



BELLE PLAINE ECONOMIC DEVELOPMENT AUTHORITY
NOTICE OF REGULAR MEETING AND AGENDA
CITY HALL, 218 NORTH MERIDIAN STREET
PLEASE USE THE NORTH ENTRANCE

**MONDAY, FEBRUARY 11, 2019
5:00 P.M.**

PLEDGE OF ALLEGIANCE.

OATH OF OFFICE.

Ashton Pankonin

5:00
P.M.

1. CALL TO ORDER. 1.1. Roll Call.

2. APPROVAL OF AGENDA.

2.1. ELECTION OF OFFICERS.

1. President
2. Vice President
3. Treasurer
4. Assistant Treasurer
5. Secretary

3. APPROVAL OF MINUTES.

- 3.1. Regular Session Minutes of January 14, 2019.

4. TREASURERS REPORT.

- 4.1. Approval of Bills.

5. BUSINESS.

- 5.1. Resolution 19-001: Resolution Approving Terms Of A ROSE Program Loan To Paula Olsen/Jennifer Shinehouse At 103 Main Street West.

- 5.2. Resolution 19-002, Resolution Requesting The City Council Of The City Of Belle Plaine Consent To The Process For The Creation Of A Housing Tax Increment Financing District In Support Of A Proposed 72-Unit Multifamily Rental Housing Project.

6. ADMINISTRATIVE REPORTS.

- 6.1. Commissioner Comments.
- 6.2. Director's Update.
- 6.3. Upcoming Meetings.
 1. Regular Session, 5:00 pm, Monday, March 11, 2019.
 2. Chamber & EDA Gala – February 13, 2019.

7. ADJOURNMENT OF REGULAR SESSION.

There may be a quorum of the Belle Plaine City Council present at the meeting.



MEMORANDUM

DATE: February 11, 2019
TO: EDA President Krant, EDA Board Members, and Administrator Meyer
FROM: Cynthia Smith Strack, Community Development Director
RE: Item 2.1 Election of EDA Officers

REQUEST: Annual Election of Officers

GENERAL INFORMATION

Under the EDA enabling resolution, organization officers are elected at the first meeting following appointments. Expected process is to accept nominations and then close nomination and vote via motion.

The current Vice President, EDA Member Fahey, will solicit nominations for EDA President. Following election of the President, the newly elected (or reelected) President shall preside over the meeting.

The following appointments are requested:

President (last year Krant)
Vice President (last year Fahey)
Treasurer (last year Coleman)
Assistant Treasurer (last year Shutes)
Secretary (last year Eyrich)

**BELLE PLAINE ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING
JANUARY 14, 2019**

PLEDGE OF ALLEGIANCE.

President Krant let those present in the Pledge of Allegiance.

1. CALL TO ORDER. 1.1. Roll Call.

The Belle Plaine Economic Development Authority met in Regular Session at 5:02 PM on Monday, January 14, 2019 at City Hall, 218 North Meridian Street, Belle Plaine, MN. President Krant called the meeting to order with Commissioners Cary Coop, Chris Meyer, Nathan Shutes, Lisa Fahey, Crystal Doyle and Dick Coleman present.

Also present was Community Development Director Smith Strack and City Administrator Dawn Meyer.

2. APPROVAL OF AGENDA.

MOTION by Commissioner Coop, second by Commissioner Fahey, to approve the agenda as presented. ALL VOTED AYE. MOTION CARRIED.

3. APPROVAL OF MINUTES. 3.1. Regular Session Minutes of December 10, 2018.

MOTION by Commissioner Coop, second by Commissioner Coleman, to approve Regular Session Minutes of December 10, 2018. ALL VOTED AYE. MOTION CARRIED.

4. TREASURERS REPORT. 4.1. Approval of Bills.

MOTION by Commissioner Coleman, second by Commissioner Coop, to approve the treasurer's report. ALL VOTED AYE. MOTION CARRIED.

5. BUSINESS.

5.1. Discussion: Housing Meeting Background – Residential Development Opportunities

Community Development Director Smith Strack explained the intent of the EDA to host joint meeting with the City Council and the Planning Commission in March. Smith Strack provided background information on available properties for development within the City with whom she has had development conversations with in the past three years.

Commissioner Shutes inquired if either redevelopment of older lots demolishing or rehabilitation is a cost effective option. Smith Strack explained rehabilitation is and option although may not be cost effective without assistance potential through the Small Cities Development Grant program. Commissioner Meyer cited due to the hot housing market even older rambler style homes are too expensive for entry level buyers, especially when significant maintenance or repair was needed.

5.2. EDA Updates

Community Development Director Smith Strack explained the 2018 Annual Report will be presented by Commissioners Krant and Coleman at the City Council meeting on January 22. Smith Strack also noted the City Council discussed Outdoor Sidewalk Cafes and requested the Planning Commission to comment on draft language.

6. ADMINISTRATIVE REPORTS.

6.1. Commissioner Comments.

Commissioner Shutes expressed his appreciation for his time serving on the EDA and noted his new venture of joining the Prior Lake Advisory Board. Commissioner Krant Thanked Shutes for his service on behalf of the EDA.

6.2. Director's Update.

Community Development Director Smith Strack cited the concept plan for Jane Properties will be reviewed at the Planning meeting tonight noting three platted lots and two outlots are included in the plan. Smith Strack explained the developer is hopeful for retail development later this year.

6.3. Upcoming Meetings.

- 1. Regular Session, 5:00 pm, Monday, February 11, 2019.**
- 2. Chamber & EDA Gala – February 13, 2019.**

Commissioners were reminded of upcoming meetings as listed.

7. ADJOURNMENT OF REGULAR SESSION.

MOTION by Commissioner Shutes, second by Commissioner Meyer, to adjourn the meeting at 5:59 PM.
ALL VOTED AYE. MOTION CARRIED.

Respectfully submitted,

Renee Eyrich
Recording Secretary



MEMORANDUM

DATE: January 11, 2019
TO: EDA President Krant, EDA Board Members, and Administrator Meyer
FROM: Cynthia Smith Strack, Community Development Director
RE: Item 4.1 Payment of Claims

REQUEST: Motion to Approve Payment of Claims

GENERAL INFORMATION

The EDA approves accounts payable for the EDA fund (801) and EDA Revolving Loan Fund (800) at each regular meeting. Attached please find claims for February for your consideration.



CITY OF BELLE PLAINE
 AP DEPARTMENT APPROVAL
 JANUARY 2019

01/17/19 12:28 PM
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Act Code Check Name Amount Comments

FUND 801 ECONOMIC DEVELOPMENT AUTHORITY

DEPT 460500 DEVELOPMENT

801-460500-202000	OFFICE DEPOT, INC	\$4.37	EDA - PAPER
801-460500-321000	FRONTIER COMMUNICATIONS	\$116.79	EDA - PHONE
801-460500-322000	PURCHASE POWER	\$103.40	EDA - POSTAGE
801-460500-575000	PC2 SOLUTIONS	\$28.75	EDA - COMPUTER MAINT

*CLS
1-22-19*

DEPT 460500 DEVELOPMENT

\$253.31

FUND 801 ECONOMIC DEVELOPMENT AUTHORITY

\$253.31



CITY OF BELLE PLAINE
 AP DEPARTMENT APPROVAL
 FEBRUARY 2019

01/31/19 2:04 PM
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Act Code Check Name Amount Comments

FUND 801 ECONOMIC DEVELOPMENT AUTHORITY

DEPT 460500 DEVELOPMENT

801-460500-131000	PATRICIA KRINGS	\$12.00	RETIREE INSURANCE - EDA
801-460500-343000	BELLE PLAINE HERALD -	\$250.00	EDA - ANNUAL EVENT INVITES
801-460500-343000	WELLS FARGO REMITTANCE CNTR	\$12.00	EDA - MARKETING - ISTOCK
801-460500-343000	WELLS FARGO REMITTANCE CNTR	\$12.00	EDA - MARKETING - ISTOCK
801-460500-433000	WELLS FARGO REMITTANCE CNTR	\$295.00	EDA - DUES - EDA

DEPT 460500 DEVELOPMENT

\$581.00

FUND 801 ECONOMIC DEVELOPMENT AUTHORITY

\$581.00

*CLS
2/1/19*



MEMORANDUM

DATE: February 11, 2019
TO: EDA President Krant, EDA Board Members, and Administrator Meyer
FROM: Cynthia Smith Strack, Community Development Director
RE: Item 5.1 ROSE Program Application: Paula Olsen/Jennifer Shinehouse – 103 Main St W (Hair Loft)

REQUEST: Review Façade Loan Request

GENERAL INFORMATION

Paula Olsen (Lessee) and Jennifer Shinehouse (Property Owner) have applied for a \$625 (50% of project) ROSE loan for placement of an awning at 103 Main Street West. Please find the application and cost estimate attached.

The proposed stationary awning will consist of a welded steel frame and fabric covering. No signage is proposed to be attached or imprinted on the awning or valance. Color proposed is black background with large polka dots. The proposed awning is illustrated in the application material.

ROSE loan policy standards and Section 1170.20, Subd. 11(2) of the Code require design review prior to further action. The Design Committee reviewed the design of the proposed awning at their February 4th meeting. The DC found the awning type and placement sympathetic in scale to others in the vicinity and the base color consistent with color palette employed in the Downtown. The DC found the polka dots to be acceptable in the historic district. Building Lessee Olsen is expected to attend the EDA meeting.

Please find a ROSE loan project match matrix attached. The proposed new awning is eligible for a \$1:\$1 match (50% of project). Project estimate is \$1,250.00 with a \$625.00 grant request.

ACTION

The EDA is to consider the ROSE loan request. The EDA included \$8,000 in the 2019 budget for ROSE projects. This is the first request of 2019. A resolution approving/denying the request is attached.

REPORT ATTACHMENTS

- Loan application, contractor estimate for window replacement.
- ROSE Loan Matrix
- Sample Resolution EDA 19-001 Approving/Denying ROSE Loan



CITY OF BELLE PLAINE

218 N. MERIDIAN STREET • BELLE PLAINE, MN 56011 • 999-999-9999

Permit Type: S-Façade Improvement Loan

Permit No.: **S-190001**

Site Address: 103 MAIN STREET WEST

Approved Date: 01/29/19

Work Valuation: \$0.00

Expiration Date: 01/29/19

For ELECTRICAL inspections, call 612-643-1838, Mon-Thurs between 7:00-8:30 a.m. To schedule on-line: jdinspectionsmn.com
ALL OTHER inspections call 952-873-5655, 24 hours in advance.



Owner Information:

SHINEHOUSE-GANSEN, JENNIFER
800 HORIZON COURT
BELLE PLAINE MN 56011
(952) 297-5678

Contractor Information:

Work Description/Requirement:

103 MAIN STREET WEST

THIS PERMIT MUST BE POSTED AT THE ABOVE WORK ADDRESS AT ALL TIMES

**BELLE PLAINE ECONOMIC DEVELOPMENT AUTHORITY
RESTORATION, OPPORTUNITY, SUSTAINABILITY AND ENTERPRISE (ROSE) PROGRAM
APPLICATION FOR FUNDS**

Company Information:

Name of Business: Hair Loft

Current Address: 103 West Main Street, Belle Plaine, MN. 56011

Telephone: 612-242-9924 E-mail PaulaStier@Mchs.com

Primary Contact Person: Paula Olsen

Title: Owner

Telephone: 612-242-9924

Nature of Business: Hair salon

Form of Business Organization:

- CD Purchaser Tenant Operator Other _____
 Sole Proprietorship Limited Partnership _____
 Partnership Corporation (Cocoperative)

Number of Employees: Total: 4 Full-Time: 0 Part-Time: _____

Property Owner(s): Jennifer Shinehouse

Number of years in businesses in Belle Plaine: 3

Project Description:

Briefly describe the nature of the project: Awning front door.

Approximate Amount Requested: \$ 625.00 half of project

Attach copies of all quotes/estimates for proposed work, at least two contractors shall submit quotes.

Funds to be used for: 1/2 of the project

Is the proposed building a conforming use or legal non-conforming use under the City of Belle Plaine's Zoning Ordinance? Yes No

What is the estimated completion date for the project?: ASAP

I have read, understand, and agree to comply with the Policy for the ROSE Loan Program of the Belle Plaine Economic Development Authority and the City of Belle Plaine.



Applicant Signature

Paula Sher-Olsen

Applicant Name (printed)



Property Owner Signature

Property Owner Signature

1-29-19

Date

For Office Use Only:

Reviewed by: _____
Approved: _____
Denied: _____

Reviewed by Design Committee
Approved: _____
Denied: _____

Invoice submitted: _____

Amount: _____

Date Paid: _____



AWNING

www.AcmeAwning.com

3206 BLOOMINGTON AVENUE—MINNEAPOLIS, MN 55407—PHONE (612)722-2731—FAX

Proposal Submitted To	Work To Be Performed At
Name <u>The Hair Loft</u>	Street <u>Same</u> City _____ State _____ Ziip _____ 01-28-19 Att: Paula Stier paulasteier@mchsi.com
Street <u>103 Main Street West</u>	
City <u>Belle Plaine</u> State <u>MN</u> zip <u>56011</u>	
<u>612-242-9924</u>	

Complete welded frame stationary awning.	
Bubble Style C - Soft Valance.	
1 - 2' 6" tall x 2' 6" projection x 5' wide	\$1,030.00
Choice of standard Sunbrella cover color. Straight or Scalloped soft valance.	
Optional White Polka-Dots.	add \$200.00
Permits extra.	
	Total \$1,250.00
50% Deposit Required	

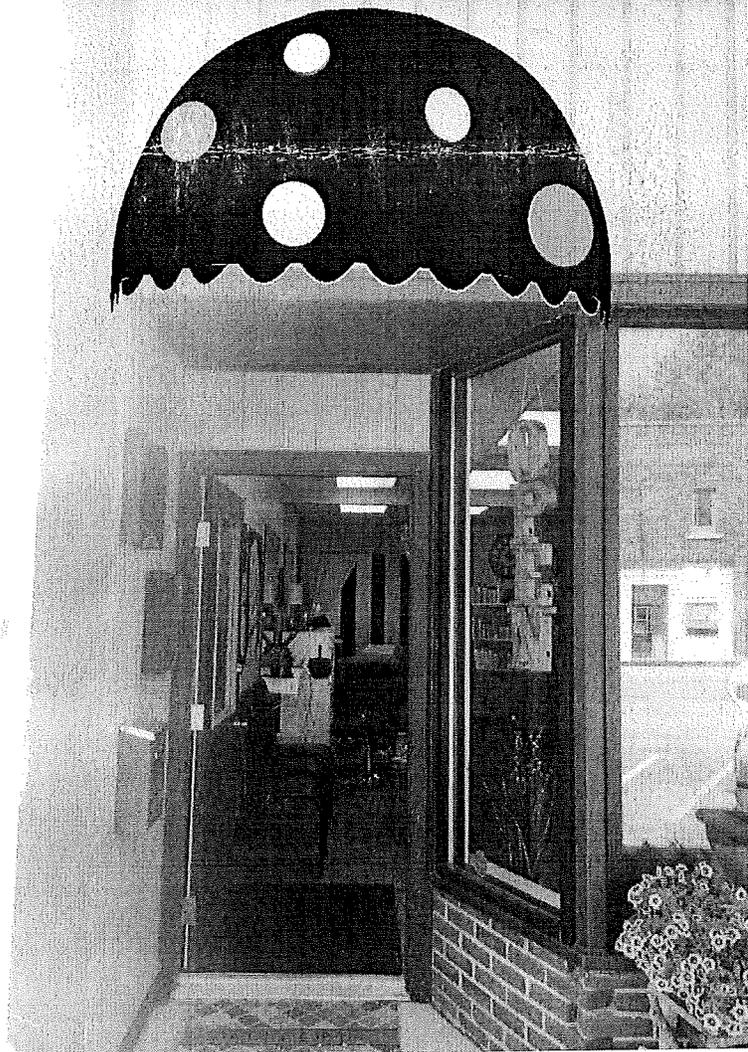
Respectfully submitted by Acme Awning Company
 Per Brian Kelly bkelly@AcmeAwning.com

ACCEPTANCE OF PROPOSAL

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Date _____ Signature _____

1. We hereby propose to furnish the materials and perform the labor necessary for completion of description above.
2. Any alteration or deviation from the above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance upon above work. Workmen's Compensation and Public Liability insurance on and above work to be taken out by Acme Awning.
3. All material is guaranteed to be as specified, above work to be performed in accordance with the drawings and specifications submitted and completed in a substantial workmanlike manner.
4. This proposal may be withdrawn by us if not accepted within 30 days.
5. Retention of Title: Acme Awning Company owns the awnings until full payment is received



THE *Hair* LOFT

Dawn's Salon
HAIR CARE FOR THE ENTIRE FAMILY • 952-973-4261

THE *Hair* LOFT



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MENU

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7013

OPEN



PROMISSORY NOTE

\$625.00

_____, 2019

Paula Renee Stier-Olsen (the "Property Lessee", the "Borrower" and the "Maker") and Jennifer Shinehouse (the "Property Owner", the "Borrower", and the "Maker"), for value received, hereby promises to pay to the Belle Plaine Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota or its assigns (the "EDA" and any assigns are collectively referred to herein as the "Holder"), at its designated principal office or such other place as the Holder may designate in writing, the principal sum of Six Hundred Twenty Five Dollars (\$625.00) or so much thereof as may be advanced under this Promissory Note (the "Note"), in any coin or currency that at the time or times of payment is legal tender for the payment of private debts in the United States of America. This Note evidences the obligation of the Borrower to repay a loan provided by the EDA (the "Loan") in the event the Loan is not forgiven in the manner described herein. The principal of this Note is payable in installments as described herein.

1. The Borrower requested the Loan in order to finance façade improvements consisting of the placement of an awning on a structure located at 103 Main Street West (the "Property") in the City of Belle Plaine, Minnesota (the "City"). The Board of the EDA approved the Loan at its meeting on February 11, 2019, and the City Council of the City approved the Loan at its meeting on February 22, 2019. The Loan is to be made from the EDA's Restoration, Opportunity, Sustainability, and Enterprise (ROSE) Program in the amount of \$625.00 and will be considered a forgivable loan provided that the Borrower remains in business on the Property for at least one (1) year following the disbursement of the Loan or transfers ownership of the business to another entity that maintains the business in the improved building for at least one year following disbursement of the Loan. The obligation of the Borrower to repay the Loan in the event that any portion of the principal amount of the Loan is not forgiven will be evidenced by the Note.

2. If the Borrower does not remain in business on the Property for at least one year following the disbursement of the Loan, the Loan shall be due and payable within thirty (30) days of demand by the EDA.

3. The Borrower shall have the right to prepay the principal of this Note, in whole or in part, on any date.

4. It is agreed that time is of the essence of this Note. If the Borrower does not remain in business on the Property for at least one year following the disbursement of the Loan, the Holder of this Note may at its right and option, with thirty (30) days' notice, declare immediately due and payable the principal balance of this Note, together with reasonable attorneys' fees and expenses incurred by the Holder of this Note in collecting or enforcing payment hereof, whether by lawsuit or otherwise, and all other sums due hereunder or any instrument securing this Note. The Maker of this Note agrees that the Holder of this Note may, without notice to and without affecting the liability of the Maker, accept additional or substitute security for this Note, or release any security or any party liable for this Note or extend or renew this Note.

5. The remedies of the Holder of this Note as provided herein, or any other instrument securing this Note, shall be cumulative and concurrent and may be pursued singly, successively, or together, and, at the sole discretion of the Holder of this Note, may be exercised as often as occasion therefor shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

The Holder of this Note shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Holder and then only to the extent specifically set forth in the writing. A waiver with reference to one event shall not be construed as continuing or as a bar to or waiver of any right or remedy as to a subsequent event. This Note may not be amended, modified, or changed except only by an instrument in writing signed by the party against whom enforcement of any such amendment, modifications, or change is sought.

6. If any term of this Note, or the application thereof to any person or circumstances, shall, to any extent, be invalid or unenforceable, the remainder of this Note, or the application of such term to persons or circumstances other than those to which it is invalid or unenforceable shall not be affected thereby, and each term of this Note shall be valid and enforceable to the fullest extent permitted by law.

7. It is intended that this Note is made with reference to and shall be construed as a Minnesota contract and is governed by the laws thereof. Any disputes, controversies, or claims arising out of this Note shall be heard in the state or federal courts of Minnesota, and all parties to this Note waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

8. The performance or observance of any promise or condition set forth in this Note may be waived, amended, or modified only by a writing signed by the Maker and the Holder. No delay in the exercise of any power, right, or remedy operates as a waiver thereof, nor shall any single or partial exercise of any other power, right, or remedy.

9. IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts, and things required to exist, happen, and be performed precedent to or in the issuance of this Note do exist, have happened, and have been performed in regular and due form as required by law.

IN WITNESS WHEREOF, the Maker has caused this Note to be duly executed as of the date and year first written above.

MAKER

By: _____
Name: Paula Renee Stier-Olsen

Its: _____

STATE OF MINNESOTA)
COUNTY OF SCOTT)

This instrument was acknowledged before me _____ (date) by
Paula Renee Stier-Olsen as _____ (title) of The Hair Loft, the Lessee of the
Property at 103 Main Street West in the City of Belle Plaine Minnesota.

Notary Public

(stamp)

My Commission Expires: _____

MAKER

By: _____
Name: Jennifer Shinehouse

Its: _____

STATE OF MINNESOTA)
COUNTY OF SCOTT)

This instrument was acknowledged before me _____ (date) by
Jennifer Shinehouse as the fee owner of the property at 103 Main Street West in the City of Belle Plaine
Minnesota.

Notary Public

(stamp)

My Commission Expires: _____

**BELLE PLAINE ECONOMIC DEVELOPMENT AUTHORITY
RESOLUTION NO. 19-001**

**RESOLUTION APPROVING TERMS OF A ROSE PROGRAM LOAN TO PAULA OLSEN (LESSEE) AND
JENNIFER SHINEHOUSE (PROPERTY OWNER) AT 103 MAIN STREET WEST**

BE IT RESOLVED BY the Board of Commissioners (the "Board") of the Belle Plaine Economic Development Authority (the "Authority"), as follows:

1. Facade Improvement Loan Program. The City and the Belle Plaine Economic Development Authority (the "EDA") previously approved the EDA's Restoration, Opportunity, Sustainability, and Enterprise (ROSE) Program which provides financial support for improvements to commercial properties in our community, and which is administered by the EDA.

2. Request for Loan. Paula Olsen (Lessee) and Jennifer Shinehouse (Property Owner) together the "Applicants" have requested a ROSE loan in the amount of six hundred twenty five dollars (the "Loan") in order to finance facade improvements consisting of the placement of an awning over a portion of the structure at 103 Main Street West in the City of Belle Plaine (the "Property").

3. Proposed Terms of Loan. The Loan is to be made from the EDA's Façade Improvement Loan Program in the amount of \$625 and will be forgiven provided that the Borrower remains in business on the Property for at least one year following the disbursement of the Loan or transfers ownership of the business to another entity that maintains the business in the improved building for at least one year following disbursement of the Loan. The obligation of the Borrower to repay the Loan in the event that any portion of the principal amount of the Loan is not forgiven will be evidenced by a Promissory Note (the "Note") to be delivered by the Borrower.

4. Board Approval. The Board hereby approves the Loan proposed to be provided to the Borrower contingent on:

- a. Issuance of a building permit prior to project initiation.
- b. Execution of a promissory note by the Applicant and the Property Owner.
- c. Submittal (to the office of the Community Development Director) of valid invoices from a licensed contractor relating to the door replacement/relocation project.

5. Promissory Note. The Board has had an opportunity to review the Note to be executed by the Borrower. The Board hereby approves the form of Note.

6. Effective Date. This resolution shall be effective as of the date hereof.

Approved by the Board of Commissioners of the Belle Plaine Economic Development Authority this 11th day of February, 2019.

BELLE PLAINE ECONOMIC
DEVELOPMENT AUTHORITY

Rick Krant, EDA President

ATTEST

Cynthia Smith Strack, Community Development Director



MEMORANDUM

DATE:	February 11, 2019
TO:	EDA President Krant, EDA Board Members, and Administrator Meyer
FROM:	Cynthia Smith Strack, Community Development Director
RE:	Preliminary Housing Tax Increment Financing Application: Schrom Construction – 561 Elk Street South

REQUEST: Action & Recommendation: Housing TIF Request \$473,700 for 36 Unit Workforce Housing Development

GENERAL INFORMATION

Overview:

Troy Schrom, President Schrom Construction, Inc. has submitted a preliminary application for housing tax increment financing assistance for a workforce housing development at 561 Elk Street South. Schrom has a purchase agreement for the subject property. The proposed phased development consists of two 36-unit apartment buildings. Phase I includes the construction of a three story apartment building with detached garages. The plan features in-suite laundry, site landscaping, and a play feature. The building design features horizontal and vertical breaks in the building's physical plane (offsets and fenestrations) and exterior materials. Phase two is proposed as construction of another 36 unit building. Each floor would house two studio apartments and ten (10) two-bedroom apartments. Phase I construction is proposed for 2019, contingent upon TIF. The project construction estimate tops \$8.5M.

Projected Market Value:

Phase I - \$3.8M
Phase II - \$7.2M

Assistance Requested:

\$473,700 (estimated term of 15 years) - pay-as-you-go

District Qualifications:

A pure housing development is proposed. Income limits would apply to 20% (7 to 8) of the units must be leased to renters earning less than 50% of the area median income as follows:

- One-person household: \$33,050
- Two-person household: \$37,750
- Four-person household: \$47,150

Corresponding rent maximums are estimated at: \$825, \$945, and \$1,125 respectively.

Review Purpose:

The City employs a two-step TIF review process. The first step is preliminary review. Preliminary review is designed to determine:

1. Potential increment available to the project.
2. Validity of request.
3. If the request generally meets statutory requirements.
4. Whether or not TIF assistance will be considered.

Step-two of the TIF review process includes formal application submittal, formal review of the request, and preparation of required documents.

Business Subsidy Policy:

The City/EDA has a business subsidy policy in effect. The policy prescribes eligible projects, criteria for use of available incentives, and approval guidelines.

1. Project meets the following primary eligibility goals:
 - a. To diversify the existing housing stock and/or facilitate the presence of a complete housing supply including a variety of housing values, types, and sizes suitable for all incomes, ages, and abilities.
 - b. To increase, enhance, or diversify the City's tax base.
 - c. To facilitate projects which improve the quality of life by providing desirable environs, providing desired goods or services, and/or addressing an unmet demand. There is a documented need for workforce housing in Scott County.
2. Criteria for use of TIF: The City of Belle Plaine may consider using tax increment financing for larger development, housing, and/or redevelopment projects that would not occur *but for* the assistance provided through TIF. The City utilizes a "Pay As You Go" TIF note which relies on the developer to pay for the up-front project costs with the promise of being reimbursed as taxes are paid.
3. Approval guidelines:
 - a. Must meet one or more eligibility goals.
 - b. Consistent with applicable local, state, and federal laws.
 - c. Applicants must demonstrate sufficient equity investment in the project.
 - d. May be required to demonstrate market demand for a proposed project.
 - e. May not create an unfair or significant competitive financial advantage over other similar projects in the area.
 - f. Will not be given to projects that place extraordinary demands on City infrastructure and/or services.
 - g. Applicants may be required to demonstrate an ability to construct, operate, and maintain the proposed project based on past experience, general reputation, credit history, and similar attributes.
 - h. Assistance will not be provided solely to broaden profit margins.
 - i. Projects must be consistent with the Comprehensive Plan.

Consultant Review:

Ehlers has reviewed the preliminary information and projected TIF potentially available to the project. Ehlers notes from a pure economic analysis, the developer has demonstrated a need for assistance. Ehlers further finds the Schrom assumptions are within an acceptable range, however the developer is likely conservative on the site costs.

Please find attached information from Todd Hagen pertaining to the request. Hagen will be attending the EDA meeting.

ACTION

The EDA is to review and act on the preliminary TIF application. The City Council retains final approval authority over any issuance of a business subsidy. Please find attached Resolution 19-002, Resolution Requesting the City Council of the City of Belle Plaine Consent to the Process for the Creation of a Housing Tax Increment Financing District in support of a proposed 72-unit Multifamily Rental Housing Project.

ATTACHMENTS:

Please find the following included in the meeting packet:

- Application and proposal
- Property report card
- Building rendering, elevations, and floor plan
- Business subsidy policy
- Memo Todd Hagen – Ehlers
- Resolution 19-002

Project financial proforma with and without TIF will be distributed to Commissioners at the EDA meeting.



TIF/Tax Abatement Preliminary Application

General Information

Legal Name of Property Owner and/or Applicant: Schrom Construction
Name of Operating Entity (If Different than Applicant): _____
Address: 704 Parkway Ave. Eagle Lake, MN 56024
Phone: 507-257-5110 Email: accounting@schromconstruction.com
Name of Contact Person: Troy Schrom and Nathan Roberts

Information Checklist

The following information must be presented to the Belle Plaine EDA Office as soon as possible after the initial request for consideration of tax increment or tax abatement. The information will be evaluated to determine if the proposed project conforms to the City's goals and objectives.

1. Attach a map illustrating the exact boundaries of the proposed development.
2. Attach contact information for project representatives such as fiscal consultant, legal consultant, surveyor/engineer, etc.
3. Attach a general written description and drawings of the project illustrating:
 - Size and location of existing and proposed buildings
 - Building concept plans including a site plan, building elevations, building openings, plumbing and HVAC systems, number of stories, square footage per use, construction type, building materials, and cost estimate.
 - Proposed use of property and type of development, estimated traffic to be generated by the project per day.
 - Off-street parking and site access information.
 - Project schedule.
 - Estimated market value of the project when complete (City will work with the Scott County Assessor's Office to obtain this).

4. Project financing information including:

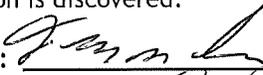
- Proposed project funding sources and uses statements.
- Project financial proforma analysis/cash flow analysis demonstrating a gap in financing.
- A statement describing and illustrating why the project doesn't cash flow without TIF/Abatement and why the project will not move forward without TIF/abatement.
- The proposed business subsidy amount (dollars) and term requested.

5. A statement identifying the public benefit of the proposed project in terms of number of jobs created, number of jobs retained, increase in property value, redevelopment impact, economic development impact, etc.

6. A written perspective of the Developer and/or Development Company including background and experience of the business entity, company leaders, company history, past development achievements, etc.

Signatures

I certify the statements contained in this Application and supplemental materials are true, complete, and correct to the best of my knowledge, and are made by me in good faith. I understand that any falsifications, misrepresentations, or omission of facts in this Application shall be sufficient cause for disqualification and/or ineligibility for tax increment financing and/or abatement approval, regardless of the time that elapses before such false information is discovered.

Applicant Signature:  Date: 2-1-19

Co-Applicant Signature:  Date: 2-1-19

Apartment Complex Development

Belle Plaine, MN

Prepared for:

City of Bell Plaine

Prepared by:



Schrom Construction, Inc.

704 Parkway Avenue

Eagle Lake, MN 56024

Belle Plaine Apartment Complex

Executive Summary

The proposal is to request Tax Increment Financing for a total of a two building, 72 Unit apartment complex development.

With Belle Plaine's fast growing, developing community this is a great opportunity to provide adequate housing needs for its current and future residents. With the City's support this development could help meet the housing needs of its residents and help sustain the cities long term success.

Project Developer

Schrom Construction, Inc. and its affiliated entities (TSB Construction) began building multifamily housing developments in 2011 and have to date successfully constructed 309 units of multifamily housing in multiple communities throughout Minnesota and Iowa.

- Completed project locations
 - Owatonna, MN (47 Units)
 - Eagle Lake, MN (90 units)
 - Humboldt, IA (12 units)
 - Albert Lea, MN (30 units)
 - Spirit Lake, IA (30 units)
 - Belle Plaine, MN (12 units)
 - Marshalltown, IA (48 units)
 - Dodge Center, MN (12 units)
 - Jordan, MN (28 units)-*Currently being constructed*

With proven results accomplished through professionalism, attention to detail, and diligence from start to finish Schrom Construction has earned the reputation of its sustained success.

Schrom Construction also contributes its success to the multiple communities we base our projects in. It is with the relationships and partnerships acquired through these projects that help continue to make Schrom Construction a continued success.

Development Location & Site Overview

The proposed site is currently located off South Elk St Street, west of Commerce Drive West. Schrom Construction has signed into a Purchase Agreement for the location of proposed development.

Aerial View



Concept Plan



Building Description

The proposed development will consist of three stories, with twelve units on each level. Each floor will consist of 2 Studio and 10 two bedroom units. 1st floor will include 2 ADA accessible units.

Building construction will consist of slab on grade foundation with wood framing. Exterior of the buildings will include CertainTeed 30 year shingles and Vinyl siding. The site will be fully landscaped with trees, shrubs, and sod.

- Unit amenities will include:
 - Hayfield Windows
 - Whirlpool appliances
 - Refrigerator, Microwave, Range, Dishwasher, Washer and Dryer
 - Merillat Cabinets
 - Mini Blinds
 - Moen or Delta plumbing fixtures

Development Description

The proposed development will include, (2) 36 unit apartment buildings and 34 detached garage units that will provide suitable market rate/workforce housing accommodations for the City of Belle Plaine.

Each building will provide an equal amount of studio and two bedroom units. Included with each rent will be parking with an option for garages for an additional monthly payment and availability, water and sewer, and refuse and recycling. Tenants will be responsible for electric, gas, and cable/internet services. The proposed development will also implement and enforce a no smoking policy inside the building and in all units.

All buildings are designed for optimal energy efficiency for reduced environmental impacts and long term reductions in operating expenses. Each unit is equipped with Energy Star appliances, and high efficiency HVAC systems.



Financing

With the project cost we are faced with many challenges. One is escalating construction cost along with infrastructure cost. Second, is raising interest rates. Lastly, with the current subcontractor workforce pool these items have driven cost of projects which has created a gap that cannot be overcome in the private sector. We will be asking the City of Belle Plaine for a 15 year Tax Increment Finance District. Listed below are the thresholds for income levels/rent for affordable housing TIF Districts in the Minneapolis-St. Paul area.

20-50 test: 20 percent of the units are occupied by individuals whose incomes are 50 percent or less of the area median income.

State:	MN	2017 State Non metro Median:	\$65,300	
County:	Scott	2016 County Median Income:	\$90,200	
MSA name:	Minneapolis-St. Paul-Bloomington, MN-WI HUD Metro FMR Area			
MAXIMUM INCOMES-2018				
HOUSEHOLD SIZE	50%	60%		
One Person:	\$33,050	\$39,660		
Two Persons:	\$37,750	\$45,300		
Three Persons:	\$42,450	\$50,940		
Four Persons:	\$47,150	\$56,580		
Five Persons:	\$50,950	\$60,768		
Six Persons:	\$54,700	\$65,640		

Property Management

All our properties are managed by experienced property management companies. All our properties offer 24 hour management and maintenance personal. We aim to create a worry free environment for all residents. All repairs, lawn maintenance, and snow removal are handled by our property managers.

The application procedure begins with a thorough screening process, including but not limited to, previous and current landlord verifications, as well as in-depth credit and criminal background reports.

Our property manages strive to provide each of our residents with professional, prompt, and courteous service. Our property managers will coordinate the completion of any maintenance items either by utilizing in-house maintenance staff; or, as necessary, trusted, qualified vendors. We pride ourselves on making sure that each property is provided with quality service, responsible attention to our residents, and maintaining our buildings to the best of our ability. Each property manager treats every resident with respect and dignity.

It is our goal to provide residents and their visitors with a comfortable, well-functioning, pleasant environment each and every day. Resident satisfaction and retention is the core of successful property management and we focus directly on these aspects.

Conclusion

In Conclusion, the proposed multifamily development is a great benefit for the City of Belle Plaine and its residents. The impact of this project could help provide positive economic benefits to the community and help continue to provide adequate market rate/workforce housing to current and future residents.

We would greatly appreciate your support towards this project and look forward to this great opportunity.

Thank you for your time and consideration and we look forward hearing from you.

References

Below are references of city managers/administrators that we have established relationships with for similar projects. Please feel free to reach out with any questions or concerns you may have.

- Brad Potter
 - City of Eagle Lake, Former-City Administrator
 - Phone: (507) 514-2593
- Troy Klecker
 - City of Owatonna, Community Development Director
 - Email: Troy.klecker@ci.owatonna.mn.us
 - Phone: (507)-7774-7316
- Chad Adams
 - City of Albert Lea, City Manager
 - Email: dadams@ci.albertlea.mn.us
 - Phone: (507) -377-4330
- Sack Thongvanh
 - Falcon Heights, City Administrator
 - Email: sack.thongvanh@falconheights.org
 - Phone: (651) 792-7611

Property Card	Parcel ID Number 200790120
----------------------	----------------------------

Taxpayer Information
Taxpayer Name MATTHEW'S ROOFING & RENOVATIONS LLC
Mailing Address 8951 UNION HILL BLVD BELLE PLAINE, MN 56011



Property Address
Address 561 ELK ST S
City BELLE PLAINE, MN 56011

Parcel Information	
Uses 140 Res V Land	Calculated Acres 3.93 Deeded Acres 0.00 Plat OAK VILLAGE Lot 007 Block 002
Legal Description	Section 12 Township 113 Range 025
Legal Description2	SubdivisionName OAK VILLAGE Lot 007 Block 002 SubdivisionCd 20079

Building Information			
Building Style	AGLA (Sq Ft) 0	Bedrooms	0
Year Built 0	Garage Size (Sq Ft) 0	Bathrooms	0.00
Model Desc	Basement Size (Sq Ft) 0	Basement Finish (Sq Ft)	0

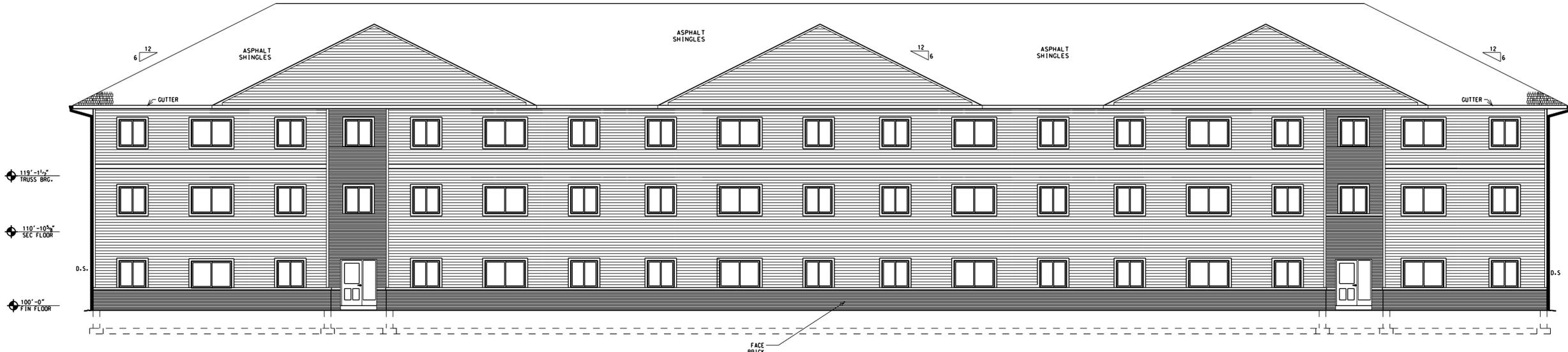
Miscellaneous Information				
School District ISD 0716 BELLE PLAINE	Taxing District Code 1501	Homestead Status N	Green Acres N	Ag Preserve N

Assessor Information			
Estimated Market Value		2017 Values (Payable 2018)	Last Sale
Land		\$231,000.00	Date of Sale 07/31/2017
Improvement		\$0.00	Sale Value \$222,500.00
Total		\$231,000.00	

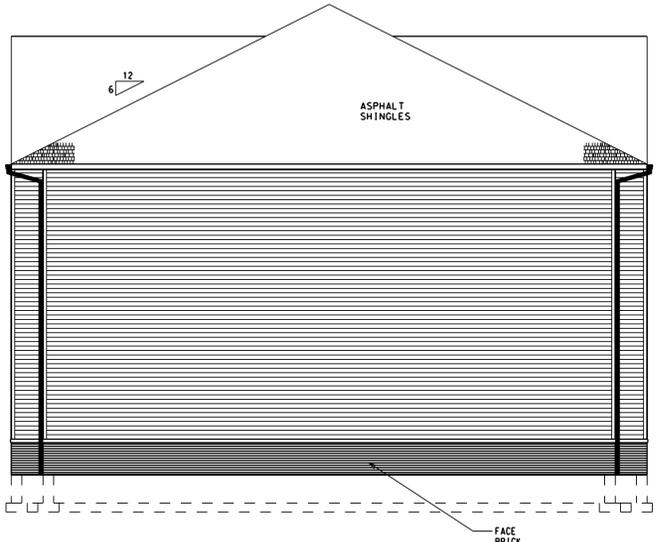
Disclaimer: This information is to be used for reference purposes only. Scott County does not guarantee accuracy of the material contained herein and is not responsible for misuse or misinterpretation. The preceding disclaimer is provided pursuant to Minnesota Statutes 466.03, Subd. 21 (2000), and the user of this service acknowledges that the County shall not be liable for any damages, and expressly waives all claims, and agrees to defend, indemnify, and hold harmless the County from any and all claims brought by User, its employees or agents, or third parties which arise out of the user's access or use of data provided.



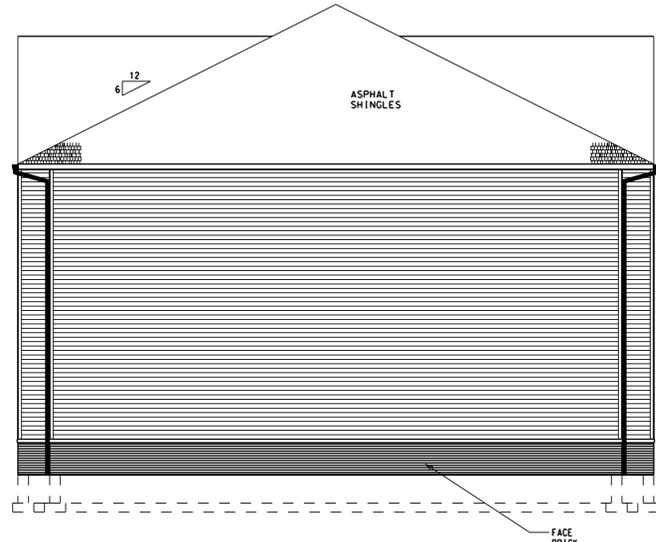




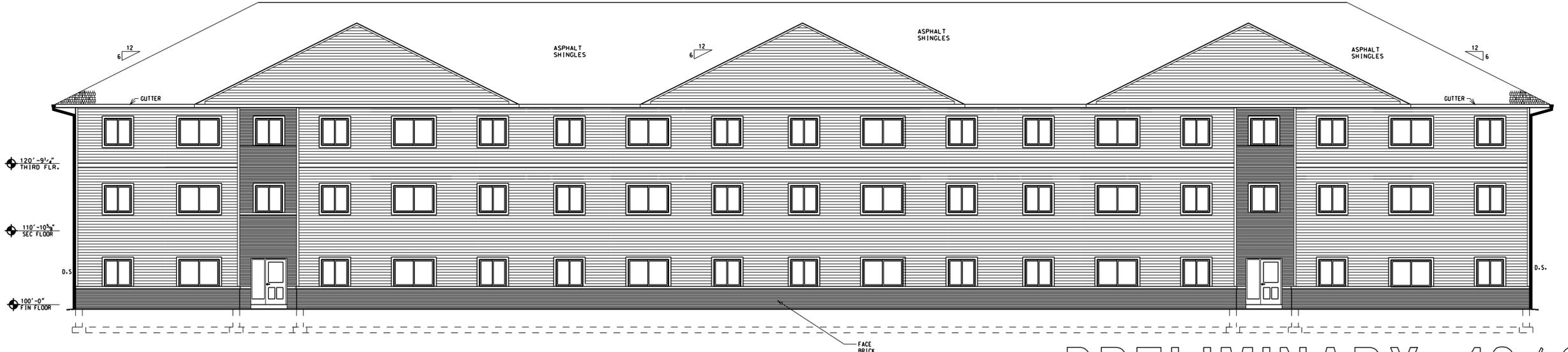
9 FRONT ELEVATION
 SCALE: 1/8" = 1'-0"



17 LEFT ELEVATION
 SCALE: 1/8" = 1'-0"

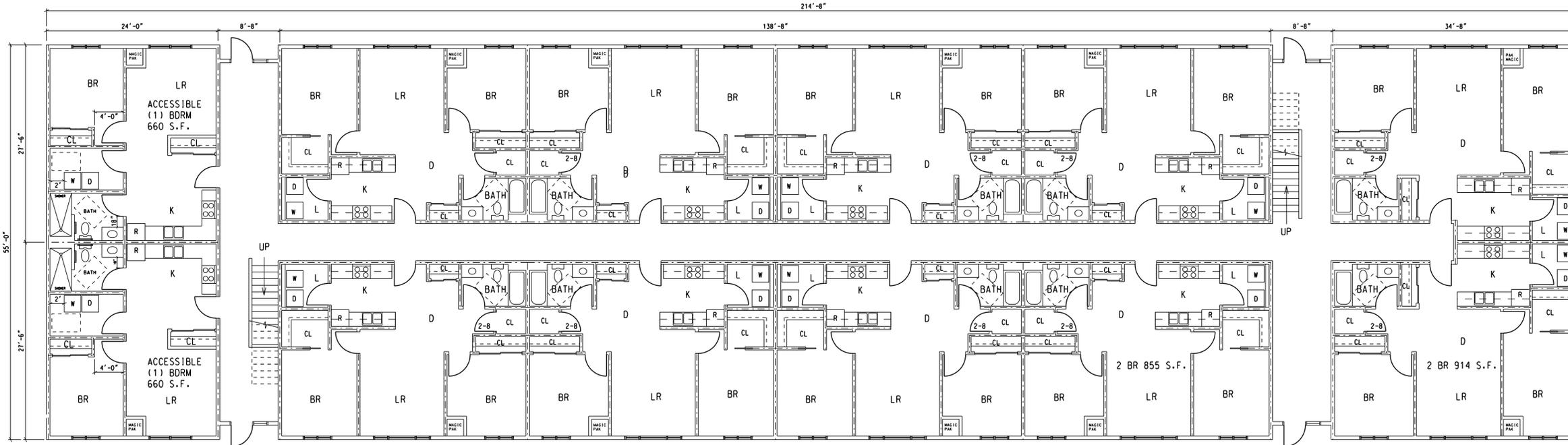


19 RIGHT ELEVATION
 SCALE: 1/8" = 1'-0"

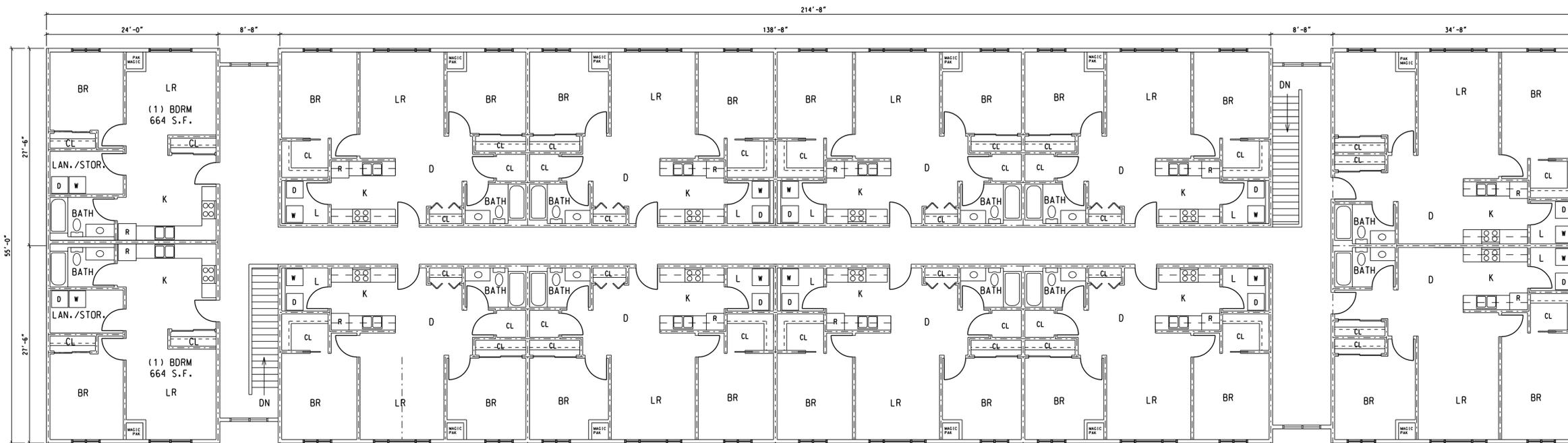


25 REAR ELEVATION
 SCALE: 1/8" = 1'-0"

PRELIMINARY 12/3/18



1 FIRST FLOOR PLAN
SCALE: 1/8" = 1'-0"



2 SECOND AND THIRD FLOOR PLAN
SCALE: 1/8" = 1'-0"

PRELIMINARY 12/3/18

DATE: 6/13/17
FILENAME: 9492A1
REF. FILES: AB0908



36 UNIT APARTMENT COMPLEX
SCHROM CONSTRUCTION, INC.
BELLE PLAINE, MINNESOTA

DESIGNED	DATE	BY
CHECKED	DATE	BY
APPROVED	DATE	BY

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Architect under the laws of the state of Minnesota.
Printed Name: _____ Lic. No. _____ Date: _____
Signature: _____

FLOOR PLANS A

Proj. No. 9492
SHEET
A-1R
OF
1

City of Belle Plaine

Belle Plaine Economic Development Authority

Business Subsidy Policy

I. POLICY PURPOSE AND SCOPE

- A. This document sets forth specific criteria the City of Belle Plaine and the Belle Plaine Economic Development Authority (collectively, the “City”) uses when evaluating requests for business subsidies. In adopting these criteria, it is the intent of the City to comply with Minnesota Statutes, Sections 116J.993-116J.995, as amended (the “Act”). The City hereby adopts and incorporates by reference, definitions contained in the Act for application in the criteria. The City has adopted this policy and these criteria after a public hearing in accordance with the Act. This policy replaces any previous business subsidy policy.
- B. The City considers business subsidies as a means to encouraging desirable development or redevelopment that may otherwise not occur.
- C. The City reserves the right to approve or reject projects on a case-by-case basis, after consideration of established policy and associated criteria. Meeting policy criteria shall not guarantee the award of a business subsidy. Approval or denial of a business subsidy shall not set a precedent for approval or denial of another business subsidy.
- D. The City may deviate from the Business Subsidy Policy (the “Policy”) for projects which supersede the goals, objectives, and criteria contained in the Policy providing reasons for deviation shall be documented in writing.
- E. The City may charge a fee, as identified in the City’s Fee Schedule, for review of requests for a business subsidy.
- F. Applicant’s not in good standing with the City pertaining to existing licenses, fees, taxes, assessments, or other specific charges shall not be considered for business subsidies.

II. BUSINESS SUBSIDY GOALS

Subject to the purpose and scope of this Policy and subsequent evaluation criteria, the City may offer a business subsidy to assist with a private development meeting one or more of the following policy goals:

- A. To increase, enhance, or diversify the City’s tax base (pursuant to the Act, an increase in tax base cannot be the only goal required for a business subsidy).
- B. To induce investment in revitalization and redevelopment corridors as identified in the Comprehensive Plan.
- C. To increase and/or retain diversity of jobs available within the City of Belle Plaine. Preference will be given to higher wage jobs with benefits such as health insurance. Job retention may only be used as a goal in cases where job loss is specific and demonstrable.

- D. To leverage additional, unsubsidized private development directly or indirectly related to the development receiving a business subsidy.
- E. To diversify the existing housing stock and/or facilitate the presence of a complete housing supply including a variety of housing values, types, and sizes suitable for all incomes, ages, and abilities.
- F. To remove blighting conditions or support redevelopment of underutilized properties.
- G. To retain and support adaptive uses for properties of historical significance.
- H. To support projects providing needed improvements such as transportation or utility infrastructure that would be completed in conjunction with the development receiving a business subsidy.
- I. To offset increased costs of development due to soil correction, site remediation, asbestos or other contaminant removal, and the like.
- J. To facilitate projects which improve the quality of life by providing desirable environs, providing desired goods or services, and/or addressing an unmet demand.
- K. To support projects that contribute to the implementation of other public policies, as adopted from time to time by the City, such as quality urban or architectural design, energy planning, efficiency in local government operation, gains in community resiliency, social equity, economic prosperity, stewardship, sustainability, and/or livability.

III. WAGE AND JOB GOALS

- A. For each business subsidy provided, at least one job must be created. In certain circumstances, the City may determine that job creation is not a goal and can set the wage and job goals at zero.
- B. For each job created, the minimum wage floor shall be 175% of the federal minimum wage, exclusive of benefits. Retained jobs may be exempt from the minimum wage floor requirement.

IV. ECONOMIC DEVELOPMENT INCENTIVE PROGRAMS

- A. Tax Increment Financing. The City of Belle Plaine may consider using tax increment financing for larger development, housing, and/or redevelopment projects that would not occur *but for* the assistance provided through TIF. The City utilizes a “Pay As You Go” TIF note which relies on the developer to pay for the up-front project costs with the promise of being reimbursed as taxes are paid.
- B. Tax Abatement. The City may consider using tax abatement to facilitate medium to large development, housing, and/or redevelopment projects. The City utilizes a “Pay As You Go” approach which relies on the developer to pay for the up-front projects costs with the promise of being reimbursed as taxes are paid.
- C. Revolving Loan Fund. The City may consider issuance of a loan to qualifying applicants as defined in the City’s Revolving Loan Fund Policy as may be amended.

- D. Restoration, Opportunity, Sustainability, and Enterprise (ROSE) Program. The City may consider issuance of a ROSE (i.e. forgivable loan) for qualifying façade restoration, maintenance, and/or improvement projects as defined in City policy as may from time to time be amended.
- E. Minnesota Investment Fund (MIF). The City may consider applying for MIF on behalf of a qualifying project. The MIF Program provides loans to businesses creating or retaining high-paying, full time, permanent jobs, and invest in machinery or real property acquisition or improvements. The program is available for manufacturing, distributions, warehousing, and other eligible business activities. Applications are accepted on a year-round basis. Funds are awarded to local units of government who provide loans to assist expanding businesses. Program guidelines and funding availability is determined by the Minnesota Department of Employment and Economic Development.
- F. Bonds. The City has the authority to issue revenue bonds pursuant to Mn. Stat. 469.152 to 469.165.
- G. Property Sales. The City may negotiate the sale price of property owned by the City or EDA for new or expanding businesses, redevelopment/revitalization projects, and/or to further a variety of life cycle housing options.

V. COMPLIANCE AND REPORTING REQUIREMENTS

Each recipient of a business subsidy from the City must enter into a business subsidy agreement with the City which requires compliance with the requirements of the Act and annually reporting to the City regarding wage and job goals.

VI. APPLICATION PROCESS FOR BUSINESS SUBSIDIES

The applicant will complete an application form as provided by the City, and submit the completed application and applicable application fee (as provided by annual fee resolution) based on the type of subsidy (i.e. Tax Increment Financing, Tax Abatement, Revolving Loan Fund, Façade Program, etc.), and provide other information as requested by the City.

- A. City staff and the City's consultants shall review the application materials and make preliminary recommendations to the Economic Development Authority and City Council as to the compliance of the application and proposed project with the business subsidy policy and the goals and criteria set forth herein.
- B. Final evaluation of the application shall include, in addition to items subject to preliminary review, a review of applicable credit analysis, financial structuring and legal compliance. A formal recommendation shall then be made to the City Council.
- C. After review of the final evaluation and formal recommendation, the City Council or Economic Development Authority, as appropriate, shall hold the appropriate public hearings, if they have not been held, and consider final approval of the granting of the business subsidy. All business subsidy agreements, whether entered into with the City or the EDA, are subject to approval by the City Council in accordance with the Act.
- D. If requested by the City, the Applicant shall provide adequate financial guarantees to ensure completion of the project, including but not limited to: assessment

agreements, letters of credit, cash escrows, personal guaranties, mortgages, and other securities.

- E. Additional agreements and program requirements (including annual reporting) may be necessary depending on the form of business subsidy and/or the value of the award, as defined by the Act.

VII. MINIMUM ELIGIBILITY REQUIREMENTS

Applicants must meet the following minimum requirements to be eligible for a business subsidy.

- A. Operation of project for at least 5 years following receipt of subsidy (required by the Business Subsidy Act).
- B. Applicant must establish financial feasibility of project
- C. Applicant must demonstrate that the project can't move forward without business subsidy
- D. Compliance with Business Subsidy Act
- E. Meet one or more goals set forth in the policy

VIII. BUSINESS SUBSIDY APPROVAL GUIDELINES

- A. Projects considered for a business subsidy shall meet one or more of the Business Subsidy Criteria as set forth in Section II of this Policy.
- B. Projects considered for a business subsidy shall be consistent with applicable local, state, and federal laws.
- C. Applicants for business subsidies must demonstrate, to the satisfaction of the City, sufficient equity investment in the project.
- D. Applicants may be required to demonstrate, to the satisfaction of the City, a market demand for a proposed project.
- E. Business subsidies may not create an unfair or significant competitive financial advantage over other similar projects in the area.
- F. Business subsidies will not be given to projects that place extraordinary demands on City infrastructure and/or services.
- G. Applicants may be required to demonstrate, to the City's (or if applicable the underwriting authority's) satisfaction, an ability to construct, operate, and maintain the proposed project based on past experience, general reputation, credit history, and similar attributes.
- H. Assistance will not be provided solely to broaden profit margins. Prior to consideration of a business subsidy request the City may order independent analysis of project financials, proposed financial sources and uses, and/or underwriting.
- I. Projects must be consistent with the Comprehensive Plan.

- J. If the business subsidy involves the conveyance of real or personal property, the amount of the subsidy will be the fair market value of the property as determined by the City.
- K. If the business subsidy is received over time, the City may value the subsidy at its present value using a discount rate equal to an interest rate which the City determines is fair and reasonable under the circumstances.
- L. If the business subsidy is a guaranty, the amount of the business subsidy may be valued at the principal amount of the guaranteed payment obligation.



Memo

To: Belle Plaine EDA
From: Todd Hagen, Ehlers
Date: February 5, 2019
Subject: Proposed TIF Assistance to Schrom Construction

Background

The City of Belle Plaine has received a request for TIF assistance from Schrom Construction for the development of a 72-unit apartment complex to be located at 561 Elk Street South (PID 200790120). Development plans include a (2) 36-unit phased-in housing development with the second building coming on-line within five years. The request for assistance includes reimbursement for site improvements. The cost of these improvements is estimated at \$473,700 per building. From a pure economic analysis, you could say that the developer has demonstrated a need for those costs. The Schrom assumptions are within an acceptable range, however the developer is likely conservative on the site costs.

Pay-As-You-Go Assistance

The \$473,700 request is for “pay-as-you-go” assistance. This means that the developer is responsible for paying all of the costs up-front. No City bonds or direct loans will be involved in the transaction. The developer will finance the costs and receive an annual payment from available increment. If payments are less than anticipated in any one year, the City would not be required to make up the difference. It is the developer’s risk. The developer is requesting interest payments and principal payments to meet the \$473,700 request. Therefore, the total payments would be more than \$473,700 to meet the request.

Housing TIF District

Given the proposed project, it appears that the City would be looking at the qualifications of a housing TIF district. A housing district could provide up to 26 years of assistance for the project. A housing district for rental housing requires either 40% of the units be available for persons at or below 60% of County area median income (AMI) or 20% of the units available for persons at or below 50% of AMI. This restriction would remain for the term of the tax increment. The developer is requesting 15 years of tax increment at his loan rate of 5.75% and will be using the 20-50 test.

Estimated Assistance

It is anticipated that the developer will invest approximately \$4.3 million in each building. It is important to know that the amount invested does not necessarily equate to the final market value of a project, as the estimated value as determined by the county assessor is \$3.8 million (including land) for the first building and \$3.4 million for the second building. In addition, the final amount generated through tax increment will be dependent on the completed market value and tax rates. For discussion purposes, the following charts show the estimated assistance generated over 15 years assuming the completed market values are as stated above.





Assistance	Est. Annual Assistance	Est. Total Assistance	Est. Present Value
TIF (first building)	\$64,120	\$961,800	\$603,468
TIF (both buildings phased-in)	\$64,120-\$125,204	\$1,697,808	\$1,021,378

TIF Projections

I have attached two (2) Tax Increment Assumptions/Cash Flows for your review. I have assumed that construction of the first building would be complete in 2019 with the first full taxes payable in 2021 and second phase construction in 2022, a three-year delay in the collection of additional increment. Although these runs reflect the full 26-years of increment allowed for housing districts, the first building could pay-off a \$473,700 (present value) TIF note in 10.5 years at 5.75%. The second building requiring an additional \$473,700 would push that out closer to 13.5 years because of the three-year delay in construction. If the City does move forward, it may want to keep the term of the assistance at no more than 15 years. Our experience with other development projects using TIF is that the assistance is used to cause development on a site faster than what would likely happen in the future.

Other Considerations (The “Look-Back” Provision)

In any agreement that you may consider, we would recommend a “look-back” provision. This provision would require Schrom to submit a statement of costs at the completion of the project. Any costs lower than anticipated could proportionally reduce the level of assistance.

No Pooling Limits

Housing districts are exempt from the pooling rules (which for most other types of districts requires that at least 75% to 80% of the increment be spent within the boundaries of the district).

No Five-Year Rule

An authority is allowed to retain increment and spend for new affordable housing buildings, even after five-years.

So, if a TIF authority has an existing housing district, it may amend the TIF plan to authorize expenditures for additional “housing projects” anywhere within the same project area. After expiration of the five-year period from certification of the district, a TIF authority may make new expenditures, enter new contractual obligations and issue new bonds related to housing projects.





Schrom Housing Development - Proposed TIF District (20/50 Income Limits)

561 Elk Street South, Belle Plaine, Minnesota (TSB Construction)

(1) 3-Story/36-Unit Multifamily Residential Rental Apartment Building (Phase 1 ONLY)

ASSUMPTIONS AND RATES

DistrictType:	Housing	
District Name/Number:	TBD	
County District #:	TBD	
First Year Construction or Inflation on Value	2019	
Existing District - Specify No. Years Remaining		
Inflation Rate - Every Year:	0.00%	
Interest Rate:	5.75%	
Present Value Date:	1-Feb-20	
First Period Ending	1-Aug-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]	NA	
Incremental or Total Fiscal Disparities		
Fiscal Disparities Contribution Ratio	35.5242%	Pay 2018
Fiscal Disparities Metro-Wide Tax Rate	143.9920%	Pay 2019 Prelim
Maximum/Frozen Local Tax Rate:	160.273%	Pay 2018
Current Local Tax Rate: (Use lesser of Current or Max.)	160.273%	Pay 2018
State-wide Tax Rate (Comm./Ind. only used for total taxes)	41.0000%	Pay 2019 Prelim
Market Value Tax Rate (Used for total taxes)	0.11778%	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 \$139,000		0.75%
Over \$139,000		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
1	200790120	Matthew's	561 Elk St S	231,000	0	231,000	100%	231,000	Pay 2019		-	Rental	2,888	1
				231,000	0	231,000		231,000			0		2,888	

Note:

1. Base values are for pay 2019 based upon review of County website on February 1, 2019.



Schrom Housing Development - Proposed TIF District (20/50 Income Limits)

561 Elk Street South, Belle Plaine, Minnesota (TSB Construction)

(1) 3-Story/36-Unit Multifamily Residential Rental Apartment Building (Phase 1 ONLY)

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	Apartments	105,556	105,556	36	3,800,000	Rental	47,500	1,319	100%	100%	100%	100%	2021
TOTAL					3,800,000		47,500						
Subtotal Residential				36	3,800,000		47,500						
Subtotal Commercial/Ind.				0	0		0						

Note:

1. Market values are based upon estimates from county assessor on December 31, 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
Apartments	47,500	0	47,500	76,130	0	0	4,475	80,605	2,239.04
TOTAL	47,500	0	47,500	76,130	0	0	4,475	80,605	

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	80,605
less State-wide Taxes	0
less Fiscal Disp. Adj.	0
less Market Value Taxes	(4,475)
less Base Value Taxes	(4,628)
Annual Gross TIF	71,502



Schrom Housing Development - Proposed TIF District (20/50 Income Limits)

561 Elk Street South, Belle Plaine, Minnesota (TSB Construction)

(1) 3-Story/36-Unit Multifamily Residential Rental Apartment Building (Phase 1 ONLY)

TAX INCREMENT CASH FLOW														
% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities -	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 10%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	29,447	0.5	2021	08/01/20
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	58,070	1	2021	02/01/21
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	85,894	1.5	2022	08/01/21
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	112,940	2	2022	02/01/22
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	139,230	2.5	2023	08/01/22
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	164,786	3	2023	02/01/23
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	189,627	3.5	2024	08/01/23
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	213,774	4	2024	02/01/24
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	237,246	4.5	2025	08/01/24
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	260,063	5	2025	02/01/25
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	282,241	5.5	2026	08/01/25
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	303,800	6	2026	02/01/26
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	324,757	6.5	2027	08/01/26
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	345,127	7	2027	02/01/27
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	364,929	7.5	2028	08/01/27
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	384,177	8	2028	02/01/28
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	402,887	8.5	2029	08/01/28
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	421,074	9	2029	02/01/29
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	438,753	9.5	2030	08/01/29
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	455,938	10	2030	02/01/30
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	472,643	10.5	2031	08/01/30
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	488,880	11	2031	02/01/31
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	504,664	11.5	2032	08/01/31
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	520,007	12	2032	02/01/32
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	534,922	12.5	2033	08/01/32
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	549,419	13	2033	02/01/33
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	563,511	13.5	2034	08/01/33
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	577,209	14	2034	02/01/34
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	590,525	14.5	2035	08/01/34
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	603,468	15	2035	02/01/35
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	616,050	15.5	2036	08/01/35
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	628,280	16	2036	02/01/36
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	640,168	16.5	2037	08/01/36
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	651,724	17	2037	02/01/37
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	662,957	17.5	2038	08/01/37
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	673,877	18	2038	02/01/38
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	684,491	18.5	2039	08/01/38
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	694,808	19	2039	02/01/39
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	704,837	19.5	2040	08/01/39
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	714,586	20	2040	02/01/40
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	724,062	20.5	2041	08/01/40
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	733,274	21	2041	02/01/41
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	742,228	21.5	2042	08/01/41
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	750,932	22	2042	02/01/42
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	759,392	22.5	2043	08/01/42
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	767,616	23	2043	02/01/43
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	775,611	23.5	2044	08/01/43
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	783,382	24	2044	02/01/44
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	790,935	24.5	2045	08/01/44
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	798,278	25	2045	02/01/45
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	805,415	25.5	2046	08/01/45
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	812,353	26	2046	02/01/46
Total							1,859,049	(6,693)	(185,236)	1,667,121				
Present Value From 02/01/2020							905,876	(3,261)	(90,261)	812,353				
Present Value Rate							5.75%							



Schrom Housing Development - Proposed TIF District (20/50 Income Limits)

561 Elk Street South, Belle Plaine, Minnesota (TSB Construction)

(2) 3-Story/36-Unit Multifamily Residential Rental Apartment Buildings (Phase 1 and 2)

ASSUMPTIONS AND RATES

DistrictType:	Housing	
District Name/Number:	TBD	
County District #:	TBD	
First Year Construction or Inflation on Value	2019	
Existing District - Specify No. Years Remaining		
Inflation Rate - Every Year:	0.00%	
Interest Rate:	5.75%	
Present Value Date:	1-Feb-20	
First Period Ending	1-Aug-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]	NA	
Incremental or Total Fiscal Disparities		
Fiscal Disparities Contribution Ratio	35.5242%	Pay 2018
Fiscal Disparities Metro-Wide Tax Rate	143.9920%	Pay 2019 Prelim
Maximum/Frozen Local Tax Rate:	160.273%	Pay 2018
Current Local Tax Rate: (Use lesser of Current or Max.)	160.273%	Pay 2018
State-wide Tax Rate (Comm./Ind. only used for total taxes)	41.0000%	Pay 2019 Prelim
Market Value Tax Rate (Used for total taxes)	0.11778%	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 \$139,000		0.75%
Over \$139,000		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
1	200790120	Matthew's	561 Elk St S	231,000	0	231,000	100%	231,000	Pay 2019	Rental	-	Rental	2,888	1
				231,000	0	231,000		231,000			0		2,888	

Note:

1. Base values are for pay 2019 based upon review of County website on February 1, 2019.



Schrom Housing Development - Proposed TIF District (20/50 Income Limits)

561 Elk Street South, Belle Plaine, Minnesota (TSB Construction)

(2) 3-Story/36-Unit Multifamily Residential Rental Apartment Buildings (Phase 1 and 2)

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	Apartments	105,556	105,556	36	3,800,000	Rental	47,500	1,319	100%	100%	100%	100%	2021
2	Apartments	94,444	94,444	36	3,400,000	Rental	42,500	1,181	0%	0%	0%	100%	2024
TOTAL					7,200,000		90,000						
Subtotal Residential				72	7,200,000		90,000						
Subtotal Commercial/Ind.				0	0		0						

Note:

1. Market values are based upon estimates from county assessor on December 31, 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
Apartments	47,500	0	47,500	76,130	0	0	4,475	80,605	2,239.04
Apartments	42,500	0	42,500	68,116	0	0	4,004	72,120	2,003.35
TOTAL	90,000	0	90,000	144,246	0	0	8,480	152,726	

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	152,726
less State-wide Taxes	0
less Fiscal Disp. Adj.	0
less Market Value Taxes	(8,480)
less Base Value Taxes	(4,628)
Annual Gross TIF	139,618



Schrom Housing Development - Proposed TIF District (20/50 Income Limits)
 561 Elk Street South, Belle Plaine, Minnesota (TSB Construction)
 (2) 3-Story/36-Unit Multifamily Residential Rental Apartment Buildings (Phase 1 and 2)

TAX INCREMENT CASH FLOW														
% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities -	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
														08/01/20
														02/01/21
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	29,447	0.5	2021	08/01/21
							35,751	(129)	(3,562)	32,060	58,070	1	2021	02/01/22
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	85,894	1.5	2022	08/01/22
							35,751	(129)	(3,562)	32,060	112,940	2	2022	02/01/23
100%	47,500	(2,888)	-	44,613	160.273%	71,502	35,751	(129)	(3,562)	32,060	139,230	2.5	2023	08/01/23
							35,751	(129)	(3,562)	32,060	164,786	3	2023	02/01/24
100%	90,000	(2,888)	-	87,113	160.273%	139,618	69,809	(251)	(6,956)	62,602	213,292	3.5	2024	08/01/24
							69,809	(251)	(6,956)	62,602	260,443	4	2024	02/01/25
100%	90,000	(2,888)	-	87,113	160.273%	139,618	69,809	(251)	(6,956)	62,602	306,276	4.5	2025	08/01/25
							69,809	(251)	(6,956)	62,602	350,828	5	2025	02/01/26
100%	90,000	(2,888)	-	87,113	160.273%	139,618	69,809	(251)	(6,956)	62,602	394,135	5.5	2026	08/01/26
							69,809	(251)	(6,956)	62,602	436,232	6	2026	02/01/27
100%	90,000	(2,888)	-	87,113	160.273%	139,618	69,809	(251)	(6,956)	62,602	477,153	6.5	2027	08/01/27
							69,809	(251)	(6,956)	62,602	516,929	7	2027	02/01/28
100%	90,000	(2,888)	-	87,113	160.273%	139,618	69,809	(251)	(6,956)	62,602	555,595	7.5	2028	08/01/28
							69,809	(251)	(6,956)	62,602	593,179	8	2028	02/01/29
100%	90,000	(2,888)	-	87,113	160.273%	139,618	69,809	(251)	(6,956)	62,602	629,714	8.5	2029	08/01/29
							69,809	(251)	(6,956)	62,602	665,227	9	2029	02/01/30
100%	90,000	(2,888)	-	87,113	160.273%	139,618	69,809	(251)	(6,956)	62,602	699,748	9.5	2030	08/01/30
							69,809	(251)	(6,956)	62,602	733,304	10	2030	02/01/31
100%	90,000	(2,888)	-	87,113	160.273%	139,618	69,809	(251)	(6,956)	62,602	765,922	10.5	2031	08/01/31
							69,809	(251)	(6,956)	62,602	797,629	11	2031	02/01/32
100%	90,000	(2,888)	-	87,113	160.273%	139,618	69,809	(251)	(6,956)	62,602	828,449	11.5	2032	08/01/32
							69,809	(251)	(6,956)	62,602	858,409	12	2032	02/01/33
100%	90,000	(2,888)	-	87,113	160.273%	139,618	69,809	(251)	(6,956)	62,602	887,531	12.5	2033	08/01/33
							69,809	(251)	(6,956)	62,602	915,839	13	2033	02/01/34
100%	90,000	(2,888)	-	87,113	160.273%	139,618	69,809	(251)	(6,956)	62,602	943,356	13.5	2034	08/01/34
							69,809	(251)	(6,956)	62,602	970,104	14	2034	02/01/35
100%	90,000	(2,888)	-	87,113	160.273%	139,618	69,809	(251)	(6,956)	62,602	996,104	14.5	2035	08/01/35
							69,809	(251)	(6,956)	62,602	1,021,378	15	2035	02/01/36
100%	90,000	(2,888)	-	87,113	160.273%	139,618	69,809	(251)	(6,956)	62,602	1,045,946	15.5	2036	08/01/36
							69,809	(251)	(6,956)	62,602	1,069,827	16	2036	02/01/37
100%	90,000	(2,888)	-	87,113	160.273%	139,618	69,809	(251)	(6,956)	62,602	1,093,041	16.5	2037	08/01/37
							69,809	(251)	(6,956)	62,602	1,115,605	17	2037	02/01/38
100%	90,000	(2,888)	-	87,113	160.273%	139,618	69,809	(251)	(6,956)	62,602	1,137,540	17.5	2038	08/01/38
							69,809	(251)	(6,956)	62,602	1,158,861	18	2038	02/01/39
100%	90,000	(2,888)	-	87,113	160.273%	139,618	69,809	(251)	(6,956)	62,602	1,179,586	18.5	2039	08/01/39
							69,809	(251)	(6,956)	62,602	1,199,733	19	2039	02/01/40
100%	90,000	(2,888)	-	87,113	160.273%	139,618	69,809	(251)	(6,956)	62,602	1,219,316	19.5	2040	08/01/40
							69,809	(251)	(6,956)	62,602	1,238,352	20	2040	02/01/41
100%	90,000	(2,888)	-	87,113	160.273%	139,618	69,809	(251)	(6,956)	62,602	1,256,856	20.5	2041	08/01/41
							69,809	(251)	(6,956)	62,602	1,274,843	21	2041	02/01/42
100%	90,000	(2,888)	-	87,113	160.273%	139,618	69,809	(251)	(6,956)	62,602	1,292,327	21.5	2042	08/01/42
							69,809	(251)	(6,956)	62,602	1,309,322	22	2042	02/01/43
100%	90,000	(2,888)	-	87,113	160.273%	139,618	69,809	(251)	(6,956)	62,602	1,325,843	22.5	2043	08/01/43
							69,809	(251)	(6,956)	62,602	1,341,902	23	2043	02/01/44
100%	90,000	(2,888)	-	87,113	160.273%	139,618	69,809	(251)	(6,956)	62,602	1,357,512	23.5	2044	08/01/44
							69,809	(251)	(6,956)	62,602	1,372,686	24	2044	02/01/45
100%	90,000	(2,888)	-	87,113	160.273%	139,618	69,809	(251)	(6,956)	62,602	1,387,435	24.5	2045	08/01/45
							69,809	(251)	(6,956)	62,602	1,401,773	25	2045	02/01/46
100%	90,000	(2,888)	-	87,113	160.273%	139,618	69,809	(251)	(6,956)	62,602	1,415,710	25.5	2046	08/01/46
							69,809	(251)	(6,956)	62,602	1,429,257	26	2046	02/01/47
Total							3,425,719	(12,333)	(341,339)	3,072,048				
	Present Value From 02/01/2020			Present Value Rate		5.75%	1,593,801	(5,738)	(158,806)	1,429,257				

**BELLE PLAINE ECONOMIC DEVELOPMENT AUTHORITY
CITY OF BELLE PLAINE
SCOTT COUNTY, STATE OF MINNESOTA**

Board member _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. 19-002

RESOLUTION REQUESTING THE CITY COUNCIL OF THE CITY OF BELLE PLAINE CONSENT TO THE PROCESS FOR THE CREATION OF A HOUSING TAX INCREMENT FINANCING DISTRICT IN SUPPORT OF THE PROPOSED 72-UNIT MULTIFAMILY RENTAL HOUSING PROJECT.

BE IT RESOLVED by the Board of Commissioners (the "Board") of the Belle Plaine Economic Development Authority, Minnesota (the "EDA"), as follows:

WHEREAS, the City of Belle Plaine (the "City") is a municipal corporation and a political subdivision duly organized and existing under the Constitution and laws of the State of Minnesota; and

WHEREAS, pursuant to the Constitution and laws of the State of Minnesota, particularly Minnesota Statutes, Sections 469.174 through 469.1799, as amended, the City is authorized to use tax increment financing to carry out the public purposes described therein and contemplated thereby; and

WHEREAS, a proposal has been made by Schrom Construction, Inc. (the "Developer") to construct (2) 36-unit apartment buildings in the City, which project is to be known as Schrom Apartments and 20% of the units will be affordable to persons with incomes at 50% of the area median income (the "Project"); and

WHEREAS, it is estimated that the tax increment generated from the proposed project has a present value of approximately \$473,700; and

WHEREAS, the Project would be located on land that is currently owned by Matthew's Roofing and Renovation, LLC; and

WHEREAS, the Developer has submitted its development proposal to the City and the EDA is supportive of continuing further consideration of the Project; and

WHEREAS, the EDA wishes to support the Project and directs staff to work with the Developer to take the steps necessary to create a tax increment financing district for the Project.

NOW THEREFORE, BE IT RESOLVED, by the Board of the Belle Plaine Economic Development Authority that the EDA supports the Project, and pending final determination of project eligibility, required reviews, public input, notices and hearings, and without surrendering its legislative discretion, hereby authorizes staff to proceed with the steps required to establish a tax increment financing district for the Project, and requests that the City consent to the process for the creation of a housing tax increment financing district in support of the Project; and

BE IT FURTHER RESOLVED, that EDA staff, in connection with the activities required to be undertaken by the City, continue its analysis of the Schrom Apartments project, negotiate the terms and conditions of a development contract with the Developer or an affiliate whose general partner is controlled by the Developer, and prepare a development plan and tax increment financing plan for the Project, all subject to final determination of project eligibility, required reviews, public input notices and hearings.

This resolution shall be in full force and effect from and after its passage.

The motion for the adoption of the foregoing resolution was duly seconded by Board member _____, and upon a vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

Dated: February ____, 2019

ATTEST:

President

Executive Director



MEMORANDUM

DATE: February 11, 2019
TO: President Krant, Members of the EDA, and Administrator Meyer
FROM: Cynthia Smith Strack, Community Development Director
RE: Item 6.2 Director's Report

Design Committee

The Design Committee met on February 4th. The DC provided input on a proposed awning in the downtown and held orientation for new members discussing roles/responsibilities.

Planning Commission

The Planning Commission will meet at 6:30 p.m. on February 11th. Agenda items include:

- Review/comment on utility easement vacation and lot combination for City-owned parcels.
- Considered code amendment language pertaining to outdoor sidewalk cafes.
- Initial discussion on residential density standards.

Other

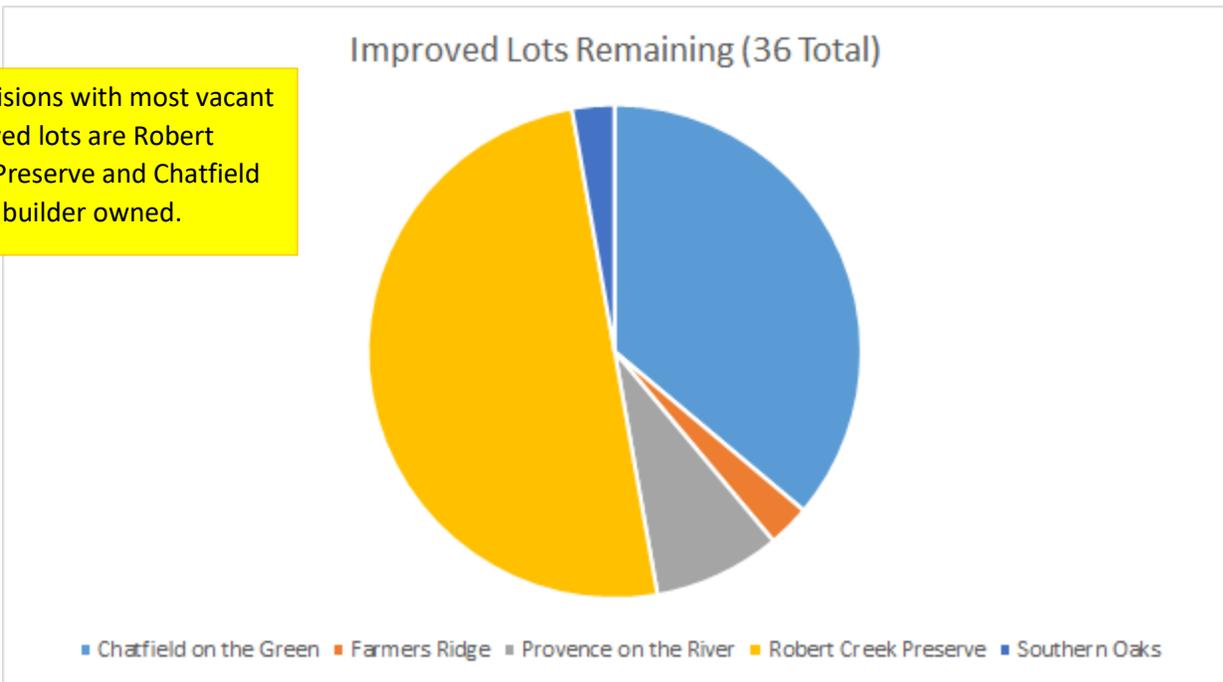
- BDS property management tracking new plats, addresses, property numbers, and legal descriptions.
- Discussion Façade Improvement Loan program with one businesses.
- Zoning information to two businesses.
- Verification of property listings with CoStar.
- Coordinate receipt/review of housing TIF preliminary application.
- Analyze historic building permit data 2014-2018 to identify lot consumption, builder activity, and trends (see attached charts).
- EDA/Chamber gala planning & meetings – scheduled Feb. 13th.
- Draft sidewalk café code update.
- Joint OAA Board meeting (Belle Plaine Township) March 6th.
- Nuisance code update placed into effect.
- Easement vacation and lot combination coordination – City property.
- Code amendment outside storage and off-street parking follow up.
- Informal site plan review – I/C District retail use.
- Attended SCALE Tech Team meeting January 16th.
- Attended Chamber networking event February 5th.
- Code compliance issues processed.

RESIDENTIAL LOT CONSUMPTION & NEW HOME TRENDS

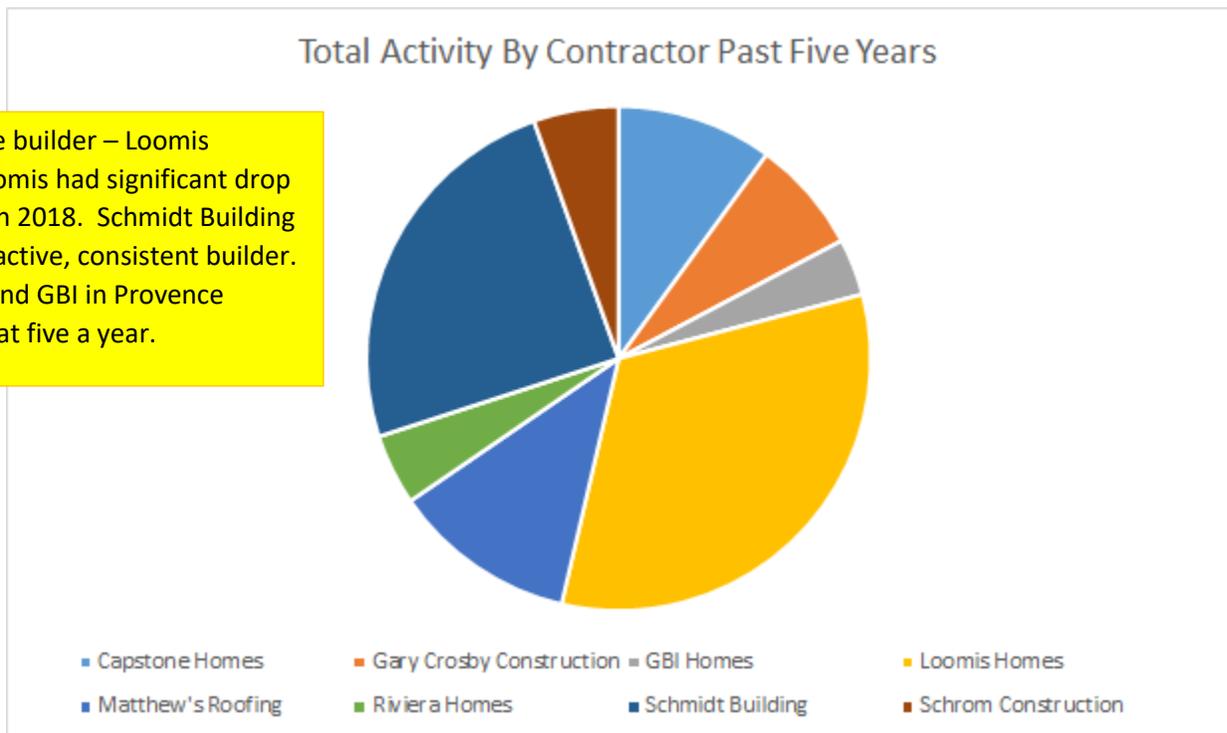
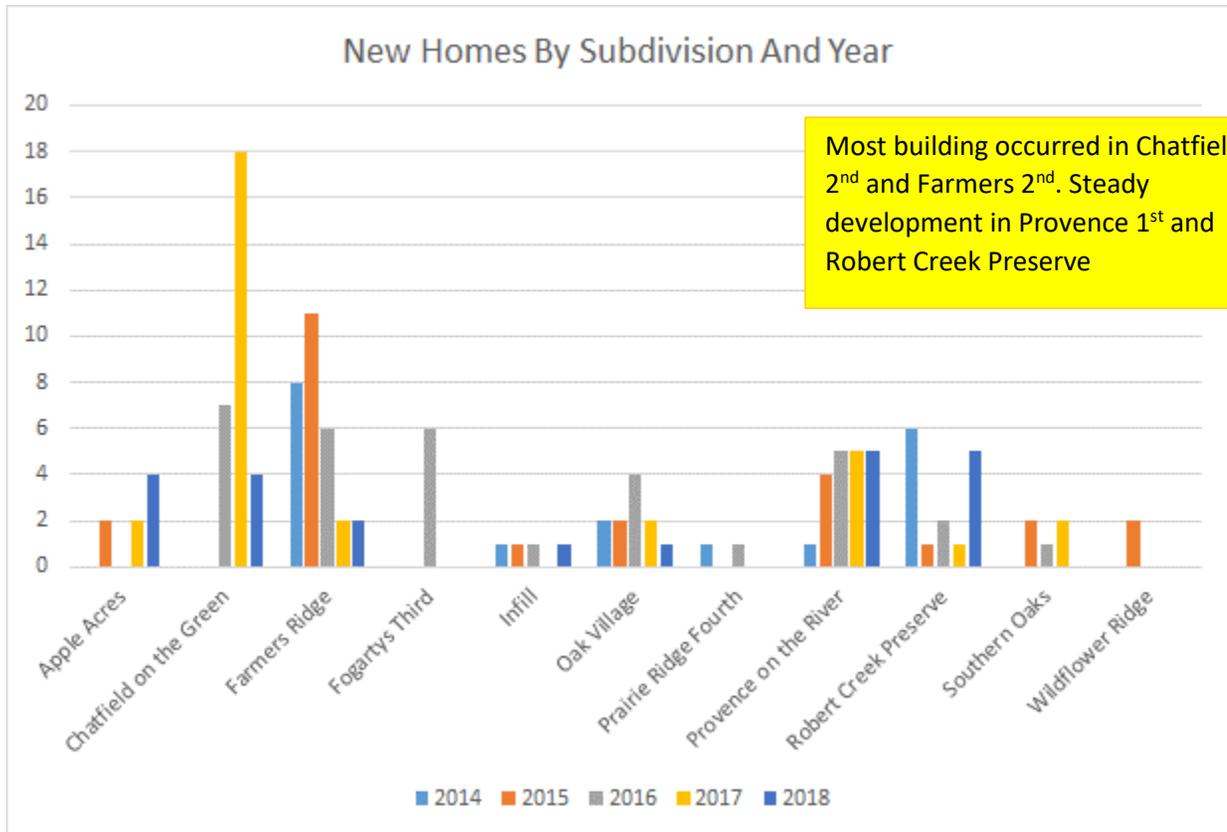


Subdivisions with most vacant improved lots are Robert Creek Preserve and Chatfield 2nd. All builder owned.

Improved Lots Remaining (36 Total)



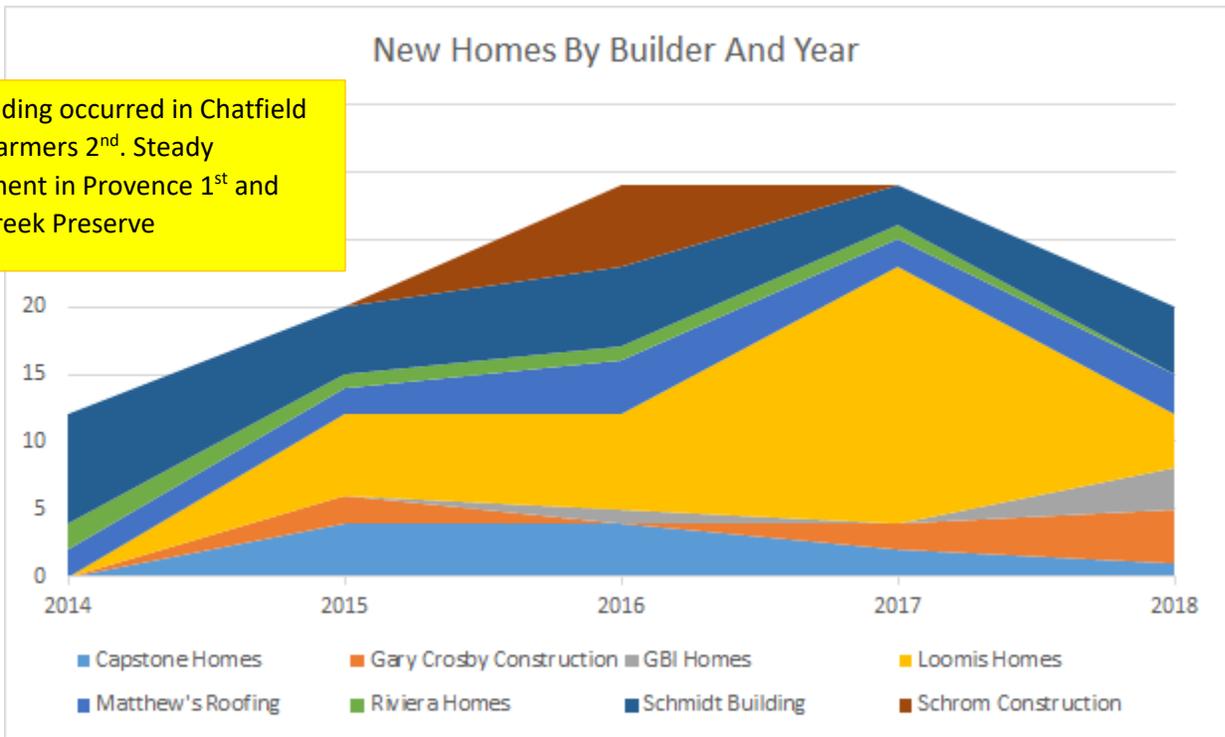
RESIDENTIAL LOT CONSUMPTION & NEW HOME TRENDS



RESIDENTIAL LOT CONSUMPTION & NEW HOME TRENDS

New Homes By Builder And Year

Most building occurred in Chatfield 2nd and Farmers 2nd. Steady development in Provence 1st and Robert Creek Preserve





Single-family Twin Cities home permits up in January

By: Brian Johnson January 31, 2019 4:09 pm 0

Permit activity for construction of single-family homes in the Twin Cities is off to a hot start, but planned multifamily units in January are down from year-ago levels, according to the Keystone Report.

Shrugging off the arctic weather, builders pulled permits for 440 single-family houses in the 13-county metro area, a 9.5 percent increase from January 2018, the report says. That's the biggest permit count for any January in more than a decade.

Despite the surprisingly robust single-family numbers, new housing units permitted in January were down 18.5 percent overall, as builders pulled only three permits for projects with more than 16 units.

Overall in January, cities in the 13-county metro area issued 459 permits for 749 new housing units. Permits are up 8 percent, and planned units are off 18.5 percent. That includes 309 new multifamily units, down 40 percent.

The permits have a combined value of \$182.17 million, which is even with January 2018.

David Siegel, executive director of the Builders Association of the Twin Cities and Housing First Minnesota, said the surge of single-family permits in January is a good sign. Even so, a lot more needs to be done to meet future demand for housing, he said.

Siegel referred to the a "housing task force" report released last August by then-Minnesota Gov. Mark Dayton. Among other findings, the report said Minnesota needs 300,000 new homes of all types and prices by 2030.

"We are not addressing the supply challenge in the marketplace," said Siegel, who predicted that the market for townhomes will continue to grow as builders try to meet the demand for affordable new housing.

Siegel said he's hearing from lumberyards that they are selling less "board feet" per housing unit permitted, which is a strong indication that builders are going with smaller units to bring their prices down.

Looking at the big picture, Siegel said the year ahead is uncertain, though builders were encouraged by the Federal Reserve's announcement this week that it's holding off for now on raising interest rates.

"The general consensus forecast for the year is a flat year, pretty much on par with 2018," Siegel said. "It will be up and down throughout the year and we will probably end up somewhere close to where we were" in 2018.

Herb Tousley, director of real estate programs at the University of St. Thomas, isn't reading too much into the January numbers on either the multifamily or single-family side of the homebuilding ledger.

Single-family permits looked good in January, but it's "too soon to really talk about it as an indicator" of where the market is going, he said.

Top cities for single-family permits and planned units in January were Minneapolis (21 permits, 184 units), Lakeville (50 permits, 56 planned units), Blaine (34 permits, 34 units), Cambridge (3 units, 52 units), Plymouth (33 permits, 33 units), Woodbury (22 permits, 27 units), Otsego (20 permits, 20 units) and Prior Lake (20 permits, 20 units).

On the rise: January housing report

Single-family permits up, multifamily units down in January

	Jan-19	% change from January 2018	Year-to-date 2019	% change from 2018
Multifamily permits	19	-13	19	-13
Multifamily units	309	-40	309	-40
Single-family permits	440	9.5	440	9.5
Total permits	459	8	459	8
Total units	749	-18.5	749	-18.5
Total \$ volume	\$182.1 million	0.12	\$182.1 million	0.12

Source: Keystone Report/Builders Association of the Twin Cities

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