the staff report.

M/Quam, S/Pynn to recommend approval of the Capital Improvement Program and Budget and find that it is consistent with the Comprehensive Plan.

Motion carried: 6-0

PUBLIC HEARING(S)

ITEM #3

18-IUP-01 – Consider a resolution authorizing an interim use permit to allow Richfield Bloomington Honda to use City-owned property at 7700 Pillsbury Avenue for employee parking.

Associate Planner Matt Brillhart presented the staff report.

In response to Commissioner Rudolph, Poehlman explained that the long-term plan for the Planned Unit Development includes a parking ramp. The applicant Tim Carter explained that their plans for the ramp are in process and are hoping to have the parking ramp built by 2020.

AC Hoberg opened the public hearing.

May 29, 2018

No members of the public spoke.

M/Rosenberg, S/Pynn to close the public hearing.

Motion carried: 6-0

M/Pynn, S/Rudolph to recommend approval of a Resolution authorizing an 18 month interim use permit to allow Richfield Bloomington Honda to use City-owned property at 7700 Pillsbury Avenue for employee parking.

Motion carried: 6-0

ITEM #4

18-VAR-07 – Public hearing to consider a request for a variance to allow a larger accessory building at 6826 Humboldt Avenue S.

Associate Planner Matt Brillhart presented the staff report.

In response to Commissioner Pynn, the applicant Tom Krey explained that the shed will be constructed based off of engineered blueprints. Krey clarified for Commissioner Quam that the shed will be located closest to the neighbor who wrote a letter of support for the variance.

AC Hoberg opened the public hearing.

No members of the public spoke.

M/Rosenberg, S/Pynn to close the public hearing.

Motion carried: 6-0

M/Rudolph, S/Rosenberg to recommend approval of a resolution granting a variance to allow an accessory shed that is 192 square feet in area and 13 feet in height at 6826 Humboldt Avenue S.

Motion carried: 6-0

ITEM #5

18-APUD-03 - Public hearing to consider an amendment to a planned unit development to allow construction of a K-8 school at 6500 Nicollet Avenue.

Associate Planner Matt Brillhart presented the staff report.

In response to Commissioner Rudolph, Brillhart clarified which types of uses have spacing requirements and that no spacing requirements exist for businesses with liquor licenses.

Commissioner Pynn inquired how the cross-access agreement for parking could impact enrollment. Brillhart clarified that the Community Development Director has discretion over reducing the amount of required parking in relation to enrollment if there is evidence that the available parking is adequate.

In response to Commissioner Rudolph, Poehlman stated that staff finds this proposal to be consistent with the Comprehensive Plan's vision for the area and that the school is working with the owners of the Hub to incorporate walkability into any future plans for the Hub.

AC Hoberg concurred that the school would add vibrancy to the area and likes that the owner of the Hub is excited to have Partnership Academy as a neighbor.

May 29, 2018

In response to Commissioner Quam, Brillhart responded that staff has met with the Richfield Medical Group, who has expressed concern over the loss of parking. He further explained that the shared access between the two lots will be going away, which will deter people from parking in the RMG's parking lot. Commissioner Quam expressed that Partnership Academy has been a good school since 2002, which is good testament that they will be good neighbors.

AC Hoberg opened the public hearing.

Doctor Maggie McEvoy and Doctor Joan Trowbridge of the Richfield Medical Group expressed that while they are excited about the school and want to welcome them to the community, they do have concern over losing parking spaces as well as having to relocate their dumpsters.

Lisa Hendricks, the executive director of Partnership Academy provided historical context for the school. In response to Commissioner Pynn, Hendricks provided demographic data and hours of operation.

Commissioner Kitzberger inquired about the location for pick-up and drop-off. Brillhart referred the Commissioners to the site plan which shows the bus queuing. Ben Ford from Rehder & Associates, the civil engineer and surveying firm, further explained the staged area for buses. In response to Commissioner Rudolph, Hendricks stated that they would have 8 or 9 buses.

In response to Commissioner Quam, Hendricks provided information on the current modes of transportation staff uses to get to work. McEvoy explained the parking arrangement that parking that the Medical Center had been operating under. Brillhart clarified how the parking arrangement relate to the property lines.

Commissioner Quam inquired if it is feasible for RMG to keep their dumpsters where they are. Brillhart explained that that is generally a civil issue between the property owners and that a situation like this would require a cross-access agreement.

M/Rosenberg, S/Quam to close the public hearing.

Motion carried: 6-0

Commissioner Pynn expressed excitement for the project and hopes that all parties will be willing to work together to make the project and cross-access agreements feasible if needed.

M/Pynn, S/Rosenberg to recommend approval of an amended planned unit development, conditional use permit and final development plans for a K-8 school at 6500 Nicollet Avenue S.

Motion carried: 5-1 (Rudolph dissenting)

LIAISON REPORTS

Community Services Advisory Commission: No report

City Council: No report.

HRA: No Report

Richfield School Board: Commissioner Quam reported that the board supported removing the STEM pool for parking needs. Also the Richfield high school marching band got second in state.

Transportation Commission: No report

May 29, 2018

CITY PLANNER'S REPORT

Poehlman reminded the Commissioners of the Commissioner Recognition event at City Hall the following evening at 6 p.m. and encouraged them to attend so that they can be recognized for their time and efforts as volunteers.

ADJOURNMENT

M/Rudolph, S/Pynn to adjourn the meeting.

The meeting was adjourned by unanimous consent at **7:51 p.m.**

Planning Commission Secretary

PLANNING COMMISSION MEETING SIGN-IN SHEET

Name (print legibly)

Address or Organization

Tom Carter

501 W.
87th St. Richfield

Tom Krey

6826 Humboldt Ave Richfield

Dr. McQuay
Dr. Joan Trumbidge

RMG - Nicollet Ave Richfield MN

Lisa Ann O'Rick

Partnership Academy

Ben Ford

305 E 77th St.
Rehder and Associates

AGENDA SECTION: Public Hearings
AGENDA ITEM # 2.
CASE NO.:



PLANNING COMMISSION MEETING 7/23/2018

REPORT PREPARED BY: Sadie Gannett, Assistant Planner

CITY PLANNER REVIEW: Melissa Poehlman, Asst. Community Development Director
7/17/2018

ITEM FOR COMMISSION CONSIDERATION:

Consideration of the adoption of a resolution authorizing a three year interim use permit to allow temporary inventory storage of vehicles on a designated parking lot of the Church of St. Richard located at 7540 Penn Avenue.

EXECUTIVE SUMMARY:

The Church of St. Richard (Applicant), located at 7540 Penn Avenue South, is in the Single Family Residential Zoning District on a parcel of land just under 10 acres. This parcel has a large amount of off-street parking and the Applicant has found that the available parking is more than they need for their parish. They are requesting a three year Interim Use Permit (IUP) to allow Bloomington Chrysler Jeep to use a small portion of their parking lot for inventory storage of approximately 100 vehicles.

The Single Family Residential District allows religious institutions as a conditional use, however, inventory storage is not a permitted accessory use. While inventory storage of vehicles is not an existing use in the area, there are many nearby properties with large parking lots. The properties directly to the east and the south are zoned High Density Multi Family and the property to the southeast is zoned Planned General Commercial, all of which have large parking lots. The parking lot that would be used for the inventory storage is already paved and striped and it is likely that the property will be left in suitable condition after the use is terminated. Additionally, the use will not impose additional costs to the public if it is necessary for the public to take the property in the future.

The Applicant has requested an IUP in order to more fully utilize their parking lot while they consider plans for long term use of their lot. The Applicant has been approached by developers to build senior housing on a two to three acre portion of their site, which includes the parking lot proposed to be used for the IUP. As they consider options for how to use their land for the longer term, they feel that the proposed interim use would not have an adverse impact on the surrounding area and allow them to use a portion of their parking lot that would otherwise be underutilized. Staff would support this situation for up three years if parking lot screening at a height of three to four feet is installed in all areas where the cars are visible from the street or adjacent single family properties. Since IUP's can be granted for up to five years, staff is recommending an allowance for one administrative extension of up to two years with a requirement that the parking lot screening is in good condition and the city has not received complaints from the surrounding neighbors.

In order to approve the IUP, the Planning Commission must find that the temporary nature of the permit warrants waiving certain provisions of the Zoning Code, in this case not permitting inventory storage as an accessory use.

RECOMMENDED ACTION:

By Motion: Approve the resolution granting a three year interim use permit for vehicle inventory storage at 7540 Penn Avenue.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

Discussed in Executive Summary.

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

- The purpose of an IUP is to allow a use that may not be compatible with the Comprehensive Plan to operate for a limited period of time.
- In evaluating a request for an IUP, the Commission must also consider its compliance with the criteria described in Subsection 547.15 of the City Code.
- Required findings are detailed in the attached document.

C. CRITICAL TIMING ISSUES:

60-DAY RULE: The 60-day clock 'started' when a complete application was received on July 9, 2018.

A decision is required by September 7, 2018 or the Commission must notify the applicant that it is extending the deadline (up to a maximum of 60 additional days or 120 days total) for issuing a decision.

D. FINANCIAL IMPACT:

- The required application processing fee has been paid.
- If the applicant requests an extension, the additional annual monitoring fees will apply.

E. LEGAL CONSIDERATION:

ALTERNATIVE RECOMMENDATION(S):

- Approve the attached resolution with modifications (timing or conditions).
- Deny the requests with findings that requirements are not met.

PRINCIPAL PARTIES EXPECTED AT MEETING:

Sheryl Rose, Church of St. Richard Representatives of Bloomington Chrysler Jeep

ATTACHMENTS:

Description	Type
☐ Resolution	Resolution Letter
☐ Required Findings	Backup Material
☐ Consent Agreement	Backup Material
☐ Site Plans, Photos	Backup Material
☐ Zoning Map	Backup Material

RESOLUTION NO. _____

**RESOLUTION APPROVING AN
INTERIM USE PERMIT
TO ALLOW TEMPORARY VEHICLE INVENTORY STORAGE
AT 7540 PENN AVENUE SOUTH**

WHEREAS, the City of Richfield (the City) adopted a Comprehensive Plan in 2009 to guide the development of the community; and

WHEREAS, the City has adopted a Zoning Ordinance or other official controls to assist in implementing the Comprehensive Plan; and

WHEREAS, an application has been filed with the City of Richfield which requests an interim use permit to allow Bloomington Chrysler Jeep to store vehicle inventory at property legally described as follows:

Lots 1 & 2, Block 1, Saint Richard's Addition, Hennepin County, MN

WHEREAS, the Property is zoned Single-Family Residential (R); and

WHEREAS, private parking lots are not permitted as a principal use of property in any zoning district in the City; and

WHEREAS, the City Council finds that the temporary nature of the proposed interim use eliminates the adverse effects the prohibition was intended to prevent; and

WHEREAS, the Planning Commission held a public hearing on July 23, 2018 to review the application for an interim use permit, following mailed and published notice as required by law; and

WHEREAS, the City Council has reviewed all materials submitted by the Applicant; considered the oral and written testimony offered by the applicant and all interested parties; and has now concluded that the application is in compliance with all applicable standards and can be considered for approval.

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

1. The proposed interim use permit request meets all applicable conditions and restrictions stated in Subsection 547.15 of the 2007 Zoning Ordinance except as follows:

The proposed interim use is not a permitted primary use within the City. In accordance with Subsection 547.15 Subd. 3e the City Council finds that the temporary nature of the interim use eliminates the detriment that a stand-alone parking lot/automobile inventory storage lot will have to a residential area.

2. An interim use permit for Bloomington Chrysler Jeep at the property legally described above, as described in City Council Staff Report No. _____ is approved with the following conditions:

- a. Parking lot screening must be installed at a height of 3 to 4 feet in all areas where the automobiles are visible from the street or adjacent single-family properties.
- b. The property may be used for automobile inventory storage for no more than four months without improvements to the lot.
- c. The interim use permit will expire three years from its effective date (August 21, 2021), or upon violation of the conditions under which the permit was issued, whichever occurs first.
- d. The Community Development Director may issue one administrative extension of this permit for up to 2 additional years. The granting of this extension will require that the parking lot screening is in good condition. The annual monitoring fee, as dictated by City Code, will apply to this extension.
- e. The interim use permit shall be reviewed periodically by the City to ensure compliance with the conditions set forth in this resolution.

Adopted by the City Council of the City of Richfield, Minnesota this 21st day of August 2018.

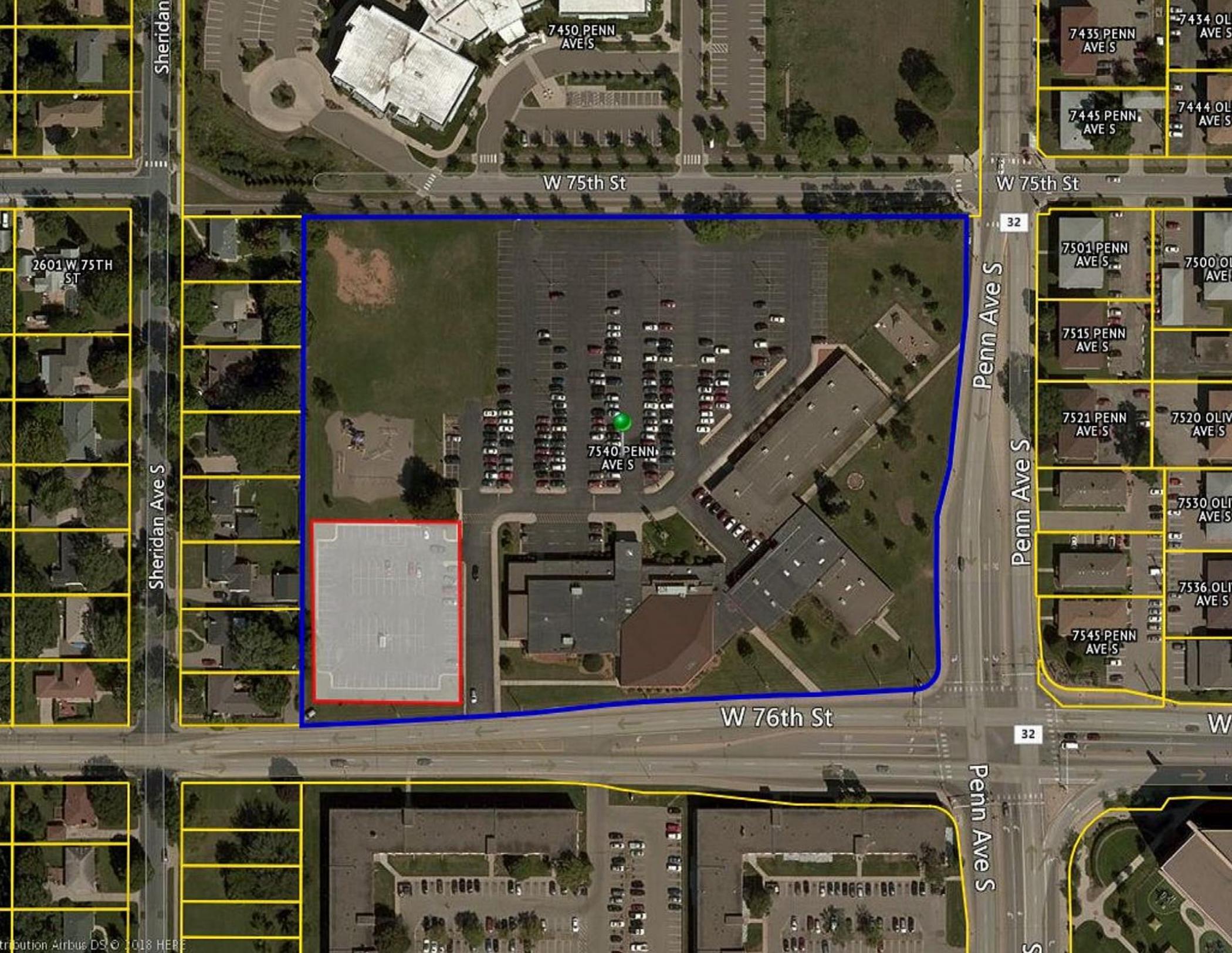
Pat Elliott, Mayor

ATTEST:

Elizabeth VanHoose, City Clerk

Interim Use Permit Requirements
Subsection 547.15 Subd. 3.

- a) *The period of time for which the interim use permit is to be granted will terminate before any adverse impacts are felt upon adjacent properties.* The applicant is requesting a three-year interim use permit. A designated portion of the lot will be used for storage only and will not be used for direct sales. Only employees will enter/exit the site. No adverse impacts related to inventory storage for this period of time are anticipated.
- b) *The use will terminate upon a date or event that can be identified with certainty. Interim use permits may not be granted for a period greater than five (5) years.* Staff recommends termination on or before August 14, 2021.
- c) *The use will not adversely impact the health, safety and welfare of the community during the period of the interim use.* No adverse impacts are anticipated.
- d) *The use is similar to existing uses in the area.* There are many nearby properties with large parking lots.
- e) *An interim use shall conform to zoning regulations except the City Council may waive ordinance provisions upon a finding that the temporary nature of the interim use will eliminate the adverse effects the provisions were intended to prevent.* The interim use shall conform to the landscaping and screening requirements for parking lot perimeter plantings. Staff requires parking lot screening to a height of 3-4 feet in all areas where the cars are visible from the street or adjacent single-family properties.
- f) *There is adequate assurance that the property will be left in suitable condition after the use is terminated.* The property will remain largely as-is. A consent agreement has been signed.
- g) *By agreement, the use will not impose additional costs on the public if it is necessary for the public to take the property in the future.* The property owner has signed a consent agreement agreeing to this condition.
- h) *The property owner, by agreement, agrees to any conditions that the City Council has deemed appropriate for permission of the use, including a condition that the owner will provide an appropriate financial surety to cover the cost of removing the interim use and interim structures upon the expiration of the interim use permit.* The property owner and applicant are aware of all conditions. No improvements that will need to be removed are proposed.
- i) *The property owner agrees to abide by any additional conditions that the Council deems appropriate for permission of the use.* The property owner and applicant are aware of all conditions.



7450 PENN AVE S

7435 PENN AVE S

7434 OLIV AVE S

7445 PENN AVE S

7444 OLIV AVE S

W 75th St

W 75th St

2601 W 75TH ST

7501 PENN AVE S

7500 OLIV AVE S

7515 PENN AVE S

7521 PENN AVE S

7520 OLIV AVE S

7540 PENN AVE S

7530 OLIV AVE S

7536 OLIV AVE S

7545 PENN AVE S

Sheridan

Sheridan Ave S

Penn Ave S

Penn Ave S

W 76th St

Penn Ave S

32

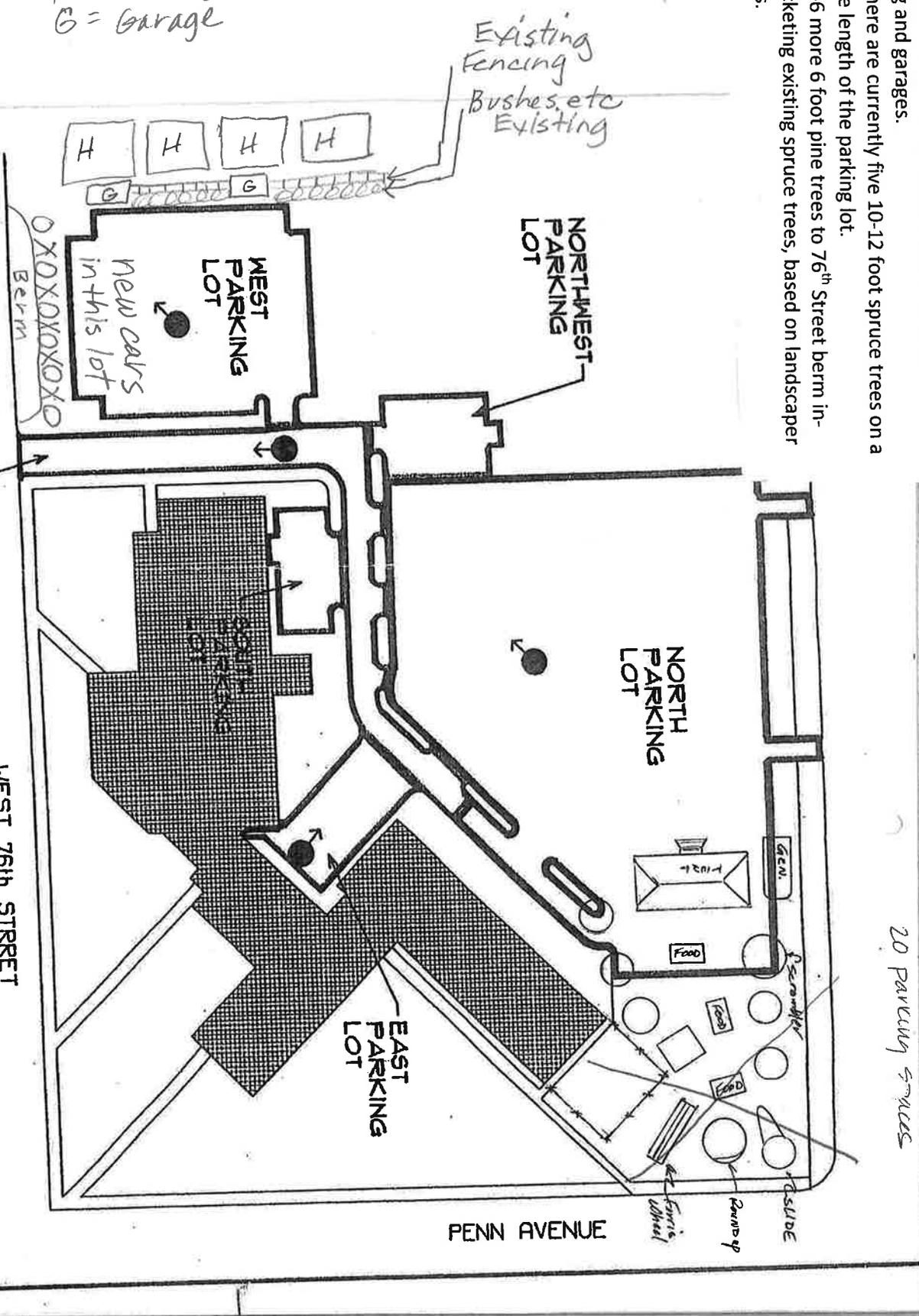


Landscaping Proposal Summary

- The four houses on Sheridan are currently shielded from parking lot by existing fencing and garages.
- On the 76th side there are currently five 10-12 foot spruce trees on a berm that runs the length of the parking lot.
- Propose adding 4-6 more 6 foot pine trees to 76th Street berm in-between and bracketing existing spruce trees, based on landscaper recommendations.

H = House on Sheridan Ave
G = Garage

(5) X = existing 10-12 foot spruce trees
(4-6) O = proposed additional 6 ft pine trees



20 PARKING SPACES

Interim Use Permit
Landscaping Plan Proposal
July 3, 2018



PLANNING COMMISSION MEETING 7/23/2018

REPORT PREPARED BY: Matt Brillhart, Associate Planner

CITY PLANNER REVIEW: Melissa Poehlman, Asst. Community Development Director
7/17/2018

ITEM FOR COMMISSION CONSIDERATION:

Continue a public hearing to consider plans for the Cedar Point housing development along Richfield Parkway to August 27, 2018.

EXECUTIVE SUMMARY:

Preliminary plans have been submitted for the Cedar Point housing development along Richfield Parkway and 16th Avenue, between 63rd Street and 65th Street. The applicant is working to complete and finalize their application and has requested that the hearing be postponed until August 27, 2018.

RECOMMENDED ACTION:

By motion: Continue the public hearing to consider applications for the Cedar Point Housing Planned Unit Development to August 27, 2018.

BASIS OF RECOMMENDATION:

A. **HISTORICAL CONTEXT**

None

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

None

C. **CRITICAL TIMING ISSUES:**

None

D. **FINANCIAL IMPACT:**

None

E. **LEGAL CONSIDERATION:**

- Notice of this public hearing was published in the Sun Current newspaper on July 12.
- Mailed notice to properties within 350 feet will be provided in advance of the public hearing.

ALTERNATIVE RECOMMENDATION(S):

None

PRINCIPAL PARTIES EXPECTED AT MEETING:

None

AGENDA SECTION:	Other Business
AGENDA ITEM #	4.
CASE NO.:	Letter #8



PLANNING COMMISSION MEETING 7/23/2018

REPORT PREPARED BY: Julie Urban, Housing Manager

CITY PLANNER REVIEW:

ITEM FOR COMMISSION CONSIDERATION:

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

- 1) Modification to the Redevelopment Plan for the Richfield Redevelopment Project Area;**
- 2) Modification to the Tax Increment Financing Plan for the Cedar Avenue Tax Increment Financing District, and**
- 3) Proposed establishment of Tax Increment Financing District No. 2018-1.**

EXECUTIVE SUMMARY:

In March 2018, the Housing and Redevelopment Authority (HRA) entered into a preliminary development agreement with NHH Companies, LLC (Developer) to develop a multi-family housing project in the Cedar Point II area (bounded by 63rd Street to the north, Richfield Parkway to the east, 65th Street to the south, and 16th Avenue to the west). The proposed development includes 218 market-rate apartments on Richfield Parkway and up to 80 for-sale townhomes along 16th Avenue.

The financial feasibility analysis indicates a substantial gap in the project. Significant acquisition costs for the existing single-family homes on 16th Avenue, the inclusion of affordable townhome units, and the high cost of structured parking, stormwater improvements, and construction materials required to meet sound attenuation standards necessitate the need for public assistance to bridge the gap.

The development currently sits within the Cedar Avenue Tax Increment Financing District (District) that was established in 2005 and extended in 2017. Under the proposed modification, the east half of the site and the proposed apartment development would remain in the existing District, and a new Housing Tax Increment Financing (TIF) District (Housing District) would be established to cover the west half of the site and the proposed affordable townhomes.

An optional component to the development would encompass two parcels to the south of the development at 6501-09 16th Avenue. The Developer is in preliminary conversations with the owner of the property. The Developer would construct townhomes on this property. While this is an uncertain component of the development at this time, the proposed Housing District includes these two parcels, in the event it moves forward.

Minnesota State Statutes require that the Planning Commission consider whether the creation of any TIF District is consistent with the Richfield Comprehensive Plan. The proposed multi-family development is consistent with both the guide plan and the goals of the Comprehensive Plan. The area is guided for high density and medium density multi-family housing. The Comprehensive Plan goals for the area and for housing in the City overall call for a greater diversity of housing options,

which the project provides.

RECOMMENDED ACTION:

By Motion: Approve a resolution finding that:

- 1) The modification to the Redevelopment Plan for the Richfield Redevelopment Project area is consistent with the Richfield Comprehensive Plan;**
- 2) The modification to the Tax Increment Financing Plan for the Cedar Avenue Tax Increment Financing District is consistent with the Richfield Comprehensive Plan, and**
- 3) The proposed establishment of Tax Increment Financing District No. 2018-1 is consistent with the Richfield Comprehensive Plan.**

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

On March 19, 2018, the HRA approved a Preliminary Development Agreement with the Developer to develop 218 market-rate apartments and up to 80 affordable, for-sale townhomes in the Cedar Point II Housing Development area (bounded by 63rd Street on the north, 65th Street on the south, 16th Avenue on the west, and Richfield Parkway on the east).

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

- The City's Comprehensive Plan guides the Cedar Point II area for high-density, multi-family housing.
- The City's Comprehensive Plan update, submitted to the Met Council for preliminary review, guides the optional area for medium-density housing.
- In 2004, the City adopted the Cedar Corridor Master Plan (revised in 2016), which includes the following goals:
 - to establish a renewed brand at a signature gateway to the City;
 - to increase the diversity of housing options, and
 - to encourage the rehabilitation and replacement of the lowest-quality housing stock.
- The 2008 Comprehensive Plan housing goals and policies include:
 - Maintain an appropriate mix of housing types in each neighborhood based on available amenities, transportation resources, and adjacent land uses;
 - Promote the development of a balanced housing stock that is available to a range of income levels;
 - Promote housing diversity to serve families at all stages of their life-cycle, and
 - Promote the development, management, and maintenance of affordable housing in the City through assistance programs, alternative funding sources, and the creation of partnerships whose mission is to promote low to moderate income housing.

C. CRITICAL TIMING ISSUES:

- A public hearing to consider the modification to the existing TIF District and creation of a new housing district is scheduled for the City Council on August 21, 2018.
- The HRA will consider the modification to the existing TIF District and creation of a new housing district on August 20, 2018.
- A land use application for the project has been submitted and is anticipated to come before the Planning Commission on August 27, 2018.

D. FINANCIAL IMPACT:

- The proposed project cannot move forward without the assistance of the tax increment that will be generated.
- The creation of a Housing TIF District ensures the affordability of 95% of the for-sale housing at 100% of the Area Median Income (AMI) for one- and two-person households and 115% of the AMI for households of three and larger.

E. LEGAL CONSIDERATION:

- Chapter 469 of Minnesota State Statutes requires that whenever the City adopts or modifies a Redevelopment Plan, the Planning Commission must review the Plan for consistency with the City's Comprehensive Plan.

ALTERNATIVE RECOMMENDATION(S):

Reject the proposed resolution and find that the proposed TIF District is not consistent with the Comprehensive Plan.

PRINCIPAL PARTIES EXPECTED AT MEETING:

None

ATTACHMENTS:

	Description	Type
▣	Resolution	Resolution Letter
▣	TIF Plan - Cedar Ave Mod 2018	Exhibit
▣	TIF Plan	Exhibit

**PLANNING COMMISSION
CITY OF RICHFIELD, MINNESOTA**

RESOLUTION NO. 226

**RESOLUTION OF THE CITY OF RICHFIELD PLANNING COMMISSION
FINDING THAT A MODIFICATION TO THE REDEVELOPMENT PLAN FOR
RICHFIELD REDEVELOPMENT PROJECT AREA, A MODIFICATION TO
THE TAX INCREMENT FINANCING PLAN FOR THE CEDAR AVENUE TAX
INCREMENT FINANCING DISTRICT, AND A TAX INCREMENT FINANCING
PLAN FOR TAX INCREMENT FINANCING DISTRICT NO. 2018-1 CONFORM
TO THE GENERAL PLANS FOR THE DEVELOPMENT AND
REDEVELOPMENT OF THE CITY.**

WHEREAS, the Richfield Housing and Redevelopment Authority (the "HRA") and the City of Richfield (the "City") have proposed to adopt a Modification to the Redevelopment Plan for Richfield Redevelopment Project Area (the "Redevelopment Plan Modification"), a Modification to the Tax Increment Financing Plan for the Cedar Avenue Tax Increment Financing District (the "TIF Plan Modification"), and a Tax Increment Financing Plan for Tax Increment Financing District No. 2018-1 (the "TIF Plan") therefor (the Redevelopment Plan Modification, TIF Plan Modification, and the TIF Plan are referred to collectively herein as the "Plans") and have submitted the Plans to the City Planning Commission (the "Commission") pursuant to *Minnesota Statutes, Section 469.175, Subd. 3*, and

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

NOW, THEREFORE, BE IT RESOLVED by the Commission that the Plans conform to the general plans for the development and redevelopment of the City as a whole.

July 23, 2018

Chair

ATTEST:

Secretary

*As of July 10, 2018
Draft for Fiscal Implications*

**Modification to the
Tax Increment Financing Plan**

for the

**Cedar Avenue Tax Increment Financing District
(a redevelopment district)**

within

the Richfield Redevelopment Project Area

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

Adopted: September 26, 2006
Modification No. 1 Adopted: November 28, 2017
Modification No. 2 Public Hearing: August 21, 2018

Prepared by: EHLERS & ASSOCIATES, INC.
3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105
651-697-8500 fax: 651-697-8555 www.ehlers-inc.com

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

Subsection 1-1. Foreword

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

Subsection 1-2. Statutory Authority

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

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

(AS MODIFIED NOVEMBER 28, 2017)

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

Subsection 1-3. Statement of Objectives

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

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

(AS MODIFIED NOVEMBER 28, 2017)

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

(AS MODIFIED AUGUST 21, 2018)

The District is being modified in order to remove 17 parcels for inclusion in Tax Increment Financing District No. 2018-1. Contracts for redevelopment have not been entered into at the time of preparation of this Modification, but development may occur in 2018. Please see Appendix A for further project information and background information on the District.

Subsection 1-4. Redevelopment Plan Overview

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

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

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

Parcel Numbers

*See Appendix C

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

Subsection 1-6. Classification of the District

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

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

Subdivision 1. [AUTHORIZATION.]

The City of Richfield may create a tax increment financing district consisting of an area lying west of Trunk Highway 77 extending: to 16th Avenue between Crosstown Highway 62 and 66th Street; to 17th

Avenue between 66th and 69th Streets; and to 18th Avenue between 69th and 72nd Streets. The City or it's Housing and Redevelopment Authority may be the authority for the purposes of Minnesota Statutes, sections 469.174 to 469.179.

Subd. 2. [DISTRICT IS REDEVELOPMENT DISTRICT.]

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

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

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

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

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

Subsection 1-7. Duration of the District

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

(AS MODIFIED NOVEMBER 28, 2017)

Pursuant to *M.S., Section 469.175, Subd. 1, and Section 469.176, Subd. 1*, the duration of the District must be indicated within the TIF Plan. Section 469.176, Subd. 1b, provides that the duration of the District would be 25 years after receipt of the first increment by the City (a total of 26 years of tax increment). Pursuant to the Special Law, the duration of District is being extended an additional ten years (for a total of 35 years from receipt of first increment). The date of receipt by the City of the first increment was in 2008. Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate on December 31, 2043, or when the TIF Plan is satisfied. The City reserves the right to decertify the District prior to the legally required date.

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

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

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

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

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

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

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

WATERSHED DISTRICT NO. 0

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

WATERSHED DISTRICT NO. 3

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

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

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

Subsection 1-9. Sources of Revenue/Bonded Indebtedness

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

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

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

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

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

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

Subsection 1-10. Uses of Funds

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

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

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

rather than an expected budget of costs.

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

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

Subsection 1-11. Fiscal Disparities Election

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

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

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

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

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

Subsection 1-12. Business Subsidies

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

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

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

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

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

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

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

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

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

Subsection 1-13. County Road Costs

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

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

Subsection 1-14. Estimated Impact on Other Taxing Jurisdictions

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

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

WATERSHED DISTRICT NO. 0

IMPACT ON TAX RATES

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

WATERSHED DISTRICT NO 3

IMPACT ON TAX RATES

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

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

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

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

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

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

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

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

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

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

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

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

Subsection 1-15. Supporting Documentation

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

(AS MODIFIED NOVEMBER 28, 2017)

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

Subsection 1-16. Definition of Tax Increment Revenues

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

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

Subsection 1-17. Modifications to the District

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

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

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

Pursuant to *M.S. Section 469.175 Subd. 4(f)*, the geographic area of the District may be reduced, but shall not be enlarged after five years following the date of certification of the original net tax capacity by the county auditor. If a redevelopment district is enlarged, the reasons and supporting facts for the determination that the addition to the district meets the criteria of *M.S., Section 469.174, Subd. 10*, paragraph (a), clauses (1) to (5), must be documented in writing and retained. The requirements of this paragraph do not apply if (1) the only modification is elimination of parcel(s) from the District and (2) (A) the current net tax capacity of the parcel(s) eliminated from the District equals or exceeds the net tax capacity of those parcel(s) in the District's

original net tax capacity or (B) the HRA agrees that, notwithstanding *M.S., Section 469.177, Subd. 1*, the original net tax capacity will be reduced by no more than the current net tax capacity of the parcel(s) eliminated from the District.

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

Subsection 1-18. Administrative Expenses

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

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

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

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

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

Subsection 1-19. Limitation of Increment

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

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

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

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

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

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

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

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

Subsection 1-20. Use of Tax Increment

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

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

- M.S., Chapter 462C. M.S., Sections 469.152 through 469.165, and/or M.S., Sections 469.178; and*
7. To accumulate or maintain a reserve securing the payment when due of the principal and interest on the tax increment bonds or bonds issued pursuant to *M.S., Chapter 462C, M.S., Sections 469.152 through 469.165, and/or M.S., Sections 469.178.*

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

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

Subsection 1-21. Excess Increments

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

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

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

Subsection 1-22. Requirements for Agreements with the Developer

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

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

Subsection 1-23. Assessment Agreements

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

Subsection 1-24. Administration of the District

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

Subsection 1-25. Annual Disclosure Requirements

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

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

Subsection 1-26. Reasonable Expectations

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

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

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

2. Pooling Limitations. At least 75 percent of tax increments from the District must be expended on activities in the District or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities within said district or to pay, or secure payment of, debt service on credit enhanced bonds. Not more than 25 percent of said tax increments may be expended, through a development fund or otherwise, on activities outside of the District except to pay, or secure payment of, debt service on credit enhanced bonds. For purposes of applying this restriction, all administrative expenses must be treated as if they were solely for activities outside of the District.
3. Five Year Limitation on Commitment of Tax Increments. Pursuant to *Laws of Minnesota 2005, Chapter 152, Article 2, Section 25 Subd 2*:

(2) the five-year rule under Minnesota Statutes, section 469.1763, subdivision 3, does not apply.
4. Redevelopment District. Pursuant to *Laws of Minnesota 2005, Chapter 152, Article 2, Section 25 Subd 2*:

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

Subsection 1-28. Summary

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

APPENDIX A PROJECT DESCRIPTION

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

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

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

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

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

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

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

(AS MODIFIED NOVEMBER 28, 2017)

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

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

The Cedar Avenue TIF District received inflationary increment in the first year starting the term of the

District. Market values then declined and increment was not generated over the past eight years.

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

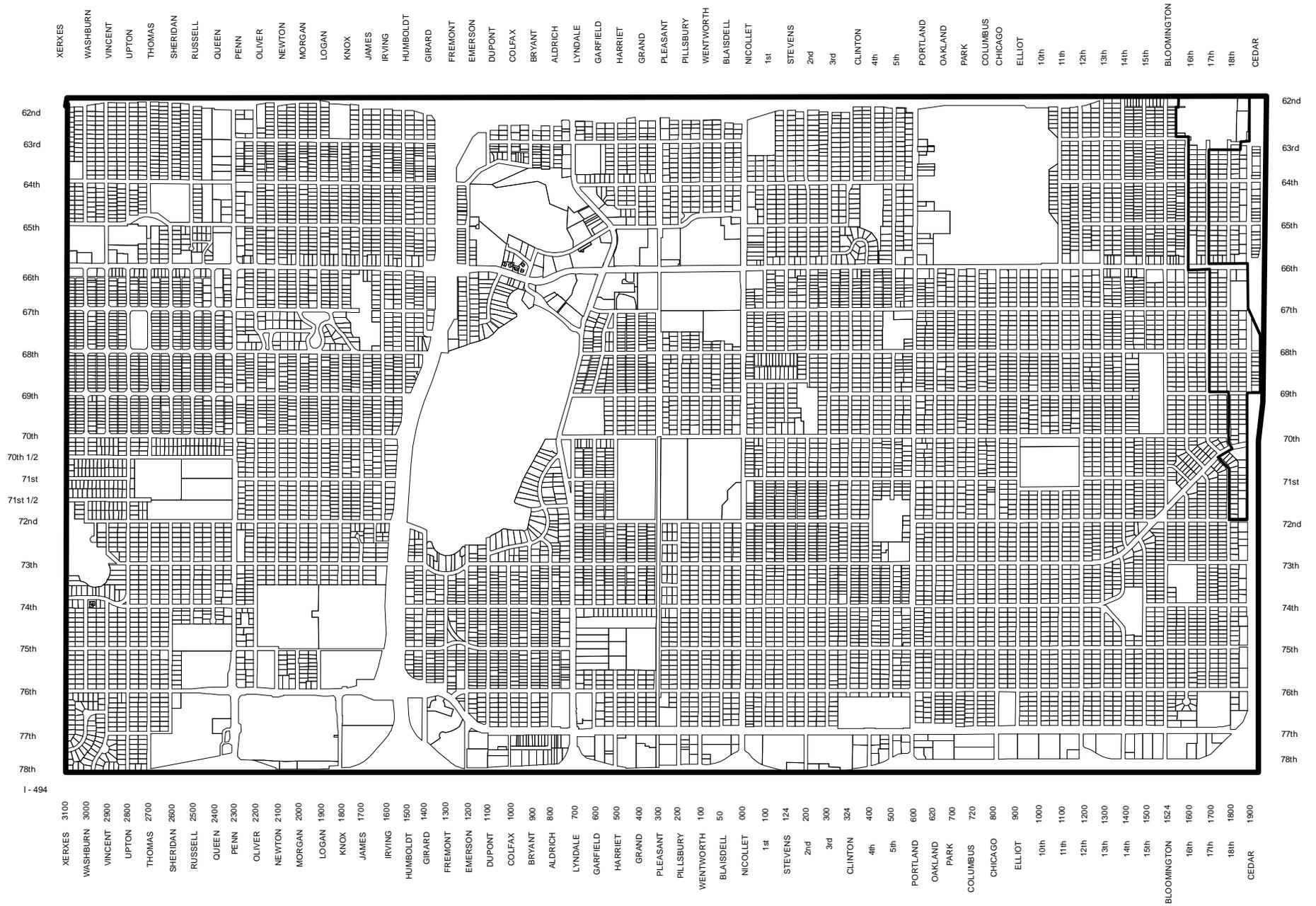
In 2017 the City of Richfield received special legislation to extend the term of the Cedar Avenue TIF District (see Appendix I). The City and HRA have not entered into an agreement, but anticipate housing and retail development in the District. It is anticipated that development may occur in 2019.

APPENDIX B

MAP OF THE RICHFIELD REDEVELOPMENT PROJECT AREA AND THE DISTRICT

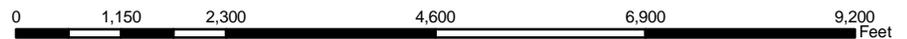
RICHFIELD REDEVELOPMENT PROJECT AREA

Cedar Corridor Tax Increment Financing District



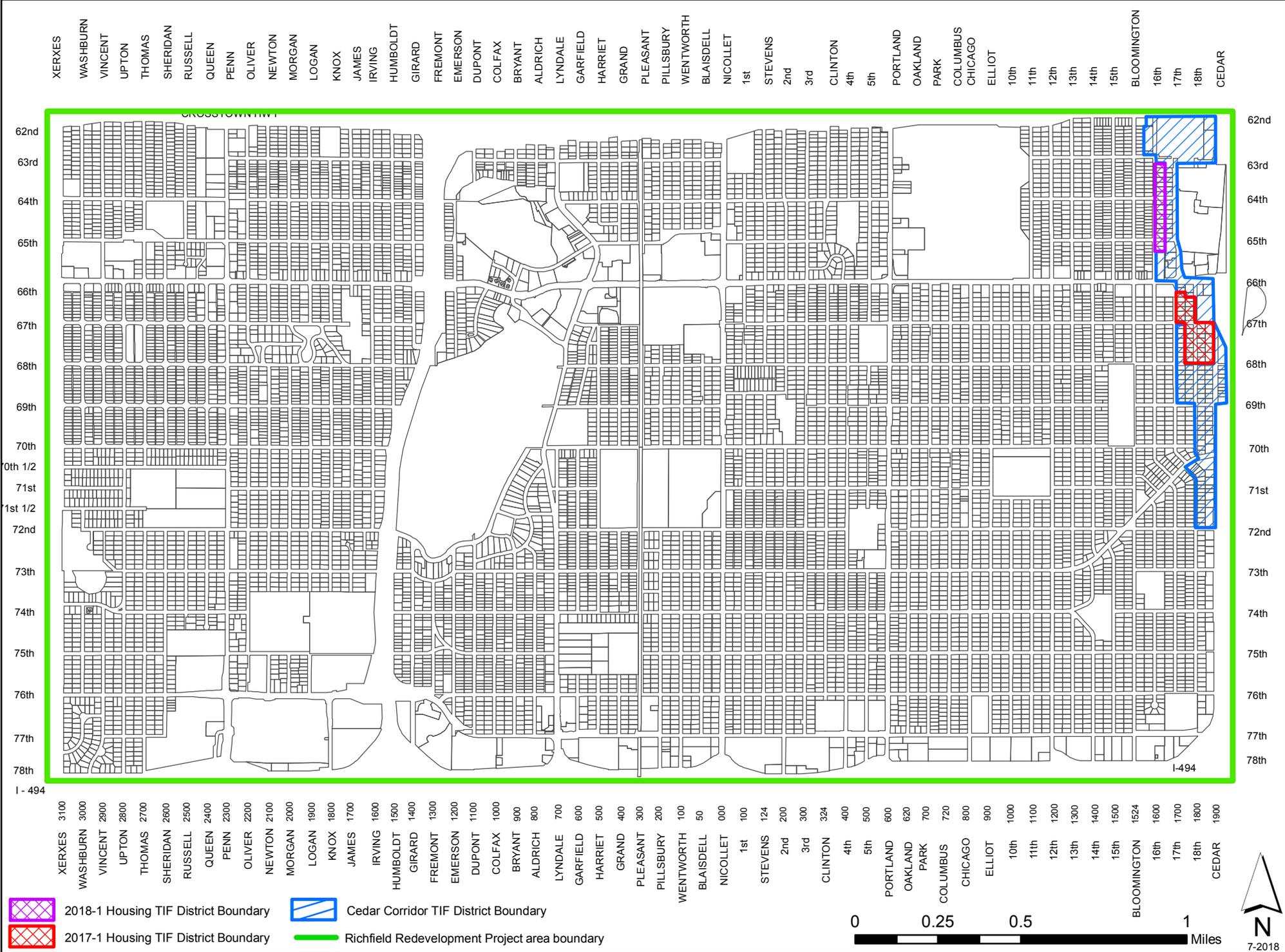
Cedar Corridor Tax Increment Financing District

Redevelopment Project Area



07/13/06

CEDAR CORRIDOR, 2017-1 & 2018-1 HOUSING TIF DISTRICTS



XERXES WASHBURN VINCENT UPTON THOMAS SHERIDAN RUSSELL QUEEN PENN OLIVER NEWTON MORGAN LOGAN KNOX JAMES IRVING HUMBOLDT GIRARD FREMONT EMERSON DUPONT COLFAX BRYANT ALDRICH LYNDALE GARFIELD HARRIET GRAND PLEASANT PILLSBURY WENTWORTH BLAISDELL NICOLLET 1st STEVENS 2nd 3rd CLINTON 4th 5th PORTLAND OAKLAND PARK COLUMBUS CHICAGO ELLIOT 10th 11th 12th 13th 14th 15th BLOOMINGTON 16th 17th 18th CEDAR



XERXES 3100 WASHBURN 3000 VINCENT 2900 UPTON 2800 THOMAS 2700 SHERIDAN 2600 RUSSELL 2500 QUEEN 2400 PENN 2300 OLIVER 2200 NEWTON 2100 MORGAN 2000 LOGAN 1900 KNOX 1800 JAMES 1700 IRVING 1600 HUMBOLDT 1500 GIRARD 1400 FREMONT 1300 EMERSON 1200 DUPONT 1100 COLFAX 1000 BRYANT 900 ALDRICH 800 LYNDALE 700 GARFIELD 600 HARRIET 500 GRAND 400 PLEASANT 300 PILLSBURY 200 WENTWORTH 100 BLAISDELL 50 NICOLLET 000 1st 100 STEVENS 124 2nd 200 3rd 300 CLINTON 324 4th 400 5th 500 PORTLAND 600 OAKLAND 620 PARK 700 COLUMBUS 720 CHICAGO 800 ELLIOT 900 10th 1000 11th 1100 12th 1200 13th 1300 14th 1400 15th 1500 BLOOMINGTON 1524 16th 1600 17th 1700 18th 1800 CEDAR 1900

- 2018-1 Housing TIF District Boundary
- 2017-1 Housing TIF District Boundary
- Cedar Corridor TIF District Boundary
- Richfield Redevelopment Project area boundary

APPENDIX C

DESCRIPTION OF PROPERTY TO BE INCLUDED IN THE DISTRICT

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

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

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

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

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

(AS MODIFIED NOVEMBER 28, 2017)

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

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

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

The following are the parcels remaining in the District:

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

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

(AS MODIFIED AUGUST 21, 2018)

The following parcels are being removed from the District for inclusion in Tax Increment Financing District No. 2018-1:

<u>Parcel Numbers*</u>	<u>Address</u>	<u>Owner</u>
26.028.24.11.0033	6309 - 16 th Ave. S.	Dunn
26.028.24.11.0034	6315 - 16 th Ave. S.	Richfield HRA
26.028.24.11.0035	6321 - 16 th Ave. S.	Ramirez
26.028.24.11.0036	6327 - 16 th Ave. S.	Kowal
26.028.24.11.0037	6333 - 16 th Ave. S.	Richfield HRA
26.028.24.11.0038	6339 - 16 th Ave. S.	Bolstad
26.028.24.11.0039	6345 - 16 th Ave. S.	Robinson
26.028.24.14.0004	6401 - 16 th Ave. S.	Richfield HRA
26.028.24.14.0005	6409 - 16 th Ave. S.	Richfield HRA
26.028.24.14.0006	6415 - 16 th Ave. S.	Ray
26.028.24.14.0007	6421 - 16 th Ave. S.	Jones
26.028.24.14.0008	6427 - 16 th Ave. S.	Garcia
26.028.24.14.0009	6433 - 16 th Ave. S.	Secora
26.028.24.14.0010	6439 - 16 th Ave. S.	Pina
26.028.24.14.0011	6445 - 16 th Ave. S.	Soderberg
26.028.24.14.0003	6501 - 16 th Ave. S.	Mt. Calvary
26.028.24.14.0002	6509 - 16 th Ave. S.	Mt. Calvary

The following parcels remain in the District:

2502824320001	2502824330054	2502824330055	2502824330056	2502824330057
2502824330058	2502824330059	2502824330060	2502824330061	2502824330062
2602824110002	2602824110040	2602824110041	2602824110042	2602824110043
2602824110044	2602824110045	2602824110062	2602824140001	2602824140012
2602824140013	2602824140014	2602824140015	2602824140016	2602824140017
2602824140018	2602824140019	2602824140137	2602824140138	2602824140140
2602824140141	2602824410001	2602824410002	2602824410063	2602824410066
2602824410088	2602824410089	2602824410090	2602824410091	2602824410092
2602824410093	2602824410094	2602824410095	2602824410108	2602824440001
2602824440002	2602824440003	2602824440004	2602824440005	2602824440006
2602824440007	2602824440008	2602824440009	2602824440010	2602824440011
2602824440012	2602824440013	2602824440014	2602824440015	2602824440016
2602824440017	2602824440018	2602824440019	2602824440020	2602824440021
2602824440022	2602824440023	2602824440024	2602824440025	2602824440026
2602824440027	2602824440028	2602824440029	2602824440030	2602824440031
2602824440032	2602824440065	2602824440066	2602824440067	2602824440068
2602824440069	2602824440071	2602824440073	2602824440074	2602824440075
2602824440076	2602824440077	2602824440078	2602824440079	2602824440080
2602824440129	3502824110001	3502824110002	3502824110003	3502824110009
3502824110010	3502824110011	3502824110012	3502824110013	3502824110014
3502824110015	3502824110016	3502824110017	3502824110018	3502824110019
3502824110020	3502824110021	3502824110022	3502824110023	3502824110024
3502824110025	3502824110026	3502824110027	3502824110123	3502824110124
3502824110125	3502824110126	3502824110127		

APPENDIX D
ESTIMATED CASH FLOW FOR THE DISTRICT



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

SUMMARY

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

Note:

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



CEDAR AVE TAX INCREMENT DISTRICT
CITY OF RICHFIELD
SUMMARY

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

NOTES:

1. State Auditor payment is based upon 1st half, pay 2006 actual and may increase over term of district
2. TIF run does not reflect potential reduction in Market Value Homestead Credit
3. Amount of increment will vary depending upon



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

RETAIL

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

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

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

Note:

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



CEDAR AVE TAX INCREMENT DISTRICT
CITY OF RICHFIELD
RETAIL

TAX INCREMENT CASH FLOW																		
PERIOD	BEGINNING	Yrs.	Mth.	Yr.	Base Tax Capacity	Project Tax Capacity	Fiscal Disparities Reduction	Captured Tax Capacity	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. 10.00%	Housing 15.00%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PAYMENT DATE			
															Yrs.	Mth.	Yr.	
Present Value Date																		
01-Feb-06																		
0.0	1-Aug	2006			524,969	524,969										0.0	1-Feb	2006
0.0	1-Feb	2007			524,969	524,969	0	0	0	0	0	0	0	0	0	0.0	1-Aug	2006
0.0	1-Aug	2007			524,969	524,969	0	0	0	0	0	0	0	0	0	0.0	1-Feb	2007
0.0	1-Feb	2008			524,969	524,969	0	0	0	0	0	0	0	0	0	0.5	1-Aug	2007
0.5	1-Aug	2008			524,969	524,969	0	0	0	0	0	0	0	0	0	1.0	1-Feb	2008
1.0	1-Feb	2009			524,969	831,833	(78,342)	228,522	123,076	(443)	(12,263)	(18,395)	91,975	78,383	1.5	1-Aug	2008	
1.5	1-Aug	2009			524,969	831,833	(78,342)	228,522	123,076	(443)	(12,263)	(18,395)	91,975	154,298	2.0	1-Feb	2009	
2.0	1-Feb	2010			524,969	1,663,667	(290,749)	847,948	456,684	(1,644)	(45,504)	(68,256)	341,280	427,120	2.5	1-Aug	2009	
2.5	1-Aug	2010			524,969	1,663,667	(290,749)	847,948	456,684	(1,644)	(45,504)	(68,256)	341,280	691,355	3.0	1-Feb	2010	
3.0	1-Feb	2011			524,969	2,495,500	(503,157)	1,467,373	790,291	(2,845)	(78,745)	(118,117)	590,584	1,134,220	3.5	1-Aug	2010	
3.5	1-Aug	2011			524,969	2,495,500	(503,157)	1,467,373	790,291	(2,845)	(78,745)	(118,117)	590,584	1,563,145	4.0	1-Feb	2011	
4.0	1-Feb	2012			524,969	3,327,333	(715,565)	2,086,799	1,123,898	(4,046)	(111,985)	(167,978)	839,889	2,153,922	4.5	1-Aug	2011	
4.5	1-Aug	2012			524,969	3,327,333	(715,565)	2,086,799	1,123,898	(4,046)	(111,985)	(167,978)	839,889	2,726,123	5.0	1-Feb	2012	
5.0	1-Feb	2013			524,969	4,159,167	(927,973)	2,706,224	1,457,505	(5,247)	(145,226)	(217,839)	1,089,193	3,444,801	5.5	1-Aug	2012	
5.5	1-Aug	2013			524,969	4,159,167	(927,973)	2,706,224	1,457,505	(5,247)	(145,226)	(217,839)	1,089,193	4,140,857	6.0	1-Feb	2013	
6.0	1-Feb	2014			524,969	4,159,167	(927,973)	2,706,224	1,457,505	(5,247)	(145,226)	(217,839)	1,089,193	4,815,003	6.5	1-Aug	2013	
6.5	1-Aug	2014			524,969	4,159,167	(927,973)	2,706,224	1,457,505	(5,247)	(145,226)	(217,839)	1,089,193	5,467,929	7.0	1-Feb	2014	
7.0	1-Feb	2015			524,969	4,200,758	(938,593)	2,737,196	1,474,185	(5,307)	(146,888)	(220,332)	1,101,659	6,107,540	7.5	1-Aug	2014	
7.5	1-Aug	2015			524,969	4,200,758	(938,593)	2,737,196	1,474,185	(5,307)	(146,888)	(220,332)	1,101,659	6,727,018	8.0	1-Feb	2015	
8.0	1-Feb	2016			524,969	4,242,766	(949,320)	2,768,477	1,491,032	(5,368)	(146,888)	(222,850)	1,114,248	7,333,854	8.5	1-Aug	2015	
8.5	1-Aug	2016			524,969	4,242,766	(949,320)	2,768,477	1,491,032	(5,368)	(146,888)	(222,850)	1,114,248	7,921,588	9.0	1-Feb	2016	
9.0	1-Feb	2017			524,969	4,285,194	(960,154)	2,800,070	1,508,048	(5,429)	(150,262)	(225,393)	1,126,964	8,497,318	9.5	1-Aug	2016	
9.5	1-Aug	2017			524,969	4,285,194	(960,154)	2,800,070	1,508,048	(5,429)	(150,262)	(225,393)	1,126,964	9,054,925	10.0	1-Feb	2017	
10.0	1-Feb	2018			524,969	4,328,046	(971,096)	2,831,980	1,525,234	(5,491)	(151,974)	(227,961)	1,139,807	9,601,136	10.5	1-Aug	2017	
10.5	1-Aug	2018			524,969	4,328,046	(971,096)	2,831,980	1,525,234	(5,491)	(151,974)	(227,961)	1,139,807	10,130,153	11.0	1-Feb	2018	
11.0	1-Feb	2019			524,969	4,371,326	(982,148)	2,864,209	1,542,591	(5,553)	(153,704)	(230,556)	1,152,779	10,648,350	11.5	1-Aug	2018	
11.5	1-Aug	2019			524,969	4,371,326	(982,148)	2,864,209	1,542,591	(5,553)	(153,704)	(230,556)	1,152,779	11,150,235	12.0	1-Feb	2019	
12.0	1-Feb	2020			524,969	4,415,039	(993,310)	2,896,760	1,560,123	(5,616)	(155,451)	(233,176)	1,165,880	11,641,846	12.5	1-Aug	2019	
12.5	1-Aug	2020			524,969	4,415,039	(993,310)	2,896,760	1,560,123	(5,616)	(155,451)	(233,176)	1,165,880	12,117,983	13.0	1-Feb	2020	
13.0	1-Feb	2021			524,969	4,459,190	(1,004,583)	2,929,637	1,577,829	(5,680)	(157,215)	(235,822)	1,179,112	12,584,367	13.5	1-Aug	2020	
13.5	1-Aug	2021			524,969	4,459,190	(1,004,583)	2,929,637	1,577,829	(5,680)	(157,215)	(235,822)	1,179,112	13,036,070	14.0	1-Feb	2021	
14.0	1-Feb	2022			524,969	4,503,782	(1,015,970)	2,962,842	1,595,713	(5,745)	(158,997)	(238,495)	1,192,476	13,478,514	14.5	1-Aug	2021	
14.5	1-Aug	2022			524,969	4,503,782	(1,015,970)	2,962,842	1,595,713	(5,745)	(158,997)	(238,495)	1,192,476	13,907,030	15.0	1-Feb	2022	
15.0	1-Feb	2023			524,969	4,548,819	(1,027,470)	2,996,380	1,613,775	(5,810)	(160,797)	(241,195)	1,205,974	14,326,756	15.5	1-Aug	2022	
15.5	1-Aug	2023			524,969	4,548,819	(1,027,470)	2,996,380	1,613,775	(5,810)	(160,797)	(241,195)	1,205,974	14,733,271	16.0	1-Feb	2023	
16.0	1-Feb	2024			524,969	4,594,308	(1,039,086)	3,030,252	1,632,018	(5,875)	(162,614)	(243,921)	1,219,607	15,131,440	16.5	1-Aug	2023	
16.5	1-Aug	2024			524,969	4,594,308	(1,039,086)	3,030,252	1,632,018	(5,875)	(162,614)	(243,921)	1,219,607	15,517,076	17.0	1-Feb	2024	
17.0	1-Feb	2025			524,969	4,640,251	(1,050,817)	3,064,464	1,650,444	(5,942)	(164,450)	(246,675)	1,233,377	15,894,791	17.5	1-Aug	2024	
17.5	1-Aug	2025			524,969	4,640,251	(1,050,817)	3,064,464	1,650,444	(5,942)	(164,450)	(246,675)	1,233,377	16,260,616	18.0	1-Feb	2025	
18.0	1-Feb	2026			524,969	4,686,653	(1,062,666)	3,099,018	1,669,053	(6,009)	(166,304)	(249,457)	1,247,284	16,618,921	18.5	1-Aug	2025	
18.5	1-Aug	2026			524,969	4,686,653	(1,062,666)	3,099,018	1,669,053	(6,009)	(166,304)	(249,457)	1,247,284	16,965,947	19.0	1-Feb	2026	
19.0	1-Feb	2027			524,969	4,733,520	(1,074,633)	3,133,917	1,687,849	(6,076)	(168,177)	(252,266)	1,261,330	17,305,836	19.5	1-Aug	2026	
19.5	1-Aug	2027			524,969	4,733,520	(1,074,633)	3,133,917	1,687,849	(6,076)	(168,177)	(252,266)	1,261,330	17,635,025	20.0	1-Feb	2027	
20.0	1-Feb	2028			524,969	4,780,855	(1,086,720)	3,169,165	1,706,833	(6,145)	(170,069)	(255,103)	1,275,516	17,957,439	20.5	1-Aug	2027	
20.5	1-Aug	2028			524,969	4,780,855	(1,086,720)	3,169,165	1,706,833	(6,145)	(170,069)	(255,103)	1,275,516	18,289,704	21.0	1-Feb	2028	
21.0	1-Feb	2029			524,969	4,828,663	(1,098,928)	3,204,766	1,726,007	(6,214)	(171,979)	(257,969)	1,289,845	18,575,537	21.5	1-Aug	2028	
21.5	1-Aug	2029			524,969	4,828,663	(1,098,928)	3,204,766	1,726,007	(6,214)	(171,979)	(257,969)	1,289,845	18,871,744	22.0	1-Feb	2029	
22.0	1-Feb	2030			524,969	4,876,950	(1,111,258)	3,240,722	1,745,372	(6,283)	(173,909)	(260,863)	1,304,317	19,161,846	22.5	1-Aug	2029	
22.5	1-Aug	2030			524,969	4,876,950	(1,111,258)	3,240,722	1,745,372	(6,283)	(173,909)	(260,863)	1,304,317	19,442,816	23.0	1-Feb	2030	
23.0	1-Feb	2031			524,969	4,925,720	(1,123,711)	3,277,039	1,764,931	(6,354)	(175,858)	(263,787)	1,318,933	19,717,991	23.5	1-Aug	2030	
23.5	1-Aug	2031			524,969	4,925,720	(1,123,711)	3,277,039	1,764,931	(6,354)	(175,858)	(263,787)	1,318,933	19,984,505	24.0	1-Feb	2031	
24.0	1-Feb	2032			524,969	4,974,977	(1,136,289)	3,313,718	1,784,686	(6,425)	(177,826)	(266,739)	1,333,696	20,245,519	24.5	1-Aug	2031	
24.5	1-Aug	2032			524,969	4,974,977	(1,136,289)	3,313,718	1,784,686	(6,425)	(177,826)	(266,739)	1,333,696	20,498,317	25.0	1-Feb	2032	
25.0	1-Feb	2033			524,969	5,024,726	(1,148,993)	3,350,764	1,804,638	(6,497)	(179,814)	(269,721)	1,348,606	20,745,895	25.5	1-Aug	2032	
25.5	1-Aug	2033			524,969	5,024,726	(1,148,993)	3,350,764	1,804,638	(6,497)	(179,814)	(269,721)	1,348,606	20,985,680	26.0	1-Feb	2033	
					Totals		(46,439,011)		72,977,389	(262,579)	(7,267,606)	(10,901,409)	54,507,045					
Present Value									39,555,053	(142,398)	(5,762,797)	(5,911,898)	20,985,680					

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



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

RETAIL

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

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

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

Note:

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



CEDAR AVE TAX INCREMENT DISTRICT
CITY OF RICHFIELD
RETAIL

TAX INCREMENT CASH FLOW													PAYMENT DATE		
PERIOD	BEGINNING	Base	Project	Fiscal	Captured	Semi-Annual	State	Admin.	Housing	Semi-Annual	Semi-Annual	PERIOD	ENDING		
Yrs.	Mth.	Yr.	Capacity	Disparities	Tax	Gross Tax	Auditor	10.00%	15.00%	Net Tax	Present	Yrs.	Mth.	Yr.	
				Reduction	Capacity	Increment	0.36%			Increment	Value				
					Present Value Date	01-Feb-06									
0.0	1-Aug	2006	143,105									0.0	1-Feb	2006	
0.0	1-Feb	2007	143,105									0.0	1-Aug	2006	
0.0	1-Aug	2007	143,105									0.0	1-Feb	2007	
0.0	1-Feb	2008	143,105									0.5	1-Aug	2007	
0.5	1-Aug	2008	143,105									1.0	1-Feb	2008	
1.0	1-Feb	2009	143,105									1.5	1-Aug	2008	
1.5	1-Aug	2009	143,105									2.0	1-Feb	2009	
2.0	1-Feb	2010	143,105									2.5	1-Aug	2009	
2.5	1-Aug	2010	143,105									3.0	1-Feb	2010	
3.0	1-Feb	2011	143,105									3.5	1-Aug	2010	
3.5	1-Aug	2011	143,105									4.0	1-Feb	2011	
4.0	1-Feb	2012	143,105									4.5	1-Aug	2011	
4.5	1-Aug	2012	143,105									5.0	1-Feb	2012	
5.0	1-Feb	2013	143,105									5.5	1-Aug	2012	
5.5	1-Aug	2013	143,105									6.0	1-Feb	2013	
6.0	1-Feb	2014	143,105									6.5	1-Aug	2013	
6.5	1-Aug	2014	143,105									7.0	1-Feb	2014	
7.0	1-Feb	2015	143,105									7.5	1-Aug	2014	
7.5	1-Aug	2015	143,105									8.0	1-Feb	2015	
8.0	1-Feb	2016	143,105									8.5	1-Aug	2015	
8.5	1-Aug	2016	143,105									9.0	1-Feb	2016	
9.0	1-Feb	2017	143,105									9.5	1-Aug	2016	
9.5	1-Aug	2017	143,105									10.0	1-Feb	2017	
10.0	1-Feb	2018	143,105									10.5	1-Aug	2017	
10.5	1-Aug	2018	143,105									11.0	1-Feb	2018	
11.0	1-Feb	2019	143,105									11.5	1-Aug	2018	
11.5	1-Aug	2019	143,105									12.0	1-Feb	2019	
12.0	1-Feb	2020	143,105									12.5	1-Aug	2019	
12.5	1-Aug	2020	143,105									13.0	1-Feb	2020	
13.0	1-Feb	2021	143,105									13.5	1-Aug	2020	
13.5	1-Aug	2021	143,105									14.0	1-Feb	2021	
14.0	1-Feb	2022	143,105									14.5	1-Aug	2021	
14.5	1-Aug	2022	143,105									15.0	1-Feb	2022	
15.0	1-Feb	2023	143,105									15.5	1-Aug	2022	
15.5	1-Aug	2023	143,105									16.0	1-Feb	2023	
16.0	1-Feb	2024	143,105									16.5	1-Aug	2023	
16.5	1-Aug	2024	143,105									17.0	1-Feb	2024	
17.0	1-Feb	2025	143,105									17.5	1-Aug	2024	
17.5	1-Aug	2025	143,105									18.0	1-Feb	2025	
18.0	1-Feb	2026	143,105									18.5	1-Aug	2025	
18.5	1-Aug	2026	143,105									19.0	1-Feb	2026	
19.0	1-Feb	2027	143,105									19.5	1-Aug	2026	
19.5	1-Aug	2027	143,105									20.0	1-Feb	2027	
20.0	1-Feb	2028	143,105									20.5	1-Aug	2027	
20.5	1-Aug	2028	143,105									21.0	1-Feb	2028	
21.0	1-Feb	2029	143,105									21.5	1-Aug	2028	
21.5	1-Aug	2029	143,105									22.0	1-Feb	2029	
22.0	1-Feb	2030	143,105									22.5	1-Aug	2029	
22.5	1-Aug	2030	143,105									23.0	1-Feb	2030	
23.0	1-Feb	2031	143,105									23.5	1-Aug	2030	
23.5	1-Aug	2031	143,105									24.0	1-Feb	2031	
24.0	1-Feb	2032	143,105									24.5	1-Aug	2031	
24.5	1-Aug	2032	143,105									25.0	1-Feb	2032	
25.0	1-Feb	2033	143,105									25.5	1-Aug	2032	
25.5	1-Aug	2033	143,105									26.0	1-Feb	2033	
				Totals	(7,893,938)	12,556,951	(45,066)	(1,247,314)	(1,870,971)	9,354,853	3,238,526				
Present Value						6,388,790	(23,000)	(861,709)	(954,869)		3,238,526				

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

APPENDIX E

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

APPENDIX F

FINDINGS AND BUT/FOR QUALIFICATIONS

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

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

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

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

Subdivision 1. [AUTHORIZATION.]

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

Subd. 2. [DISTRICT IS REDEVELOPMENT DISTRICT.]

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

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

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

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

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

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

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

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

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

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

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

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

APPENDIX G
PRIOR IMPROVEMENTS

APPENDIX H

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

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

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

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

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

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

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

APPENDIX I

2017 SPECIAL LEGISLATION

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

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

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

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



*As of July 13, 2018
Draft for Planning Commission review*

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

and the

Tax Increment Financing Plan

for the establishment of

**Tax Increment Financing District No. 2018-1
(a housing district)**

within

Richfield Redevelopment Project Area

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

Public Hearing: August 21, 2018
Adopted:

This document is in draft form for distribution to the County and the School District. The TIF Plan contains the estimated fiscal and economic implications of the proposed TIF District. The City and the HRA may make minor changes to this draft document prior to the public hearing.



Prepared by: EHLERS & ASSOCIATES, INC.
3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105
651-697-8500 fax: 651-697-8555 www.ehlers-inc.com

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

Foreword

The following text represents a Modification to the Redevelopment Plan for Richfield Redevelopment Project Area. This modification represents a continuation of the goals and objectives set forth in the Redevelopment Plan for Richfield Redevelopment Project Area. Generally, the substantive changes include the establishment of Tax Increment Financing District No. 2018-1.

For further information, a review of the Redevelopment Plan for Richfield Redevelopment Project Area, adopted June 14, 1993, is recommended. It is available from the Community Development Director or at the City of Richfield. Other relevant information is contained in the Tax Increment Financing Plans for the Tax Increment Financing Districts located within Richfield Redevelopment Project Area.

Section 2 - Tax Increment Financing Plan for Tax Increment Financing District No. 2018-1

Subsection 2-1. Foreword

The Richfield Housing and Redevelopment Authority (the "HRA"), the City of Richfield (the "City"), staff and consultants have prepared the following information to expedite the establishment of Tax Increment Financing District No. 2018-1 (the "District"), a housing tax increment financing district, located in the Richfield Redevelopment Project Area.

Subsection 2-2. Statutory Authority

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

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

Subsection 2-3. Statement of Objectives

The District currently consists of 17 parcels of land and adjacent and internal rights-of-way. The District is being created to facilitate the construction of approximately 80 owner occupied townhomes in the City. Please see Appendix A for further District information. The HRA has not entered into an agreement but anticipates entering into an agreement with NHH Properties, and development is likely to begin in the Fall 2018. This TIF Plan is expected to achieve many of the objectives outlined in the Redevelopment Plan for Richfield Redevelopment Project Area.

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

Subsection 2-4. Redevelopment Plan Overview

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

District.

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

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

The HRA or City currently owns 4 parcels to be included in the District.

Subsection 2-6. Classification of the District

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

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

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

M.S., Section 469.1761:

Subd. 1. Requirement imposed.

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

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

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

(b) The requirements imposed by this section apply to property receiving assistance financed with tax increments, including interest reduction, land transfers at less than the authority's cost of acquisition, utility service or connections, roads, parking facilities, or other subsidies. The provisions of this section do not apply to districts located within a targeted area as defined in Section 462C.02 Subd 9, clause (e).

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

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

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

Subd. 2. Owner occupied housing.

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

Subd. 3. Rental property.

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

Subd. 4. Noncompliance; enforcement.

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

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

- The District consists of 17 parcels.
- The development will consist of approximately 80 units of single family owner occupied housing
- At least 95% of the houses assisted with tax increment must be occupied with persons at 100% of median income for a family of two or less and 115% of median income for families of three or more (rental housing would have stricter income limitations). Median income under this provision is the greater of the statewide median or the county median. For Hennepin County, the median income is \$94,300 and the statewide median is \$69,500 (year 2018). Therefore, the family of three or more could earn up to \$108,445 (115% of \$94,300) and still qualify to live in the homes. (See Appendix E).

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

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

Pursuant to *M.S., Section 469.175, Subd. 1, and Section 469.176, Subd. 1*, the duration and first year of tax increment of the District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b.*, the duration of the District will be 25 years after receipt of the first increment by the HRA (a total of 26 years of tax increment). The HRA elects to receive the first tax increment in 2021, 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 2046, or when the TIF Plan is satisfied. The HRA reserves the right to decertify the District prior to the legally required date.

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

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

in 2018 for taxes payable 2019.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2021) the amount by which the original value has increased or decreased as a result of:

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

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

The original local tax rate for the District will be the local tax rate for taxes payable 2019, assuming the request for certification is made before June 30, 2019. 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 Richfield Redevelopment Project Area, upon completion of the projects within the District, will annually approximate tax increment revenues as shown in the table below. The HRA and City request 100 percent of the available increase in tax capacity for repayment of its obligations and current expenditures, beginning in the tax year payable 2021. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

Project Estimated Tax Capacity upon Completion (PTC)	\$476,294	
Original Estimated Net Tax Capacity (ONTC)	\$27,120	
Estimated Captured Tax Capacity (CTC)	\$449,174	
Original Local Tax Rate	1.49863	Pay 2018
Estimated Annual Tax Increment (CTC x Local Tax Rate)	\$673,146	
Percent Retained by the HRA	100%	

Tax capacity includes a 3% inflation factor for the duration of the District. The tax capacity included in this chart is the estimated tax capacity of the District in year 25. The tax capacity of the District in year one is estimated to be \$36,079.

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

The City is reviewing the area to be included in the District to determine if any building permits have been issued during the 18 months immediately preceding approval of the TIF Plan by the City.

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

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

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

<u>SOURCES OF FUNDS</u>	<u>TOTAL</u>
Tax Increment	\$11,447,128
<u>Interest</u>	<u>\$1,144,713</u>
TOTAL	\$12,591,841

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 \$12,591,841. Such bonds may be in the form of pay-as-you-go notes, revenue bonds or notes, general obligation bonds, or interfund loans. This estimate of total bonded indebtedness is a cumulative statement of authority under this TIF Plan as of the date of approval.

Subsection 2-10. Uses of Funds

Currently under consideration for the District is a proposal to facilitate the construction of approximately 80 owner occupied townhomes. The HRA and City have 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.

<u>USES OF TAX INCREMENT FUNDS</u>	<u>TOTAL</u>
Land/Building Acquisition	\$4,275,000
Site Improvements/Preparation	\$750,000
Utilities	\$225,000
Other Qualifying Improvements	\$554,779
<u>Administrative Costs (up to 10%)</u>	<u>\$1,144,713</u>
PROJECT COST TOTAL	\$6,949,492
<u>Interest</u>	<u>\$5,642,349</u>
PROJECT AND INTEREST COSTS TOTAL	\$12,591,841

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

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

Subsection 2-11. Fiscal Disparities Election

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

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

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

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

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

Subsection 2-12. Business Subsidies

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

- (1) A business subsidy of less than \$150,000;
- (2) Assistance that is generally available to all businesses or to a general class of similar businesses, such as a line of business, size, location, or similar general criteria;

- (3) Public improvements to buildings or lands owned by the state or local government that serve a public purpose and do not principally benefit a single business or defined group of businesses at the time the improvements are made;
- (4) Redevelopment property polluted by contaminants as defined in *M.S., Section 116J.552, Subd. 3*;
- (5) Assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code and assistance provided for designated historic preservation districts, provided that the assistance is equal to or less than 50% of the total cost;
- (6) Assistance to provide job readiness and training services if the sole purpose of the assistance is to provide those services;
- (7) Assistance for housing;
- (8) Assistance for pollution control or abatement, including assistance for a tax increment financing hazardous substance subdistrict as defined under *M.S., Section 469.174, Subd. 23*;
- (9) Assistance for energy conservation;
- (10) Tax reductions resulting from conformity with federal tax law;
- (11) Workers' compensation and unemployment compensation;
- (12) Benefits derived from regulation;
- (13) Indirect benefits derived from assistance to educational institutions;
- (14) Funds from bonds allocated under chapter 474A, bonds issued to refund outstanding bonds, and bonds issued for the benefit of an organization described in section 501 (c) (3) of the Internal Revenue Code of 1986, as amended through December 31, 1999;
- (15) Assistance for a collaboration between a Minnesota higher education institution and a business;
- (16) Assistance for a tax increment financing soils condition district as defined under *M.S., Section 469.174, Subd. 19*;
- (17) Redevelopment when the recipient's investment in the purchase of the site and in site preparation is 70 percent or more of the assessor's current year's estimated market value;
- (18) General changes in tax increment financing law and other general tax law changes of a principally technical nature;
- (19) Federal assistance until the assistance has been repaid to, and reinvested by, the state or local government agency;
- (20) Funds from dock and wharf bonds issued by a seaway port authority;
- (21) Business loans and loan guarantees of \$150,000 or less;
- (22) Federal loan funds provided through the United States Department of Commerce, Economic Development Administration; and
- (23) Property tax abatements granted under *M.S., Section 469.1813* to property that is subject to valuation under Minnesota Rules, chapter 8100.

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

Subsection 2-13. County Road Costs

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

If the county elects to use increments to improve county roads, it must notify the HRA or City within forty-five days of receipt of this TIF Plan. In the opinion of the HRA and City and consultants, the proposed development outlined in this TIF Plan will have little or no impact upon county roads, therefore the TIF Plan

was not forwarded to the county 45 days prior to the public hearing. The HRA and City are aware that the county could claim that tax increment should be used for county roads, even after the public hearing.

Subsection 2-14. Estimated Impact on Other Taxing Jurisdictions

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

IMPACT ON TAX BASE			
	2017/Pay 2018 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) Upon Completion	Percent of CTC to Entity Total
Hennepin County	1,685,924,784	449,174	0.0266%
City of Richfield	30,001,418	449,174	1.4972%
Richfield Public School District ISD No. 280	43,598,799	449,174	1.0302%

IMPACT ON TAX RATES				
	2017/Pay 2018 Extension Rates	Percent of Total	CTC	Potential Taxes
Hennepin County	0.428080	28.56%	449,174	192,282
City of Richfield	0.593350	39.59%	449,174	266,517
Richfield Public School District ISD No. 280	0.370500	24.72%	449,174	166,419
Other	<u>0.106700</u>	<u>7.12%</u>	<u>449,174</u>	<u>47,927</u>
Total	1.498630	100.00%		673,146

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the actual Pay 2018 rate. The total net capacity for the entities listed above are based on actual Pay 2018 figures. The District will be certified under the actual Pay 2019 rates, which were unavailable at the time this TIF Plan was prepared.

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

- (1) Estimate of total tax increment. It is estimated that the total amount of tax increment that will be generated over the life of the District is \$11,447,127;
- (2) Probable impact of the District on city provided services and ability to issue debt. A minimal impact of the District on police protection is expected. The City does track all calls for service including property-type calls and crimes. With any addition of new residents or businesses, police calls for service will be increased. New developments add an increase in traffic, and additional overall

demands to the call load. The City believes there is a slight possibility that the proposed development, in and of itself, will necessitate new capital investment in vehicles.

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

The impact of the District on public infrastructure is expected to be minimal. The development is not expected to significantly impact any traffic movements in the area. The current infrastructure for sanitary sewer, storm sewer and water will be able to handle the additional volume generated from the proposed development. Based on the development plans, there are no additional costs associated with street maintenance, sweeping, plowing, lighting and sidewalks. The development in the District is expected to contribute an estimated \$198,800 in sanitary sewer (SAC) and water (WAC) connection fees.

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

- (3) Estimated amount of tax increment attributable to school district levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is \$2,829,730;
- (4) Estimated amount of tax increment attributable to county levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same, is \$3,269,300;
- (5) Additional information requested by the county or school district. The City is not aware of any standard questions in a county or school district written policy regarding tax increment districts and impact on county or school district services. The county or school district must request additional information pursuant to *M.S. Section 469.175 Subd. 2(b)* within 15 days after receipt of the tax increment financing plan.

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

Subsection 2-15. Supporting Documentation

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

- Cedar Avenue Corridor Master Plan (2016)
- City of Richfield Comprehensive Plan (2007)
- Cedar Avenue Corridor Redevelopment Concept Master Plan (2004)
- Tax Increment Application from NHH Properties.

Subsection 2-16. Definition of Tax Increment Revenues

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

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

Subsection 2-17. Modifications to the District

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

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

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

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

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

Subsection 2-18. Administrative Expenses

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

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

For districts for which certification was requested after July 31, 2001, no tax increment may be used to pay any administrative expenses for District costs which exceed ten percent of total estimated tax increment expenditures authorized by the TIF Plan or the total tax increments, as defined in *M.S., Section 469.174, Subd. 25, clause (1)*, from the District, whichever is less.

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

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

Subsection 2-19. Limitation of Increment

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

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

if, after four years from the date of certification of the original net tax capacity of the tax increment financing district pursuant to M.S., Section 469.177, no demolition, rehabilitation or renovation of property or other site preparation, including qualified improvement of a street adjacent to a parcel but not installation of utility service including sewer or water systems, has been commenced on a parcel located within a tax increment financing district by the authority or by the owner of the parcel in accordance with the tax increment financing plan, no additional tax increment may be taken from that parcel, and the original net tax capacity of that parcel shall be excluded from the original net tax capacity of the tax increment financing district. If the authority or the owner of the parcel subsequently commences demolition, rehabilitation or renovation or other site preparation on that parcel including qualified improvement of a street adjacent to that parcel, in accordance with the tax increment financing plan, the authority shall certify to the county auditor that the activity has commenced and the county auditor shall certify the net tax capacity thereof as most

recently certified by the commissioner of revenue and add it to the original net tax capacity of the tax increment financing district. The county auditor must enforce the provisions of this subdivision. The authority must submit to the county auditor evidence that the required activity has taken place for each parcel in the district. The evidence for a parcel must be submitted by February 1 of the fifth year following the year in which the parcel was certified as included in the district. For purposes of this subdivision, qualified improvements of a street are limited to (1) construction or opening of a new street, (2) relocation of a street, and (3) substantial reconstruction or rebuilding of an existing street.

The HRA or City or a property owner must improve parcels within the District by approximately August 2022 and report such actions to the County Auditor.

Subsection 2-20. Use of Tax Increment

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

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

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

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

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

Subsection 2-21. Excess Increments

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

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

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

Subsection 2-22. Requirements for Agreements with the Developer

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

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

Subsection 2-23. Assessment Agreements

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

Subsection 2-24. Administration of the District

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

Subsection 2-25. Annual Disclosure Requirements

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

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

Subsection 2-26. Reasonable Expectations

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

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

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

Subsection 2-28. Summary

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

Appendix A

Project Description

Tax Increment Financing District No. 2018-1 is being established to facilitate the development of approximately 80 units of owner-occupied townhomes in the City. At least 95% of the units will be purchased by persons at or below 100% to 115% of area median income. Construction is anticipated to begin in the Fall 2018.

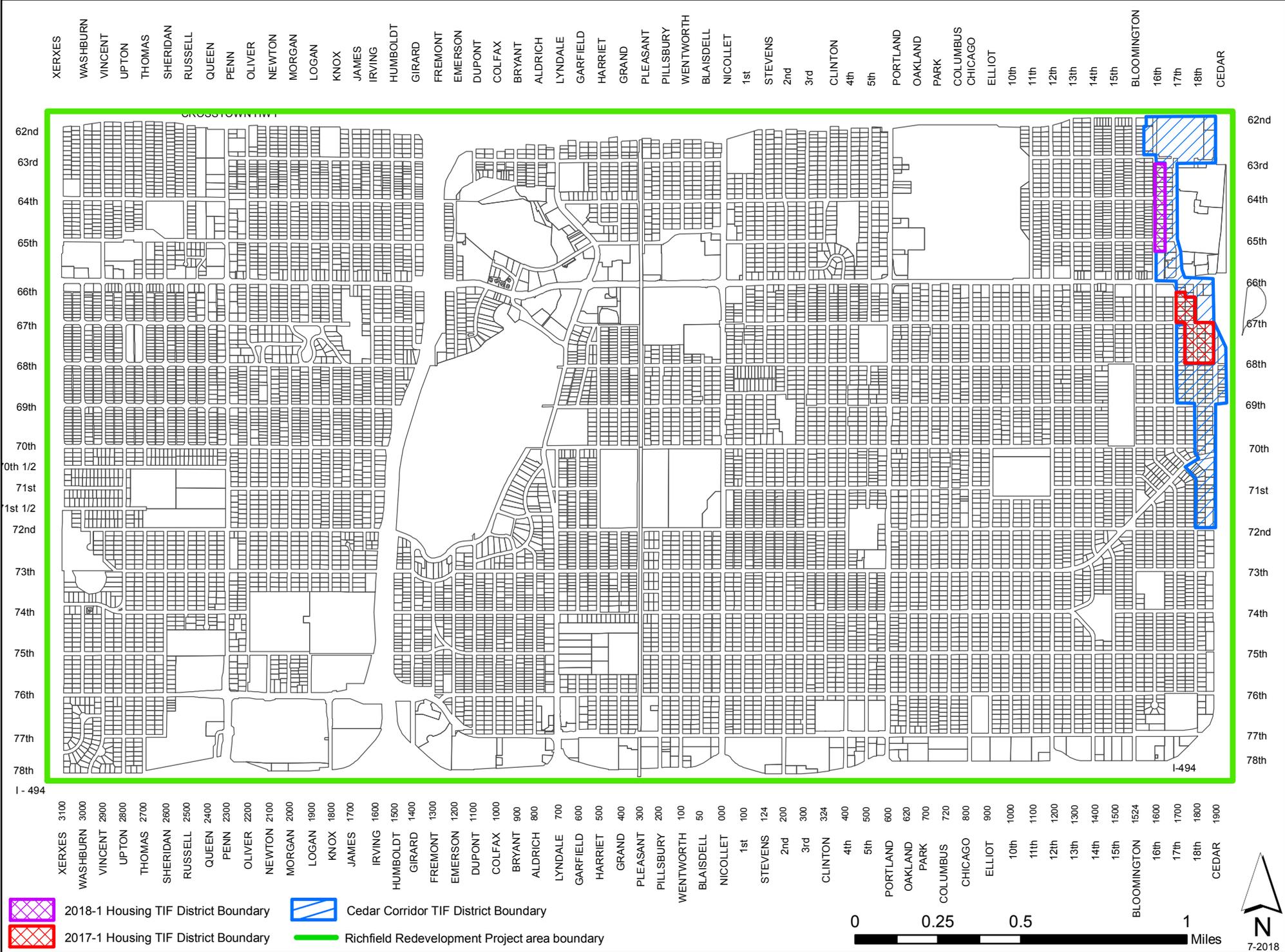
Parcels are being removed from the Cedar Avenue Tax Increment Financing District for establishment of TIF District 2018-1.

The HRA anticipates issuing a Pay-as-you-go Note to the developer to assist with acquisition and demolition of property and other qualified costs.

Appendix B

Map of the Richfield Redevelopment Project Area and the District

CEDAR CORRIDOR, 2017-1 & 2018-1 HOUSING TIF DISTRICTS



Appendix C

Description of Property to be Included in the District

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

<u>Parcel Numbers*</u>	<u>Address</u>	<u>Owner</u>
26.028.24.11.0033	6309 - 16 th Ave. S.	Dunn
26.028.24.11.0034	6315 - 16 th Ave. S.	Richfield HRA
26.028.24.11.0035	6321 - 16 th Ave. S.	Ramirez
26.028.24.11.0036	6327 - 16 th Ave. S.	Kowal
26.028.24.11.0037	6333 - 16 th Ave. S.	Richfield HRA
26.028.24.11.0038	6339 - 16 th Ave. S.	Bolstad
26.028.24.11.0039	6345 - 16 th Ave. S.	Robinson
26.028.24.14.0004	6401 - 16 th Ave. S.	Richfield HRA
26.028.24.14.0005	6409 - 16 th Ave. S.	Richfield HRA
26.028.24.14.0006	6415 - 16 th Ave. S.	Ray
26.028.24.14.0007	6421 - 16 th Ave. S.	Jones
26.028.24.14.0008	6427 - 16 th Ave. S.	Garcia
26.028.24.14.0009	6433 - 16 th Ave. S.	Secora
26.028.24.14.0010	6439 - 16 th Ave. S.	Pina
26.028.24.14.0011	6445 - 16 th Ave. S.	Soderberg
26.028.24.14.0003	6501 - 16 th Ave. S.	Mt. Calvary
26.028.24.14.0002	6509 - 16 th Ave. S.	Mt. Calvary

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

Appendix D

Estimated Cash Flow for the District



Cedar Point - 3% Inflation

City of Richfield, MN

80 For Sale Townhomes -- New Housing TIF District. Assumptions include church property

ASSUMPTIONS AND RATES

DistrictType:	Housing
District Name/Number:	TIF 2018-1
County District #:	TBD
First Year Construction or Inflation on Value	2019
Existing District - Specify No. Years Remaining	
Inflation Rate - Every Year:	3.00%
Interest Rate:	5.00%
Present Value Date:	1-Aug-19
First Period Ending	1-Feb-20
Tax Year District was Certified:	Pay 2019
Cashflow Assumes First Tax Increment For Development:	2021
Years of Tax Increment	26
Assumes Last Year of Tax Increment	2046
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	Inside(B)
Incremental or Total Fiscal Disparities	Incremental
Fiscal Disparities Contribution Ratio	34.6683% Pay 2018
Fiscal Disparities Metro-Wide Tax Rate	145.0950% Pay 2018
Maximum/Frozen Local Tax Rate:	149.860% Pay 2018
Current Local Tax Rate: (Use lesser of Current or Max.)	149.860% Pay 2018
State-wide Tax Rate (Comm./Ind. only used for total taxes)	43.8650% Pay 2018
Market Value Tax Rate (Used for total taxes)	0.17401% Pay 2018

Tax Rates	
Exempt Class Rate (Exempt)	0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)	
First \$150,000	1.50%
Over \$150,000	2.00%
Commercial Industrial Class Rate (C/I)	2.00%
Rental Housing Class Rate (Rental)	1.25%
Affordable Rental Housing Class Rate (Aff. Rental)	
First \$121,000	0.75%
Over \$121,000	0.25%
Non-Homestead Residential (Non-H Res. 1 Unit)	
First \$500,000	1.00%
Over \$500,000	1.25%
Homestead Residential Class Rate (Hmstd. Res.)	
First \$500,000	1.00%
Over \$500,000	1.25%
Agricultural Non-Homestead	1.00%

BASE VALUE INFORMATION (Original Tax Capacity)

Map ID	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Original Market Value	Tax Year Original Market Value	Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion Orig. Tax Cap.	Area/Phase
26.028.24.11.0033		Dunn	6309 - 16th Ave. S	67,000	125,000	192,000	100%	192,000	Pay 2019	Hmstd. Res.	1,920	Hmstd. Res.	1,920	
26.028.24.11.0034		HRA	6315 - 16th Ave. S.	67,000		67,000	100%	67,000	Pay 2019	Exempt	-	Hmstd. Res.	670	
26.028.24.11.0035		Ramirez	6321 - 16th Ave. S.	67,000	125,000	192,000	100%	192,000	Pay 2019	Hmstd. Res.	1,920	Hmstd. Res.	1,920	
26.028.24.11.0036		Kowal	6327 - 16th Ave. S.	67,000	115,000	182,000	100%	182,000	Pay 2019	Hmstd. Res.	1,820	Hmstd. Res.	1,820	
26.028.24.11.0037		HRA	6333 - 16th Ave. S.	67,000		67,000	100%	67,000	Pay 2019	Exempt	-	Hmstd. Res.	670	
26.028.24.11.0038		Bolstad	6339 - 16th Ave. S.	67,000	119,000	186,000	100%	186,000	Pay 2019	Hmstd. Res.	1,860	Hmstd. Res.	1,860	
26.028.24.11.0039		Robinson	6345 - 16th Ave. S.	67,000	132,000	199,000	100%	199,000	Pay 2019	Hmstd. Res.	1,990	Hmstd. Res.	1,990	
26.028.24.14.0004		HRA	6401 - 16th Ave. S.	67,000		67,000	100%	67,000	Pay 2019	Exempt	-	Hmstd. Res.	670	
26.028.24.14.0005		HRA	6409 - 16th Ave. S.	67,000		67,000	100%	67,000	Pay 2019	Exempt	-	Hmstd. Res.	670	
26.028.24.14.0006		Ray	6415 - 16th Ave. S.	67,000	123,000	190,000	100%	190,000	Pay 2019	Hmstd. Res.	1,900	Hmstd. Res.	1,900	
26.028.24.14.0007		Jones	6421 - 16th Ave. S.	67,000	115,000	182,000	100%	182,000	Pay 2019	Hmstd. Res.	1,820	Hmstd. Res.	1,820	
26.028.24.14.0008		Garcia	6427 - 16th Ave. S.	67,000	153,000	220,000	100%	220,000	Pay 2019	Hmstd. Res.	2,200	Hmstd. Res.	2,200	
26.028.24.14.0009		Secora	6433 - 16th Ave. S.	67,000	131,000	198,000	100%	198,000	Pay 2019	Hmstd. Res.	1,980	Hmstd. Res.	1,980	
26.028.24.14.0010		Pina	6439 - 16th Ave. S.	67,000	168,000	235,000	100%	235,000	Pay 2019	Hmstd. Res.	2,350	Hmstd. Res.	2,350	
26.028.24.14.0011		Soderberg	6445 - 16th Ave. S.	67,000	142,000	209,000	100%	209,000	Pay 2019	Hmstd. Res.	2,090	Hmstd. Res.	2,090	
26.028.24.14.0003		Mt. Clavary	6501 - 16th Ave. S.	67,000	125,000	192,000	100%	192,000	Pay 2019	Exempt	-	Hmstd. Res.	1,920	1
26.028.24.14.0002		Mt. Clavary	6509 - 16th Ave. S.	67,000		67,000	100%	67,000	Pay 2019	Exempt	-	Hmstd. Res.	670	1
				1,139,000	1,573,000	2,712,000		2,712,000			21,850		27,120	

Note:

1. Base values are preliminary for pay 2019 based upon review of County website on May 4, 2018. Tax exempt land value is estimate based on surrounding property.



Cedar Point - 3% Inflation

City of Richfield, MN

80 For Sale Townhomes -- New Housing TIF District. Assumptions include church property

PROJECT INFORMATION (Project Tax Capacity)													
Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Total Taxable Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2019	Percentage Completed 2020	Percentage Completed 2021	Percentage Completed 2022	First Year Full Taxes Payable
1	Townhome	310,000	300,660	8	2,405,280	Hmstd. Res.	24,053	3,007	100%	100%	100%	100%	2021
2	Townhome	310,000	300,660	16	4,810,560	Hmstd. Res.	48,106	3,007	25%	100%	100%	100%	2022
3	Townhome	310,000	300,660	16	4,810,560	Hmstd. Res.	48,106	3,007	0%	50%	100%	100%	2023
4	Townhome	310,000	300,660	16	4,810,560	Hmstd. Res.	48,106	3,007	0%	0%	100%	100%	2023
5	Townhome	310,000	300,660	16	4,810,560	Hmstd. Res.	48,106	3,007	0%	0%	0%	100%	2024
6	Townhome	310,000	300,660	8	2,405,280	Hmstd. Res.	24,053	3,007	0%	0%	0%	100%	2024
TOTAL					24,052,800		240,528						
Subtotal Residential				80	24,052,800		240,528						
Subtotal Commercial/Ind.				0	0		0						

Note:

1. Market values are based upon estimates from developer discussion on May 3, 2018.

TAX CALCULATIONS									
New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Townhome	24,053	0	24,053	36,046	0	0	4,185	40,231	5,028.87
Townhome	48,106	0	48,106	72,091	0	0	8,371	80,462	5,028.87
Townhome	48,106	0	48,106	72,091	0	0	8,371	80,462	5,028.87
Townhome	48,106	0	48,106	72,091	0	0	8,371	80,462	5,028.87
Townhome	48,106	0	48,106	72,091	0	0	8,371	80,462	5,028.87
Townhome	24,053	0	24,053	36,046	0	0	4,185	40,231	5,028.87
TOTAL	240,528	0	240,528	360,455	0	0	41,854	402,310	

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	402,310
less State-wide Taxes	0
less Fiscal Disp. Adj.	0
less Market Value Taxes	(41,854)
less Base Value Taxes	(40,642)
Annual Gross TIF	319,813

MARKET VALUE BUT / FOR ANALYSIS	
Current Market Value - Est.	2,712,000
New Market Value - Est.	24,052,800
Difference	21,340,800
Present Value of Tax Increment	5,196,548
Difference	16,144,252
Value likely to occur without Tax Increment is less than:	16,144,252



Cedar Point - 3% Inflation
City of Richfield, MN

80 For Sale Townhomes -- New Housing TIF District. Assumptions include church property

TAX INCREMENT CASH FLOW														
% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 10%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
														02/01/20
														08/01/20
														02/01/21
100%	36,079	(27,120)	-	8,959	149.860%	13,426	6,713	(24)	(669)	6,020	5,454	0.5	2021	08/01/21
							6,713	(24)	(669)	6,020	10,775	1	2021	02/01/22
100%	96,933	(27,120)	-	69,813	149.860%	104,621	52,311	(188)	(5,212)	46,910	51,225	1.5	2022	08/01/22
							52,311	(188)	(5,212)	46,910	90,689	2	2022	02/01/23
100%	171,278	(27,120)	-	144,158	149.860%	216,035	108,017	(389)	(10,763)	96,866	170,191	2.5	2023	08/01/23
							108,017	(389)	(10,763)	96,866	247,754	3	2023	02/01/24
100%	248,574	(27,120)	-	221,454	149.860%	331,871	165,936	(597)	(16,534)	148,805	364,000	3.5	2024	08/01/24
							165,936	(597)	(16,534)	148,805	477,411	4	2024	02/01/25
100%	256,032	(27,120)	-	228,912	149.860%	343,047	171,523	(617)	(17,091)	153,815	591,781	4.5	2025	08/01/25
							171,523	(617)	(17,091)	153,815	703,362	5	2025	02/01/26
100%	263,712	(27,120)	-	236,592	149.860%	354,558	177,279	(638)	(17,664)	158,976	815,874	5.5	2026	08/01/26
							177,279	(638)	(17,664)	158,976	925,642	6	2026	02/01/27
100%	271,624	(27,120)	-	244,504	149.860%	366,413	183,207	(660)	(18,255)	164,292	1,036,313	6.5	2027	08/01/27
							183,207	(660)	(18,255)	164,292	1,144,285	7	2027	02/01/28
100%	279,773	(27,120)	-	252,653	149.860%	378,625	189,313	(682)	(18,863)	169,768	1,253,135	7.5	2028	08/01/28
							189,313	(682)	(18,863)	169,768	1,359,329	8	2028	02/01/29
100%	288,166	(27,120)	-	261,046	149.860%	391,203	195,602	(704)	(19,490)	175,408	1,466,375	8.5	2029	08/01/29
							195,602	(704)	(19,490)	175,408	1,570,811	9	2029	02/01/30
100%	296,811	(27,120)	-	269,691	149.860%	404,159	202,079	(727)	(20,135)	181,217	1,676,073	9.5	2030	08/01/30
							202,079	(727)	(20,135)	181,217	1,778,768	10	2030	02/01/31
100%	305,715	(27,120)	-	278,595	149.860%	417,503	208,751	(752)	(20,800)	187,200	1,882,266	10.5	2031	08/01/31
							208,751	(752)	(20,800)	187,200	1,983,240	11	2031	02/01/32
100%	314,887	(27,120)	-	287,767	149.860%	431,247	215,623	(776)	(21,485)	193,362	2,084,994	11.5	2032	08/01/32
							215,623	(776)	(21,485)	193,362	2,184,266	12	2032	02/01/33
100%	324,333	(27,120)	-	297,213	149.860%	445,404	222,702	(802)	(22,190)	199,710	2,284,297	12.5	2033	08/01/33
							222,702	(802)	(22,190)	199,710	2,381,887	13	2033	02/01/34
100%	334,063	(27,120)	-	306,943	149.860%	459,985	229,992	(828)	(22,916)	206,248	2,480,214	13.5	2034	08/01/34
							229,992	(828)	(22,916)	206,248	2,576,143	14	2034	02/01/35
100%	344,085	(27,120)	-	316,965	149.860%	475,004	237,502	(855)	(23,665)	212,982	2,672,788	14.5	2035	08/01/35
							237,502	(855)	(23,665)	212,982	2,767,076	15	2035	02/01/36
100%	354,408	(27,120)	-	327,288	149.860%	490,473	245,237	(883)	(24,435)	219,918	2,862,060	15.5	2036	08/01/36
							245,237	(883)	(24,435)	219,918	2,954,727	16	2036	02/01/37
100%	365,040	(27,120)	-	337,920	149.860%	506,407	253,203	(912)	(25,229)	227,063	3,048,071	16.5	2037	08/01/37
							253,203	(912)	(25,229)	227,063	3,139,139	17	2037	02/01/38
100%	375,991	(27,120)	-	348,871	149.860%	522,818	261,409	(941)	(26,047)	234,421	3,230,864	17.5	2038	08/01/38
							261,409	(941)	(26,047)	234,421	3,320,352	18	2038	02/01/39
100%	387,271	(27,120)	-	360,151	149.860%	539,722	269,861	(971)	(26,889)	242,000	3,410,481	18.5	2039	08/01/39
							269,861	(971)	(26,889)	242,000	3,498,411	19	2039	02/01/40
100%	398,889	(27,120)	-	371,769	149.860%	557,133	278,566	(1,003)	(27,756)	249,807	3,586,964	19.5	2040	08/01/40
							278,566	(1,003)	(27,756)	249,807	3,673,357	20	2040	02/01/41
100%	410,855	(27,120)	-	383,735	149.860%	575,066	287,533	(1,035)	(28,650)	257,848	3,760,356	20.5	2041	08/01/41
							287,533	(1,035)	(28,650)	257,848	3,845,233	21	2041	02/01/42
100%	423,181	(27,120)	-	396,061	149.860%	593,537	296,769	(1,068)	(29,570)	266,130	3,930,699	21.5	2042	08/01/42
							296,769	(1,068)	(29,570)	266,130	4,014,081	22	2042	02/01/43
100%	435,877	(27,120)	-	408,757	149.860%	612,563	306,281	(1,068)	(30,521)	274,692	4,098,047	22.5	2043	08/01/43
							306,281	(1,103)	(30,518)	274,661	4,179,955	23	2043	02/01/44
100%	448,953	(27,120)	-	421,833	149.860%	632,159	316,079	(1,138)	(31,494)	283,447	4,262,422	23.5	2044	08/01/44
							316,079	(1,138)	(31,494)	283,447	4,342,877	24	2044	02/01/45
100%	462,421	(27,120)	-	435,301	149.860%	652,343	326,171	(1,174)	(32,500)	292,497	4,423,876	24.5	2045	08/01/45
							326,171	(1,174)	(32,500)	292,497	4,502,900	25	2045	02/01/46
100%	476,294	(27,120)	-	449,174	149.860%	673,132	336,566	(1,212)	(33,535)	301,819	4,582,453	25.5	2046	08/01/46
							336,566	(1,212)	(33,535)	301,819	4,660,066	26	2046	02/01/47
Total							11,488,452	(41,324)	(1,144,713)	10,302,415				
			Present Value From 08/01/2019	Present Value Rate	5.00%		5,196,548	(18,697)	(517,785)	4,660,066				

Appendix E

Housing Qualifications for the District

Income Restrictions- Adjusted for Family Size		
(Owner Occupied Housing District - Hennepin County)		
No. of Persons	100% of Median Income	115% of Median Income
1-2 persons	\$94,300	N/A
3-4 persons	N/A	\$108,445

Source: U.S. Department of Housing and Urban Development

*Please note: These numbers are adjusted annually. All income figures reported on this page are for 2018.

Appendix F

Findings for the District

To be added prior to the public hearing