



# CITY OF ANOKA

## Housing & Redevelopment Authority

Monday, March 9<sup>th</sup>, 2015

Anoka City Hall

Council Chambers

5:00 p.m.

- I. Call to Order
- II. Roll Call
- III. Approval of the Agenda
- IV. Approval of Minutes
  - A. February 9<sup>th</sup>, 2015
- V. Open Forum
- VI. Unfinished Business
  - A. Update Regarding Walker Plaza II Project
  - B. North Suburban Home Improvement Show Update
  - C. Housing and Redevelopment Authority Board Vacancy
  - D. Other Updates
- VII. New Business
  - A. Resolution Adopting a Modification to the Redevelopment Plan for Redevelopment Project No. 1, Adopting a Modification to the Tax Increment Financing Plan for Tax Increment Financing District No. 2 and Establishing South Central Business Tax Increment Financing District and Adopting a Tax Increment Financing Plan
  - B. Resolution Authorizing an Interfund Loan for Advance of Certain Costs in Connection with the South Central Business Tax Increment Financing District
- VIII. Discussion Items
- IX. Tentative Agenda Items for Future Meetings
- X. Adjournment

**CITY OF ANOKA  
HOUSING AND REDEVELOPMENT AUTHORITY  
MEETING MINUTES –FEBRUARY 9, 2015**

**Call to Order:** Vice Chair Dave Bonthuis called the meeting to order at 5:00 p.m.

**Roll Call:** Commissioners present were: Dave Bonthuis, Lynn Hopkins, Lori Manzoline.  
Absent: Chair Carl Youngquist. Staff present were: Housing Manager Darin Berger, Finance Director Lori Yager.

**Approval of the Agenda:** MOTION BY COMMISSIONER HOPKINS, SECONDED BY COMMISSIONER MANZOLINE, TO APPROVE THE AGENDA AS PRESENTED.

UPON A VOICE VOTE, MOTION CARRIED.

**Approval of Minutes:**

**January 12, 2015, Regular Meeting:** MOTION BY COMMISSIONER HOPKINS, SECONDED BY COMMISSIONER MANZOLINE, TO APPROVE THE JANUARY 12, 2015, REGULAR MEETING MINUTES AS PRESENTED.

UPON A VOICE VOTE, MOTION CARRIED.

**January 12, 2015, Worksession Meeting:** MOTION BY COMMISSIONER HOPKINS, SECONDED BY COMMISSIONER MANZOLINE, TO APPROVE THE JANUARY 12, 2015, WORKSESSION MEETING MINUTES AS PRESENTED.

UPON A VOICE VOTE, MOTION CARRIED.

**Open Forum:** No one appeared.

**Unfinished Business:**

**Review of Fourth Quarter Financials:** Finance Director Lori Yager shared the 2014 fourth quarter financial report which reflects cash and some estimated accrued activities for the HRA on a quarterly basis. Ms. Yager said the preliminary report is unaudited and will be updated after the audit is complete in June. She shared budget to actual figures, stating the total budget is at 64% of a budget of \$70,000, noting the HRA only spent \$25,000. Ms. Yager stated personal services were slightly over budget by \$4,000 but there are contingencies to cover that overage.

Ms. Yager referred to the HRA's oldest TIF district, stating year-to-date property taxes collected were \$280,000. She said the HRA spent almost \$240,000 out of TIF in 2014 on properties, clean up on the south side of Main Street, and spent 31% of redevelopment funding money available, which can be rolled in 2015 for future redevelopment projects.

Ms. Yager said the COR District did not receive a property tax levy yet so they are waiting for those values to increase. She shared the balance sheet from 2013 stating cash-wise, the HRA had \$1.1 million which is now down to \$800,000 but land valuation of \$1.5 million is up about

\$400,000, which shows the HRA is spending money on property purchases. Ms. Yager then reviewed all revenues and expenditures, including commercial and housing.

Vice Chair Bonthuis asked if there is any area that needs to be given special attention in future. Ms. Yager said the only thing is the last TIF collection for the old district will be done in 2017 but said staff did verify that we can continue to spend money out of that district even after it is decertified so we will not lose funds. She said there is no sunset clause on spending as long as it is spent on what was intended in beginning.

Vice Chair Bonthuis thanked Ms. Yager for her expertise in the HRA's finances.

Action Requested: No action is necessary at this time; informational only.

**Update Regarding Walker Plaza II Project:** Mr. Berger stated staff met with Walker Methodist's Executive Director of Development, Kaas Wilson Architects, the City Planner and Engineering Technician last week. Staff met with their team, discussed a general timeline, site review, parking, Council and Planning Commission submission schedule and other various construction related items.

According to the Letter of Intent signed last month, the closing shall take place on or before June 1, 2015. At this time, we are still on schedule to do so. Staff will continue updating the Board as things progress.

Mr. Berger said staff anticipates Walker submitting for site plan and rezoning review on March 27, then finalizing drawings. He shared their preliminary plan of 72 units, consisting of a mix of assisted, memory and care suites located on the corner of 2<sup>nd</sup> Avenue and Monroe Street. Mr. Berger said the building will be shorter than their current property and connected by a skyway. He said they anticipate a submittal for the April 13 meeting, with Planning Commission review in May and closing on or before June 2. Mr. Berger said Walker's CFO submitted financials to Ms. Yager for review and that they plan to progress quickly with an anticipated 12-month construction period.

Vice Chair Bonthuis said early conversations had a heavy emphasis on memory care and asked if the 45 studios will be memory care units. Mr. Berger said not necessarily, stating some will be memory care and some assisted but said all care suites will be together in one area.

Vice Chair Bonthuis said he is delighted that this project is moving forward.

**North Suburban Home Improvement Show Update:** Mr. Berger stated the North Suburban Home Improvement Show Committee has been meeting regularly and everything is going great thus far. We currently have sold 59 booths plus 11 resource booths for a total of 70 booths, noting we are further ahead as of this date last year. We anticipate many more to register as the date draws near. In addition to our regular marketing efforts we have secured a billboard on Highway 10 and we are working with WCCO again this year. Mr. Berger encouraged everyone to come to the Andover Community Center on Saturday, March 21 from 9am – 3pm. Free admission includes 100+ exhibitors, limited door prizes, demonstration and a kids' workshop

sponsored by Lowe's. Mr. Berger reminded the Board of their role as greeters at this event and said we can coordinate a schedule closer to the day of the event. He noted they had their highest attendance last year at 1,800 and hopes this year will be even higher.

Action Requested: No action is necessary at this time; informational only.

Vice Chair Bonthuis said WCCO increased attendance last year and attracted more vendors and agreed the advertising budget should be focused on radio. Mr. Berger agreed, stating WCCO did very well reaching out in this area through their target marketing.

Vice Chair Bonthuis said this is a quality home improvement show.

**Other Updates:** Mr. Berger said he received a mailing outlining Habitat for Humanity's Brush with Kindness program which helps homeowners with painting, repairs, and critical health/safety home issues. He said the program coordinators are looking for people to apply with an income below 60% of the area median income and who are willing to partner and work alongside. He shared the contact information which will also be included in the City newsletter.

Mr. Berger said there is a vacancy on the HRA Board for a partial term of one year and said encouraged residents to apply. He said applications can be obtained at City Hall.

**New Business:**

**Resolution Requesting that the City Council Call for a Public Hearing to Modify Redevelopment Project Plan for Redevelopment Project No. 1 and the Tax Increment Financing Plan for Tax Increment Financing District No. 2 and the Establishment of the South Central Business TIF District Plan:** Mr. Berger stated staff has been working towards establishing a Tax Increment Financing Redevelopment District (TIF District) in the South Central Business District (SCBD). To assist in doing so, two consultants were hired. The first was LHB, who was hired by the HRA to inspect and evaluate properties within the proposed TIF District. The purpose of LHB's work is to determine whether the proposed TIF District meets the statutory requirements for coverage, and whether six buildings on 15 parcels and 10 right-of-way parcels located within the proposed TIF District meet the qualifications required for a redevelopment district.

The second consultant hired was Ehlers who will assist with the creation and/or modification of TIF Districts. They will provide assistance with TIF by guiding us through the entire process, including assessing the legal and financial feasibility of the TIF, drafting of TIF plans and cash flow analysis, and guiding us through the required steps in the adoption and implementation process. They have helped the City of Anoka with all of their TIF Districts and have proved very valuable in the past.

Mr. Berger described the project which extends one and a half blocks from First Avenue and Monroe Street intersection, easterly to the edge of the property line at 222 Monroe Street. It then extends southerly to the border of the two Madison Street lots and back to the west to 2<sup>nd</sup> Avenue before going north a half block and west a block back to 1<sup>st</sup> Avenue. It consist of a mix of uses

including surface parking lots, vacant lots, an aging multi-family structure, light commercial and public uses.

The goals of the TIF District are as follows:

1. Address potential parking needs of the School District and other users in the area.
2. Upgrade infrastructure where needed.
3. Facilitate rehabilitation or redevelopment of HRA and privately owned properties.

Activities may include property acquisition, building demolition, environmental assessment and clean-up, site preparation and construction of public improvements.

In order to include all necessary parcels in the SCBD TIF District, five parcels from the Riverspointe TIF District had to be decertified and included in the new SCBD TIF District.

Because this is the HRA's TIF District and Project Area, the HRA needs to initiate these actions but the Council is required to hold a public hearing on the matter. The proposed HRA Resolution requests that the City Council call for a public hearing on the matter which is proposed for March 16, 2015.

Action Requested: Adopt a Resolution Requesting That The City Council Call For A Public Hearing To Modify Redevelopment Project Plan For Redevelopment Project No. 1 And The Tax Increment Financing Plan For Tax Increment Financing District No. 2 And The Establishment Of The South Central Business TIF District Plan.

MOTION BY COMMISSIONER MANZOLINE, SECONDED BY COMMISSIONER HOPKINS, TO ADOPT A RESOLUTION REQUESTING THAT THE CITY COUNCIL CALL FOR A PUBLIC HEARING TO MODIFY REDEVELOPMENT PROJECT PLAN FOR REDEVELOPMENT PROJECT NO. 1 AND THE TAX INCREMENT FINANCING PLAN FOR TAX INCREMENT FINANCING DISTRICT NO. 2 AND THE ESTABLISHMENT OF THE SOUTH CENTRAL BUSINESS TIF DISTRICT PLAN.

UPON A VOICE VOTE, MOTION CARRIED.

Vice Chair Bonthuis asked how long it takes to approve this fully. Mr. Berger said there will be two hearings to approve the establishment of the district and later the district will be certified so it is a bit of a process, noting the County and school district weighs in too.

Vice Chair Bonthuis said there are still a number of steps yet to go.

**Adoption of 2014 HRA Accomplishments:** Mr. Berger shared the HRA's 2014 accomplishments, as discussed at the January 12, 2015, worksession. Staff would like the Board to adopt the final version of the accomplishments for the City Council to include in their prioritization process for 2015-2016. Mr. Berger recapped the list of 2014 Accomplishments:

- Demolished and prepared site for redevelopment at 1833 2<sup>nd</sup> Avenue and 100 Monroe Street

- Successfully found a buyer to relocate the historic home at 210 Monroe Street, making way for potential redevelopment
- Adopted criteria for expending HRA funds over the next five years
- Made \$100,000 commercial loan commitment to It's About Sleep for renovation of 633 Main Street East
- Acquired property at 1800 2<sup>nd</sup> Avenue and 117 Benton Street to allow for potential future redevelopment in the South Central Business District and on the corner of Benton and Ferry Street

Mr. Berger noted the It's About Sleep store is moving forward after being held up until spring because of some asbestos removal.

Action Requested: Staff recommends the Board adopt the HRA's 2014 Accomplishments by motion, second, and vote.

MOTION BY COMMISSIONER HOPKINS, SECONDED BY COMMISSIONER MANZOLINE, TO ADOPT THE 2014 HRA ACCOMPLISHMENTS AS PRESENTED.

UPON A VOICE VOTE, MOTION CARRIED.

**Adoption of 2015 HRA Goals:** Mr. Berger Mr. Berger shared the HRA's 2014 goals, as discussed at the January 12, 2015, worksession. Staff would like the Board to adopt the final version of the goals for the City Council to include in their prioritization process for 2015-2016. Mr. Berger recapped the list of 2015 Goals:

- Formulate and implement strategic plan for South Central Business District (SCBD)
  - Find buyer/end user for Riverway Clinic site
  - Acquire additional properties for potential redevelopment
  - Continue to work with the Planning Commission to redevelop sites and carry out the vision of the SCBD Strategic Plan Committee in accordance with the Housing and Redevelopment Authority's vision
- Continue to acquire properties Citywide through the Scattered Site Replacement Program as they become available
- Promote the maintenance and renovation of the commercial buildings, including 2<sup>nd</sup> story dwellings in the downtown, for the expansion of the tax base and quality jobs
- Establish TIF District in the South Central Business District
- Continue ongoing efforts to monitor development opportunities in the South Ferry Corridor

Action Requested: Staff recommends the Board adopt the HRA's 2014 Goals by motion, second, and vote.

MOTION BY COMMISSIONER HOPKINS, SECONDED BY COMMISSIONER MANZOLINE, TO ADOPT THE 2015 HRA GOALS AS PRESENTED.

UPON A VOICE VOTE, MOTION CARRIED.

**Discussion Items:** None.

**Tentative Agenda Items for Future Meetings:** None.

**Adjournment:** MOTION BY COMMISSIONER HOPKINS, SECONDED BY COMMISSIONER MANZOLINE, TO ADJOURN. The motion carried, the meeting was adjourned at 5:33 p.m.

Submitted by: Cathy Sorensen, *TimeSaver Off Site Secretarial, Inc.*

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# Memo

**To:** HRA Board Members  
**From:** Darin Berger, Housing Manager  
**Date:** March 9<sup>th</sup>, 2015  
**Re:** Update Regarding Walker Plaza II Project

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This project has continued to progress since our last Board meeting. Staff has been working with Walker on various elements of this project and the drawings you saw last time have since changed. Staff has included the latest drawings in your packet for your review. We anticipate Walker submitting their materials requesting a rezoning and a site plan review by March 27<sup>th</sup>. The HRA will give their input at our April 13<sup>th</sup> meeting, the Planning Commission will review the project at their May 5<sup>th</sup> meeting, and the City Council will review it at their May 18<sup>th</sup> meeting followed by a 2<sup>nd</sup> reading pertaining to the rezoning that will take place on June 1<sup>st</sup>.

## Other items of note:

- Walker Methodist and Kaas/Wilson Architects have called a neighborhood meeting to be held at Walker Plaza. This will take place on March 16<sup>th</sup>, 2015 from 6:30-8:00pm. The Walker Methodist team will use feedback gained from the neighborhood meeting as they move forward.
- A survey of the property was completed.
- Soil borings have been ordered.
- Walker submitted an RFP to an architectural firm called CityDeskStudio to repurpose a skyway that is no longer in use.
- The Walker Methodist Board has seen the current plans and drawings. They are on track to give final approval by the end of the month.
- Walker Staff are interviewing contractors on March 12<sup>th</sup>.

**Action Requested: None at this time. Informational only.**



**Be a part of Anoka's growth.**

### **Development Neighborhood Meeting**

When: Monday, March 16, 2015  
Time: 6:30 – 8pm  
Who: Neighbors of Walker Methodist Plaza  
Where: Walker Methodist Plaza, Main Dining Room  
131 Monroe Street, Anoka MN

Please join us to discover a proposed expansion of Walker Methodist Plaza – a senior living community serving adults 55 years of age and older. Plaza has served older adults and the Anoka neighborhood for 25 years and has a vision to serve the increasing needs of the community far into the future. Current services include assisted and independent living rental apartments providing maintenance free living in a safe, comfortable community where delicious meals, skilled and caring staff, and friendly neighbors are only seconds away. The expansion will allow us to provide care for those needing a higher level of assisted living, or memory care in a setting designed for those suffering from memory loss. Areas supporting an individual's health and wellness will also be included – such as a fitness center, private dining room, salon, therapy suites, and a multi-use living room for events.

The neighborhood meeting will be hosted by Kaas/Wilson Architects and Walker Methodist. The proposed site development is located on Monroe Street across from our current location, is 3 stories high, residential in nature, connecting back to Plaza via a skyway.

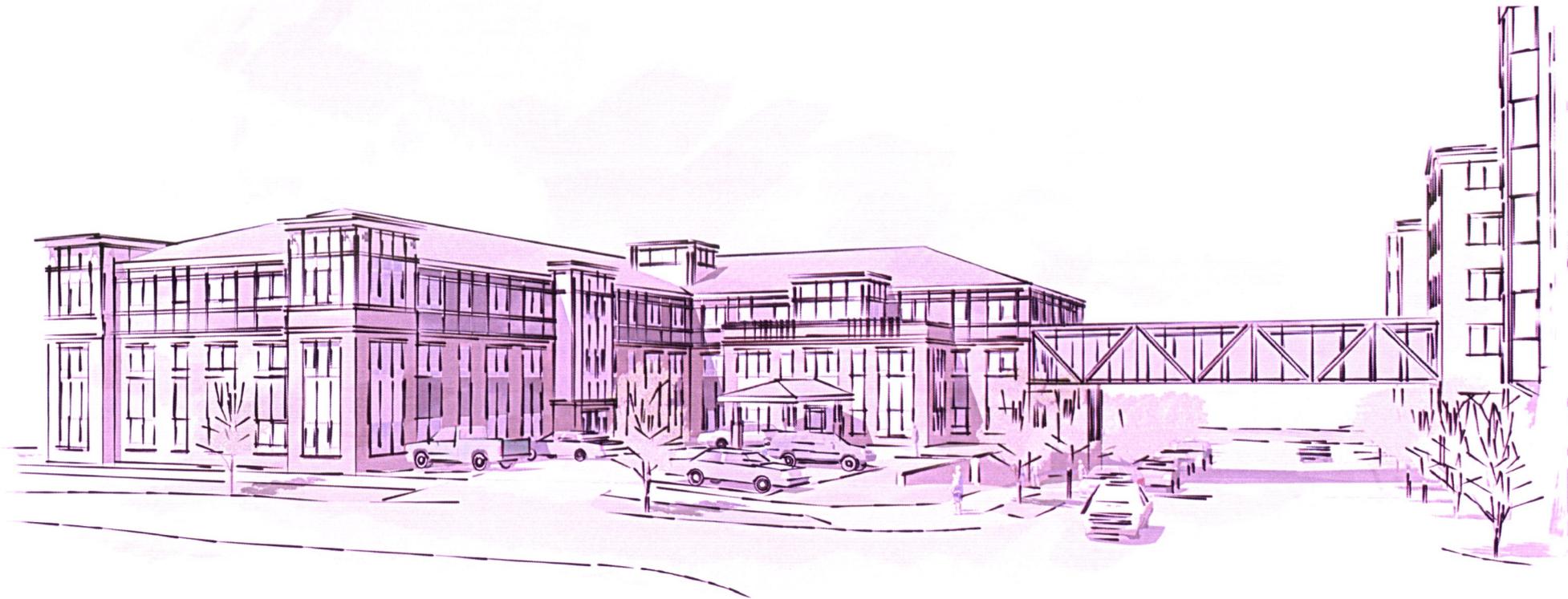
#### **Meeting Agenda:**

- Introduction to management and design team
- Project background presentation
- Project concept review
- Neighborhood discussion and feedback

The Walker Methodist team will use feedback gained from the neighborhood meeting as well as the current residents at Plaza in preparation to submit a planning & zoning application to the City of Anoka in late March.

Call Jonathan Fenton, Director of Housing at 763-422-4037 for more details.

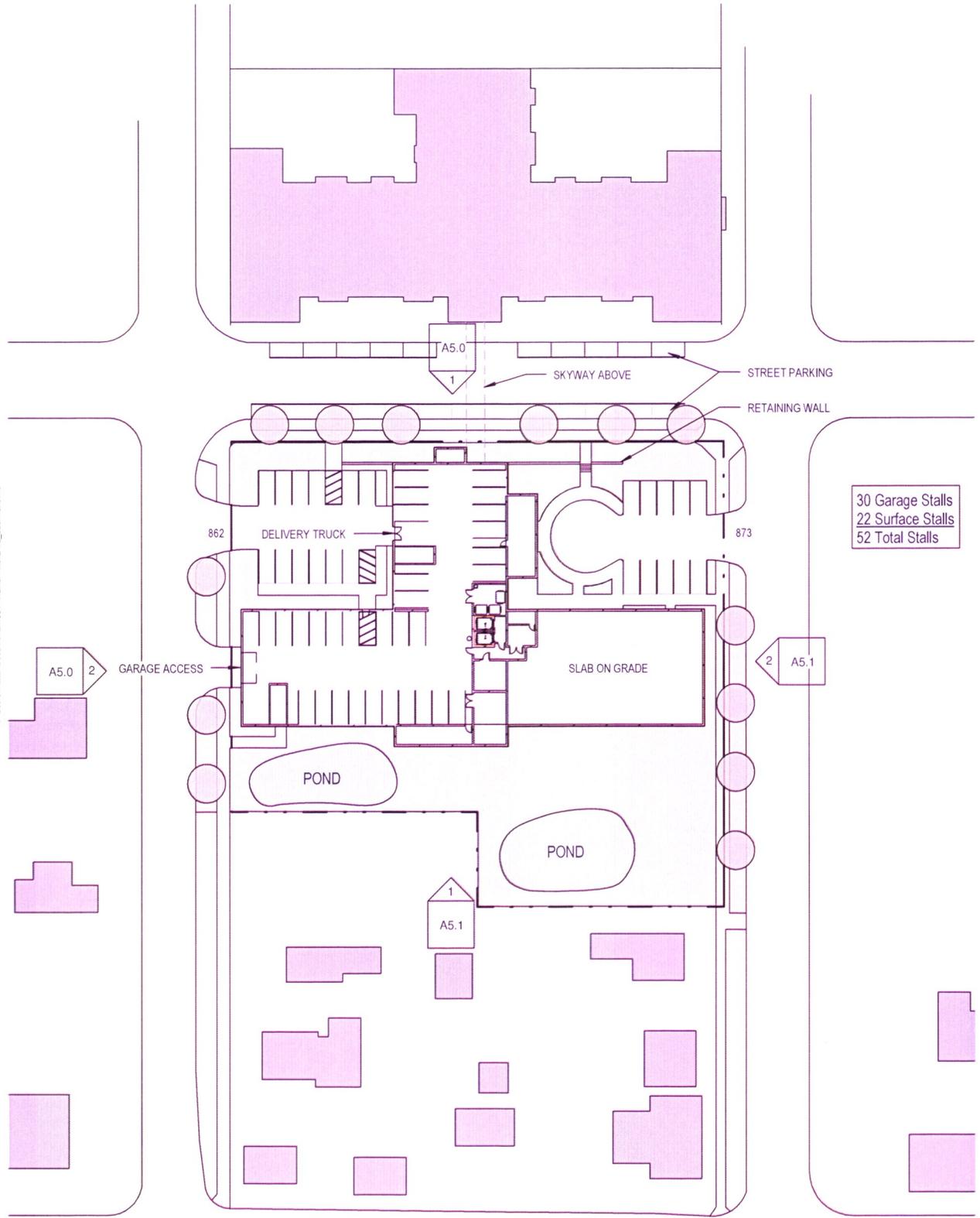
# PROJECT ANOKA



Walker Plaza II Senior Living  
 koos  
 wilson  
 architects  
 2104 4th Avenue S, Suite B  
 Minneapolis, MN 55404  
 tel: (612) 879-6000  
 fax: (612) 879-6666

Project Number:	1504	Revision Number:	
Issue Date:	2/26/2015	Revision Date:	

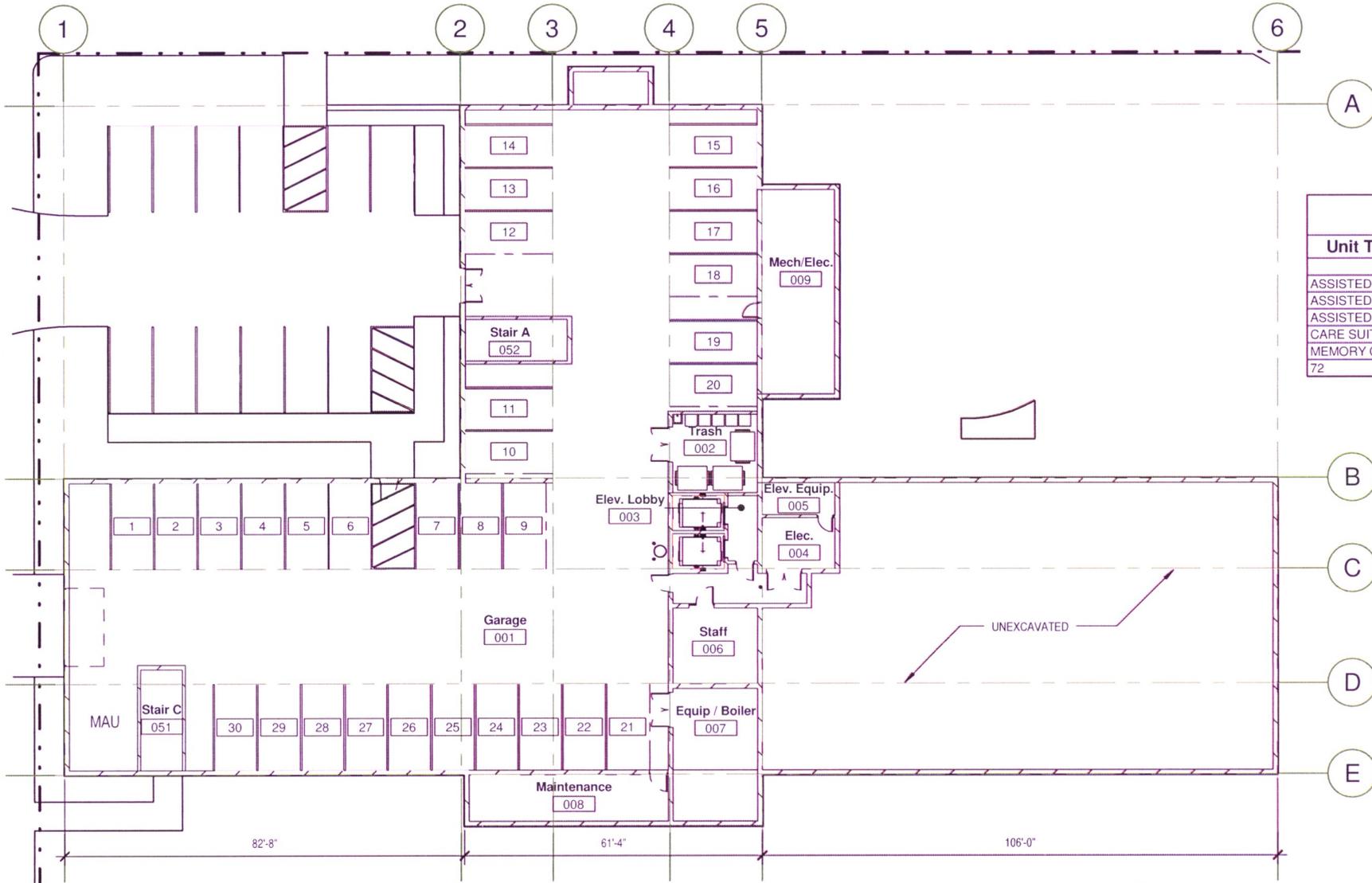
C:\Users\Water\Documents\1504-Walker Plaza V2\_bak\sheetc.rvt



30 Garage Stalls 22 Surface Stalls 52 Total Stalls
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① SCHEME 1 - Garage Level With Site Plan  
 1" = 50'-0"

2/27/2015 12:19:33 PM



UNIT MIX		
Unit Type	Count	Comments
ASSISTED LIVING	20	1 BEDROOM
ASSISTED LIVING	2	2 BEDROOM
ASSISTED LIVING	19	STUDIO
CARE SUITE	5	STUDIO
MEMORY CARE	26	STUDIO
	72	

**15,771 s.f.**

① Level -1 Garage  
1" = 20'-0"

Walker Plaza II Senior Living

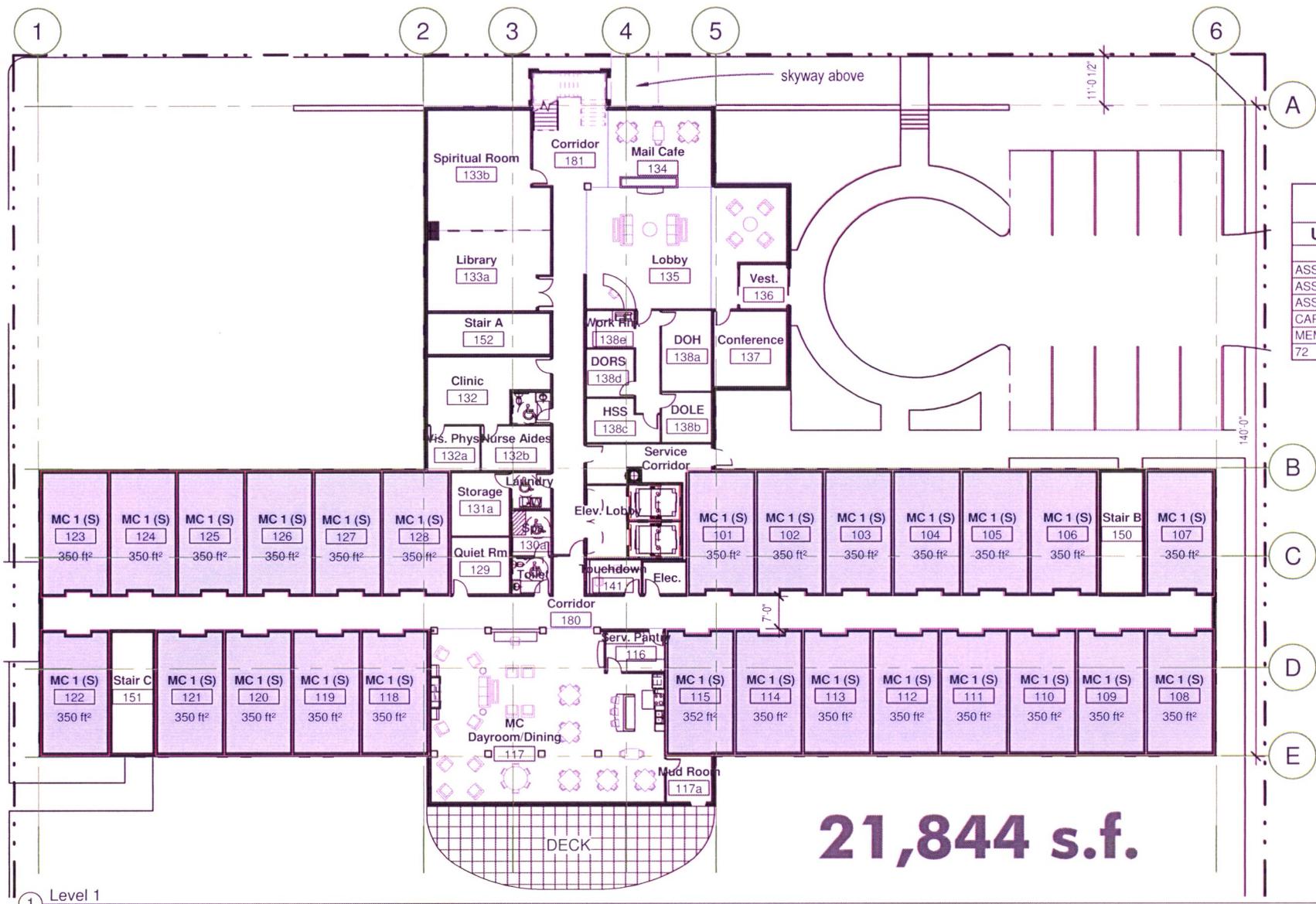


2104 4th Avenue S, Suite B  
Minneapolis, MN 55404  
tel: (612) 879-6000  
fax: (612) 879-6666

SCHEME 1 - Garage Plan

Project Number: 1504  
Revision Number:  
Issue Date: 2/26/2015  
Revision Date:

A0.1



UNIT MIX		
Unit Type	Count	Comments
ASSISTED LIVING	20	1 BEDROOM
ASSISTED LIVING	2	2 BEDROOM
ASSISTED LIVING	19	STUDIO
CARE SUITE	5	STUDIO
MEMORY CARE	26	STUDIO
<b>72</b>		

**21,844 s.f.**

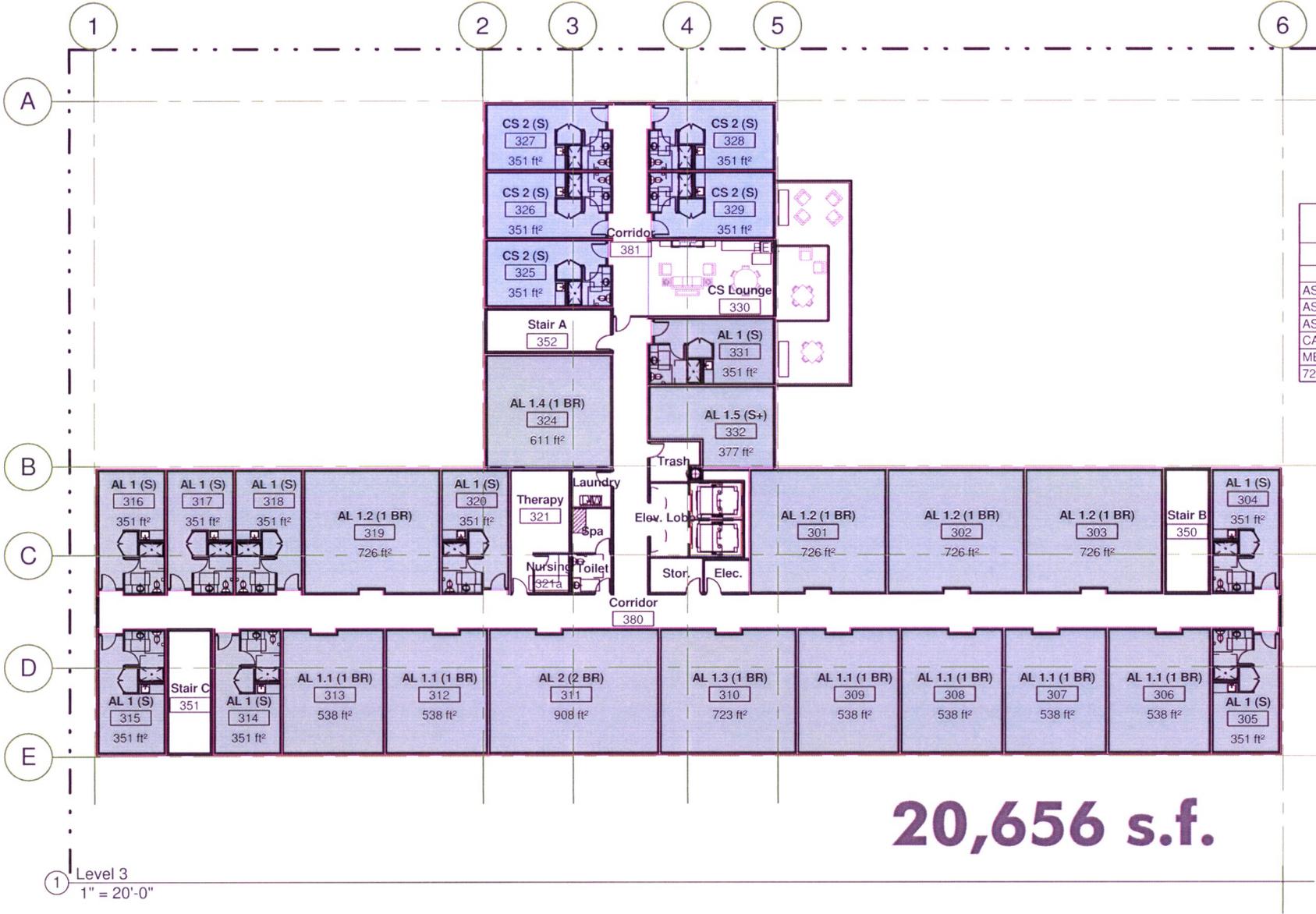
① Level 1  
1" = 20'-0"



UNIT MIX		
Unit Type	Count	Comments
ASSISTED LIVING	20	1 BEDROOM
ASSISTED LIVING	2	2 BEDROOM
ASSISTED LIVING	19	STUDIO
CARE SUITE	5	STUDIO
MEMORY CARE	26	STUDIO
	72	

**20,656 s.f.**

① Level 2  
1" = 20'-0"



UNIT MIX		
Unit Type	Count	Comments
ASSISTED LIVING	20	1 BEDROOM
ASSISTED LIVING	2	2 BEDROOM
ASSISTED LIVING	19	STUDIO
CARE SUITE	5	STUDIO
MEMORY CARE	26	STUDIO
72		

**20,656 s.f.**

1 Level 3  
1" = 20'-0"

Room Schedule			
Number	Name	Area	Comments
Level -1			
001	Garage	11,385 ft <sup>2</sup>	
002	Trash	285 ft <sup>2</sup>	
003	Elev. Lobby	83 ft <sup>2</sup>	
004	Elec.	161 ft <sup>2</sup>	
005	Elev. Equip.	101 ft <sup>2</sup>	
006	Staff	275 ft <sup>2</sup>	
007	Equip / Boiler	482 ft <sup>2</sup>	
008	Maintenance	398 ft <sup>2</sup>	
009	Mech/Elec.	642 ft <sup>2</sup>	
051	Stair C	182 ft <sup>2</sup>	
052	Stair A	182 ft <sup>2</sup>	
Level 1			
116	Serv. Pantry	106 ft <sup>2</sup>	
117	MC Dayroom/Dining	1,691 ft <sup>2</sup>	
117a	Mud Room	93 ft <sup>2</sup>	
129	Quiet Rm	147 ft <sup>2</sup>	
130	Toilet	63 ft <sup>2</sup>	
130a	Spa	78 ft <sup>2</sup>	
131	Laundry	62 ft <sup>2</sup>	
131a	Storage	166 ft <sup>2</sup>	
132	Clinic	312 ft <sup>2</sup>	
132a	Vis. Phys.	104 ft <sup>2</sup>	
132b	Nurse Aides	137 ft <sup>2</sup>	
133a	Library	419 ft <sup>2</sup>	
133b	Spiritual Room	597 ft <sup>2</sup>	
134	Staff	55 ft <sup>2</sup>	
134	Mail Cafe	335 ft <sup>2</sup>	
135	Lobby	691 ft <sup>2</sup>	
136	Vest.	94 ft <sup>2</sup>	
137	Conference	249 ft <sup>2</sup>	
138a	DOH	182 ft <sup>2</sup>	
138b	DOLE	112 ft <sup>2</sup>	
138c	HSS	127 ft <sup>2</sup>	
138d	DORS	103 ft <sup>2</sup>	
138e	Work Rm.	80 ft <sup>2</sup>	
139	Service Corridor	203 ft <sup>2</sup>	
140	Elev. Lobby	131 ft <sup>2</sup>	
141	Touchdown	83 ft <sup>2</sup>	
142	Elec.	61 ft <sup>2</sup>	
150	Stair B	224 ft <sup>2</sup>	
151	Stair C	224 ft <sup>2</sup>	
152	Stair A	224 ft <sup>2</sup>	
180	Corridor	1,923 ft <sup>2</sup>	
181	Corridor	804 ft <sup>2</sup>	

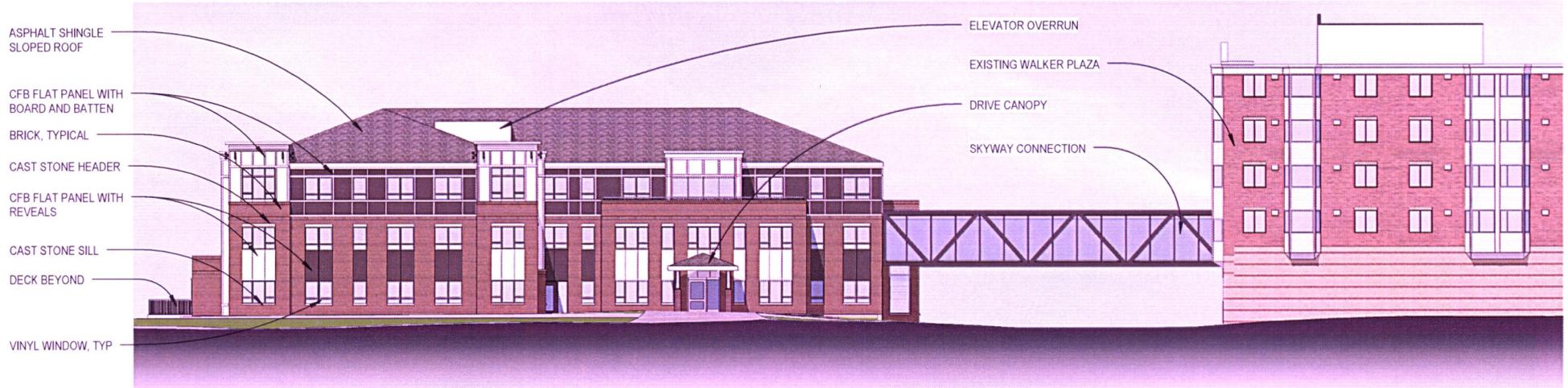
Room Schedule			
Number	Name	Area	Comments
Level 2			
201	Kitchen	2,123 ft <sup>2</sup>	
220	Staff Break Room	399 ft <sup>2</sup>	
221	Toilet	65 ft <sup>2</sup>	
222	Laundry	62 ft <sup>2</sup>	
223	Toilet	67 ft <sup>2</sup>	
224	Salon	431 ft <sup>2</sup>	
225	DOLE	89 ft <sup>2</sup>	
226	Multipurpose	1,050 ft <sup>2</sup>	
227	Private Din.	200 ft <sup>2</sup>	
228	Dining Room	1,825 ft <sup>2</sup>	
229	Bistro	156 ft <sup>2</sup>	
230	Trash	66 ft <sup>2</sup>	
231	Elev. Lobby	123 ft <sup>2</sup>	
232	Stor.	80 ft <sup>2</sup>	
233	Elec.	54 ft <sup>2</sup>	
250	Stair B	224 ft <sup>2</sup>	
251	Stair C	224 ft <sup>2</sup>	
252	Stair A	224 ft <sup>2</sup>	
280	Corridor	1,827 ft <sup>2</sup>	
281	Corridor	994 ft <sup>2</sup>	
Level 3			
321	Therapy	249 ft <sup>2</sup>	
321a	Nursing	58 ft <sup>2</sup>	
322	Toilet	66 ft <sup>2</sup>	
322a	Spa	76 ft <sup>2</sup>	
323	Laundry	62 ft <sup>2</sup>	
330	CS Lounge	417 ft <sup>2</sup>	
333	Trash	79 ft <sup>2</sup>	
334	Elev. Lobby	123 ft <sup>2</sup>	
335	Stor.	80 ft <sup>2</sup>	
336	Elec.	63 ft <sup>2</sup>	
350	Stair B	224 ft <sup>2</sup>	
351	Stair C	224 ft <sup>2</sup>	
352	Stair A	224 ft <sup>2</sup>	
380	Corridor	2,257 ft <sup>2</sup>	
381	Corridor	345 ft <sup>2</sup>	



② West Elevation  
3/64" = 1'-0"



① North Elevation  
3/64" = 1'-0"



② East Elevation  
3/64" = 1'-0"



① South Elevation  
3/64" = 1'-0"

Walker Plaza II Senior Living



**keads  
wilson  
architects**

2104 4th Avenue S, Suite B  
Minneapolis, MN 55404  
tel: (612) 879-6000  
fax: (612) 879-6666

Project Number: 1504  
Issue Date: 2/26/2015

Revision Number:  
Revision Date:

Elevations

A5.1



Walker Plaza II Senior Living



kaas  
wilson  
architects  
2104 4th Avenue S, Suite B  
Minneapolis, MN 55404  
tel: (612) 879-6000  
fax: (612) 879-6666

Project Number: 1504  
Issue Date: 2/26/2015  
Revision Number:  
Revision Date:

Perspectives

A6.0

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# Memo

**To:** HRA Board Members

**From:** Darin Berger, Housing Manager

**Date:** March 9<sup>th</sup>, 2015

**Re:** North Suburban Home Improvement Show Update

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The North Suburban Home Improvement Show Committee has continued their efforts gearing up for this year's show. Our floor plan allows for 100 exhibitor booths and we only have 5 left available! As I mentioned last month, in addition to our regular marketing efforts, we have secured a billboard on Highway 10 and we are working with WCCO again this year. I encourage everyone to come to the Andover Community Center on Saturday, March 21<sup>st</sup> from 9am-3pm. Free admission includes 100+ exhibitors, limited door prizes, demonstrations and a kids workshop sponsored by Lowe's. I would also like to remind the Board of their role as greeters. We will finalize that schedule after tonight's meeting.

**Action Requested: No action necessary at this time, informational only.**

17th Annual North Suburban

# HOME IMPROVEMENT SHOW

**FREE ADMISSION**



Featuring nearly 100 home improvement and remodeling exhibitors with products and services related to home improvements and gardening.

Over 1,800 area residents visited the show last year.

**Saturday,  
March 21, 2015  
9am - 3pm**

**Andover YMCA  
Community Center**

15200 Hanson Blvd. NW  
Andover, MN 55304

## FREE KIDS WORKSHOP

The first 200 children together with their parents will have the opportunity to build a wooden project.

*Kids Workshop sponsored by,*



The North Suburban Home Improvement Show is sponsored by the cities of Andover, Anoka and Coon Rapids, Anoka Area Chamber of Commerce and Anoka County. Since 1998, it has brought together the area's leading contractors, vendors, and landscapers.

Accepting Food Shelf Donations for the ACBC Food Shelf during the event. Non perishable and monetary donations are greatly appreciated



**NORTH SUBURBAN  
HOME IMPROVEMENT  
SHOW**

[NorthSuburbanHomeShow.org](http://NorthSuburbanHomeShow.org)



2015 1st Avenue North  
Anoka, MN 55303  
(763) 576-2743

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# Memo

**To:** HRA Board Members  
**From:** Darin Berger, Housing Manager  
**Date:** March 9<sup>th</sup>, 2015  
**Re:** Housing and Redevelopment Authority Board Vacancy

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As you know, there is currently a vacancy on this Board. Potential applicants will be asked to fulfill a partial term that goes through 2015. The deadline for applications was March 6<sup>th</sup>, but as of Thursday March 5<sup>th</sup>, no applications had been received. This may change by the time of our HRA Board Meeting. I have attached more information for anyone interested.

**Action Requested: No action necessary at this time, informational only.**



## **INTERESTED IN VOLUNTEERING TO SERVE ON A CITY BOARD OR COMMISSION ?????**

The City of Anoka is accepting applications for the following volunteer positions:

Housing & Redevelopment Authority – Partial term of 1 yr

Parks & Recreation Board – Partial term of 1 yr

Utility Advisory Board – Partial term of 3 yrs and a partial term of 1 yr

Applications or further information may be obtained from Anoka City Hall, 2015 First Avenue, Anoka, or by contacting the City Clerk's Office at: 763-576-2712, or email [aoehlers@ci.anoka.mn.us](mailto:aoehlers@ci.anoka.mn.us).

Applications accepted until March 6, 2015. Positions remain open until filled.

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# Memo

**To:** HRA Board Members

**From:** Darin Berger, Housing Manager

**Date:** March 9<sup>th</sup>, 2015

**Re:** Resolution Adopting a Modification to the Redevelopment Plan for Redevelopment Project No. 1, Adopting a Modification to the Tax Increment Financing District No. 2 and Establishing South Central Business Tax Increment Financing District and Adopting a Tax Increment Financing Plan

---

Ehlers and Associates notified the HRA that there are five parcels (see attached map) in the HRA's South Central Business Tax Increment Financing District that were already in the Tax Increment Financing District No. 2 (County District E9 – Walker Plaza & M2 - Riverspointe). These parcels can only be in one TIF district.

Attached is a resolution modifying the TIF Plan by removing the parcels from the old district; therefore, allowing the HRA to use them in the new district.

Also included in the attached resolution is language establishing the South Central Business Tax Increment Financing District. Details regarding project description, estimated cash flow, description of property in the district, property to be acquired and much more are included with the TIF Plan prepared by Ehlers and Associates in your packet.

**Action Requested: Approve Resolution No. 2015-02 Adopting a Modification to the Redevelopment Plan for Redevelopment Project No. 1, Adopting a Modification to the Tax Increment Financing District No. 2 and Establishing South Central Business Tax Increment Financing District and Adopting a Tax Increment Financing Plan by motion, second and vote.**

**ANOKA HOUSING AND REDEVELOPMENT AUTHORITY  
CITY OF ANOKA  
ANOKA COUNTY  
STATE OF MINNESOTA**

RESOLUTION NO. 2015-02

**RESOLUTION ADOPTING A MODIFICATION TO THE REDEVELOPMENT PLAN FOR REDEVELOPMENT PROJECT NO. 1, ADOPTING A MODIFICATION TO THE TAX INCREMENT FINANCING PLAN FOR TAX INCREMENT FINANCING DISTRICT NO. 2 (COUNTY DISTRICT E9 AND M2) THEREIN, AND ESTABLISHING SOUTH CENTRAL BUSINESS TAX INCREMENT FINANCING DISTRICT THEREIN AND ADOPTING A TAX INCREMENT FINANCING PLAN THEREFOR.**

WHEREAS, it has been proposed by the Board of Commissioners (the "Board") of the Anoka Housing and Redevelopment Authority (the "HRA") and the City of Anoka (the "City") that the HRA adopt a modification to the Redevelopment Plan (the "Redevelopment Plan Modification") for Redevelopment Project No. 1 (the "Project Area"), adopt a modification to the Tax Increment Financing Plan for Tax Increment Financing District No. 2 (County District E9 and M2) (the "TIF Plan Modification"), and establish the South Central Business Tax Increment Financing District (the "District") and adopt a Tax Increment Financing Plan (the "TIF Plan") therefor (the Redevelopment Plan Modification and the TIF Plan are referred to collectively herein as the "Plans"), all pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.001 to 469.047, and Sections 469.174 to 469.179, inclusive, as amended (the "Act"), all as reflected in the Plans and presented for the Board's consideration; and

WHEREAS, the HRA has investigated the facts relating to the Plans and has caused the Plans to be prepared; and

WHEREAS, the HRA has performed all actions required by law to be performed prior to the adoption of the Plans. The HRA has also requested the City Planning Commission to provide for review of and written comment on the Plans and that the Council schedule a public hearing on the Plans upon published notice as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board as follows:

1. The HRA hereby finds that the District is in the public interest and is a "redevelopment district" under Minnesota Statutes, Section 469.174, Subd. 10 (a)(1), and finds that the adoption of the proposed Plans conform in all respects to the requirements of the Act and will help fulfill a need to redevelop an area of the State of Minnesota which is already built up and that the adoption of the proposed Plans will help provide employment opportunities in the State and in the preservation and enhancement of the tax base of the City and the State and thereby serves a public purpose.
2. The HRA further finds that the Plans will afford maximum opportunity, consistent with the sound needs for the City as a whole, for the development or redevelopment of the Project Area by private enterprise in that the intent is to provide only that public assistance necessary to make the private developments financially feasible.

3. Conditioned upon the approval thereof by the City Council following its public hearing thereon, the following parcels are removed from Tax Increment Financing District No. 2 (County District E9 and M2) so they can be included in the District:

12-31-25-11-0054	12-31-25-11-0111	12-31-25-11-0063
12-31-25-11-0055	12-31-25-11-0112	

4. The boundaries of the Project Area are not being expanded.
5. The reasons and facts supporting the findings in this resolution are described in the Plans.
6. The HRA elects to calculate fiscal disparities for the District in accordance with Minnesota Statutes, Section 469.177, Subd. 3, clause a, which means the fiscal disparities contribution would be taken from outside the District.
7. Conditioned upon the approval thereof by the City Council following its public hearing thereon, the Plans, as presented to the HRA on this date, are hereby approved, established and adopted and shall be placed on file in the office of the Executive Director of the HRA.
8. Upon approval of the Plans by the City Council, the staff, the HRA's advisors and legal counsel are authorized and directed to proceed with the implementation of the Plans and for this purpose to negotiate, draft, prepare and present to this Board for its consideration all further plans, resolutions, documents and contracts necessary for this purpose. Approval of the Plans does not constitute approval of any project or a Development Agreement with any developer.
9. Upon approval of the Plans by the City Council, the Executive Director of the HRA is authorized and directed to forward a copy of the Plans to the Minnesota Department of Revenue and the Office of the State Auditor pursuant to Minnesota Statutes 469.175, Subd. 4a.
10. The Executive Director of the HRA is authorized and directed to forward a copy of the Plans to the Anoka County Auditor and request that the Auditor certify the original tax capacity of the District as described in the Plans, all in accordance with Minnesota Statutes 469.177.

Approved by the Board on March 9, 2015.

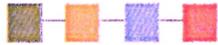
\_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Secretary

# Parcels to be Decertified from Riverspointe TIF District





*As of March 3, 2015  
Draft for HRA*

**Modification to the Redevelopment Plan  
for Redevelopment Project No. 1**

**and the**

**Tax Increment Financing Plan**

**for the establishment of**

**the South Central Business Tax Increment Financing District  
(a redevelopment district)**

**within**

**Redevelopment Project No. 1**

Anoka Housing and Redevelopment Authority  
City of Anoka  
Anoka County  
State of Minnesota

Public Hearing: March 16, 2015  
Adopted:



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 Redevelopment Project No. 1***

**Foreword**

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

For further information, a review of the Redevelopment Plan for Redevelopment Project No. 1 is recommended. It is available from the City Manager at the City of Anoka. Other relevant information is contained in the Tax Increment Financing Plans for the Tax Increment Financing Districts located within Redevelopment Project No. 1.

## **Section 2 - Tax Increment Financing Plan for the South Central Business Tax Increment Financing District**

### **Subsection 2-1. Foreword**

The Anoka Housing and Redevelopment Authority (the "HRA"), the City of Anoka (the "City"), staff and consultants have prepared the following information to expedite the establishment of the South Central Business Tax Increment Financing District (the "District"), a redevelopment tax increment financing district, located in Redevelopment Project No. 1.

### **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 Redevelopment Project No. 1.

### **Subsection 2-3. Statement of Objectives**

The District currently consists of fifteen parcels of land and adjacent and internal rights-of-way. The District is being created to facilitate the rehabilitation of properties, to upgrade infrastructure, and to address parking needs in the City. Please see Appendix A for further District information. The HRA has not entered into an agreement or designated a developer at the time of preparation of this TIF Plan, but development is likely to occur in 2015. This TIF Plan is expected to achieve many of the objectives outlined in the Redevelopment Plan for Redevelopment Project No. 1.

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 Redevelopment Project No. 1 and the District.

### **Subsection 2-4. Redevelopment Plan Overview**

1. Property to be Acquired - The HRA or City currently owns nine 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 may acquire any parcel within the District including interior and adjacent street rights of way and any parcel south of Main Street and north of Madison Street between River Lane and 3<sup>rd</sup> Avenue within the Project Area. 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 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 469.1794, as amended, inclusive, find that the District, to be established, is a redevelopment district pursuant to M.S., Section 469.174, Subd. 10(a)(1) as defined below:

- (a) *"Redevelopment district" means a type of tax increment financing district consisting of a project, or portions of a project, within which the authority finds by resolution that one or more of the following conditions, reasonably distributed throughout the district, exists:*
- (1) *parcels consisting of 70 percent of the area in the district are occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;*
  - (2) *The property consists of vacant, unused, underused, inappropriately used, or infrequently used rail yards, rail storage facilities or excessive or vacated railroad rights-of-way;*
  - (3) *tank facilities, or property whose immediately previous use was for tank facilities, as defined in Section 115C, Subd. 15, if the tank facility:*
    - (i) *have or had a capacity of more than one million gallons;*
    - (ii) *are located adjacent to rail facilities; or*
    - (iii) *have been removed, or are unused, underused, inappropriately used or infrequently used; or*
  - (4) *a qualifying disaster area, as defined in Subd. 10b.*
- (b) *For purposes of this subdivision, "structurally substandard" shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance.*

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

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

- (f) For districts consisting of two or more noncontiguous areas, each area must qualify as a redevelopment district under paragraph (a) to be included in the district, and the entire area of the district must satisfy paragraph (a).
- (e) For purposes of this subdivision, a parcel is not occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures unless 15 percent of the area of the parcel contains buildings, streets, utilities, paved or gravel parking lots or other similar structures.
- (4) upon filing the request for certification of the tax capacity of the parcel as part of a district, the authority notifies the county auditor that the original tax capacity of the parcel must be adjusted as provided by § 469.177, subdivision 1, paragraph (f).
- (3) the authority found by resolution before the demolition or removal that the parcel was occupied by a structurally substandard building or met the requirement of paragraph (e) and that after demolition and clearance the authority intended to include the parcel within a district; and
- (2) the substandard building or the improvements described in paragraph (e) were demolished or removed by the authority or the demolition or removal was financed by the authority or was done by a developer under a development agreement with the authority;
- (1) the parcel was occupied by a substandard building or met the requirements of paragraph (e), as the case may be, within three years of the filing of the request for certification of the parcel as part of the district with the county auditor;
- (d) A parcel is deemed to be occupied by a structurally substandard building for purposes of the finding under paragraph (a) or by the improvement described in paragraph (e) if all of the following conditions are met:
  - (c) A building is not structurally substandard if it is in compliance with the building code applicable to new buildings or could be modified to satisfy the building code at a cost of less than 15 percent of the cost of constructing a new structure of the same square footage and type on the site. The municipality may find that a building is not disqualified as structurally substandard under the preceding sentence on the basis of reasonably available evidence, such as the size, type, and age of the building, the average cost of plumbing, electrical, or structural repairs or other similar reliable evidence. The municipality may not make such a determination without an interior inspection of the property, but need not have an independent, expert appraisal prepared of the cost of repair and rehabilitation of the building. An interior inspection of the property is not required, if the municipality finds that (1) the municipality or authority is unable to gain access to the property after using its best efforts to obtain permission from the party that owns or controls the property; and (2) the evidence otherwise supports a reasonable conclusion that the building is structurally substandard.

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 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 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 or City (a total of 26 years of tax increment). The HRA or City elects to receive the first tax increment in 2017, 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 2042, or when the TIF Plan is satisfied. The HRA or City 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 2015 for taxes payable 2016.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2017) 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 2016, assuming the request for certification is made after July 1, 2015 and before June 30, 2016. The ONTC and the Original Local Tax Rate for the District appear in the following table. For calculation purposes, the payable 2015 Truth in Taxation rates are used as the final pay 2015 and pay 2016 rates are currently unavailable.

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 Redevelopment Project No. 1, 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 2017. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

<b>Project Estimated Tax Capacity upon Completion (PTC)</b>	<b>\$299,488</b>	
<b>Original Estimated Net Tax Capacity (ONTC)</b>	<b>\$19,748</b>	
<b>Estimated Captured Tax Capacity (CTC)</b>	<b>\$279,740</b>	
<b>Original Local Tax Rate</b>	<b>1.11076</b>	Estimated Pay 2015
<b>Estimated Annual Tax Increment (CTC x Local Tax Rate)</b>	<b>\$310,724</b>	
<b>Percent Retained by the HRA</b>	<b>100%</b>	

Tax capacity includes a 1.85% 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 \$189,388.

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 and 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 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 an 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 may 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	\$6,350,000
<u>Interest</u>	<u>\$635,000</u>
<b>TOTAL</b>	<b>\$6,985,000</b>

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 \$4,685,000. Such bonds may be in the form of pay-as-you-go notes, revenue bonds or notes, general obligation bonds, or interfund loans. This estimate of total bonded indebtedness is a cumulative statement of authority under this TIF Plan as of the date of approval.

**Subsection 2-10. Uses of Funds**

Currently under consideration for the District is a proposal to facilitate the rehabilitation of properties, to upgrading infrastructure, and addressing parking needs. The HRA and City have determined that it will be necessary to provide assistance to the project(s) 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	\$1,000,000
Site Improvements/Preparation	\$1,000,000
Utilities	\$0
Other Qualifying Improvements	\$2,050,000
<u>Administrative Costs (up to 10%)</u>	<u>\$635,000</u>
PROJECT COST TOTAL	\$4,685,000
<u>Interest</u>	<u>\$2,300,000</u>
<b>PROJECT AND INTEREST COSTS TOTAL</b>	<b>\$6,985,000</b>

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. 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 Redevelopment Project No. 1, (including administrative costs, which are considered to be spent outside of the District) subject to the limitations as described in this TIF Plan.

**Subsection 2-11. 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 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 HRA will choose to calculate fiscal disparities by clause a.**

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:

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**IMPACT ON TAX BASE**

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	<u>2014/Pay 2015 Total Net Tax Capacity</u>	<u>Estimated Captured Tax Capacity (CTC) Upon Completion</u>	<u>Percent of CTC to Entity Total</u>
Anoka County	285,531,892	279,740	<b>0.0980%</b>
City of Anoka	13,709,471	279,740	<b>2.0405%</b>
Anoka-Hennepin ISD No. 11	148,985,813	279,740	<b>0.1878%</b>

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**IMPACT ON TAX RATES**

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	<u>Estimated Pay 2015 Extension Rates</u>	<u>Percent of Total</u>	<u>CTC</u>	<u>Potential Taxes</u>
Anoka County	0.380760	34.28%	279,740	<b>106,514</b>
City of Anoka	0.449400	40.46%	279,740	<b>125,715</b>
Anoka-Hennepin ISD No. 11	0.224630	20.22%	279,740	<b>62,838</b>
Other	<u>0.055970</u>	<u>5.04%</u>	<u>279,740</u>	<u>15,657</u>
<b>Total</b>	1.110760	100.00%		<b>310,724</b>

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the estimated Pay 2015 rate. The total net capacity for the entities listed above are based on estimated Pay 2016 figures. The District will be certified under the actual Pay 2016 rates and figures, 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 \$6,350,000;
- (2) Probable impact of the District on city provided services and ability to issue debt. An impact of the District on police protection is not expected. The Anoka Police Department does track calls by type of crime and property address. 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 Anoka Police Department estimates approximately 50 calls for service annually from the new development. However, the City does not expect that the proposed development, in and of itself, will necessitate new capital investment.

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 impact of the District on public infrastructure is expected to be minimal. The development is not expected to significantly impact any traffic movements in the area. The current infrastructure for sanitary sewer, storm sewer and water will be able to handle the additional volume generated from the proposed development. Based on the development plans, there are no additional costs associated with street maintenance, sweeping, plowing, lighting and sidewalks. The development in the District is expected to contribute an estimated \$390,950 in sanitary sewer (SAC) and water (WAC)

connection fees. There are two vacant lots located on Madison Street that are not connected to City sewer and water. In order to make those connections, the City or the developer would need to invest approximately \$200,000 into adjacent infrastructure.

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 \$1,283,970;
- (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 \$2,176,780;
- (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:

- A list of applicable studies will be listed here prior to the public hearing.

### **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; and
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.

## **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 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*, 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 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; 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, and before August 1, 2001, 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.

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 March 2019 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 Redevelopment Project No. 1 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 Redevelopment Project No. 1 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*.

#### **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 Redevelopment Project No. 1 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 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 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 City Housing Manager.

### **Subsection 2-25. Annual Disclosure Requirements**

Pursuant to *M.S., Section 469.175, Subds. 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 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 Redevelopment Project No. 1 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. 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. Tax increments derived from the District shall be deemed to have satisfied the 75 percent test set forth in paragraph (2) above only if the five year rule set forth in *M.S., Section 469.1763, Subd. 3*, has been satisfied; and beginning with the sixth year following certification of the District, 75 percent of said tax increments that remain after expenditures permitted under said five year rule must be used only to pay previously committed expenditures or credit enhanced bonds as more fully set forth in *M.S., Section 469.1763, Subd. 5*.
4. Redevelopment District. At least 90 percent of the revenues derived from tax increment from a redevelopment district must be used to finance the cost of correcting conditions that allow designation of redevelopment and renewal and renovation districts under *M.S., Section 469.176 Subd. 4j*. These costs include, but are not limited to, acquiring properties containing structurally substandard buildings or improvements or hazardous substances, pollution, or contaminants, acquiring adjacent parcels necessary to provide a site of sufficient size to permit development, demolition and rehabilitation of structures, clearing of the land, the removal of hazardous substances or remediation necessary for development of the land, and installation of utilities, roads, sidewalks, and parking facilities for the site. The allocated administrative expenses of the HRA or City, including the cost of preparation of the development action response plan, may be included in the qualifying costs.

### **Subsection 2-28. Summary**

The City of Anoka 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

The City of Anoka has been successful in providing senior assisted living facilities in the City for many years. Residents are looking for an option for themselves or for family members to receive quality housing and medical care in the City. The City has made assisted living a component of the redevelopment of the City as a way to attract and retain citizens.

The impetus for the proposed district is the expansion of the Walker Senior Housing facility, which currently owns an existing senior housing complex. The proposed project will consist of an additional building across the street from the existing building. The proposed assisted living facility would consist of approximately 70 rental units.

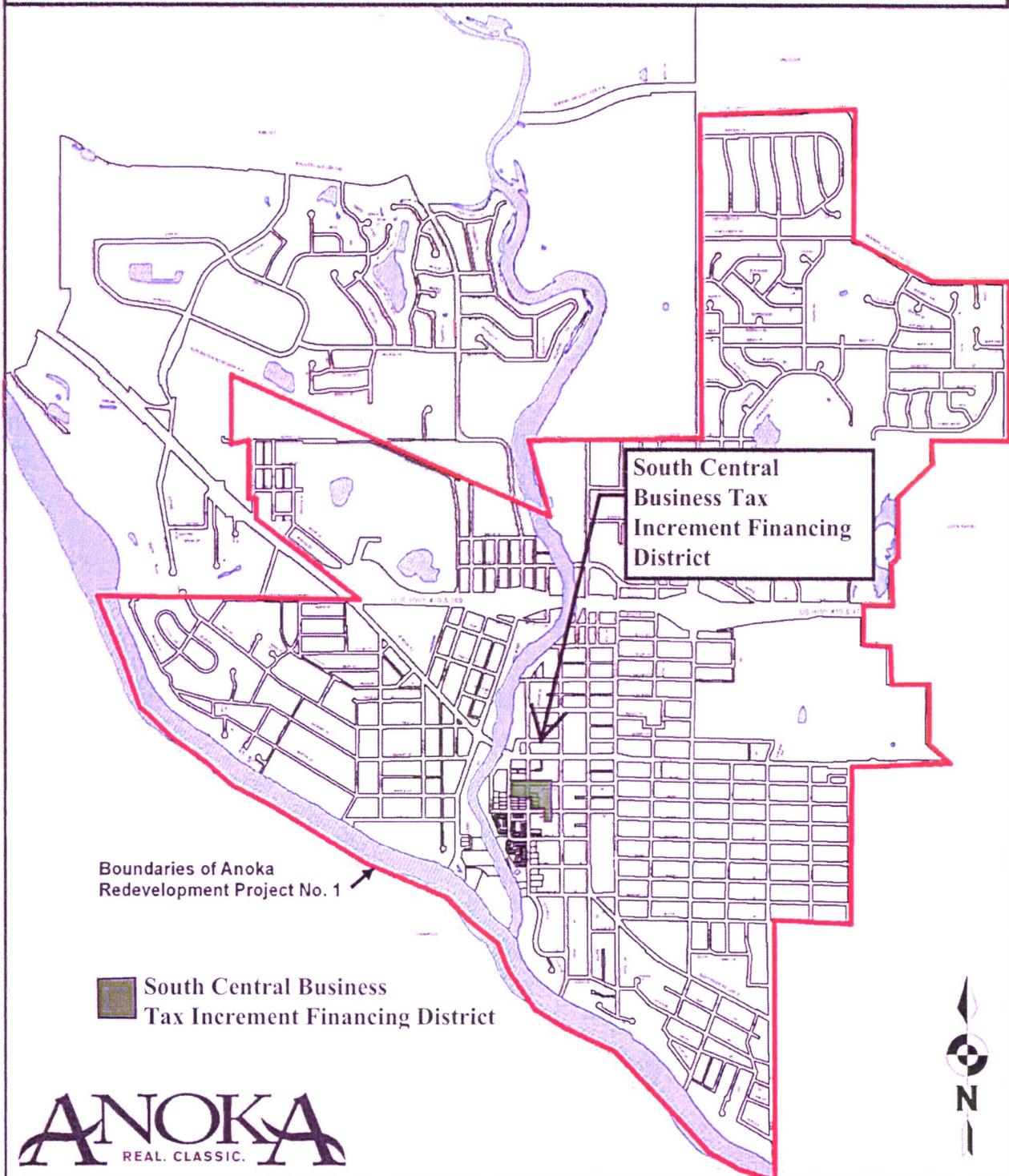
The project consists of redevelopment of a portion of the properties located south of Monroe Street between 1<sup>st</sup> and 3<sup>rd</sup> Avenues extending south to Jefferson Street located just south of the historic Anoka Central Business District. The proposed project anticipates senior apartment units, single family and town and row homes, 15,000 s.f. of commercial space and a parking ramp to be completed over a period of 3 to 5 years after construction commences. Anticipated costs that would be, in part, utilize tax increment revenue include property acquisition, site preparation, environmental cleanup and construction of infrastructure, including streets, sanitary sewer, water, storm sewer, and a public parking ramp. The City anticipates that the costs will be financed through an interfund loan. Other methods of financing may include reimbursement to developers for qualified costs.

Appendix B

Map of Redevelopment Project No. 1 and the District

# South Central Business Tax Increment Financing District Anoka Redevelopment Project No. 1

City of Anoka  
Anoka County, MN



**ANOKA**  
REAL. CLASSIC.

## 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>
07-31-24-22-0106		City of Anoka
07-31-24-22-0105		City of Anoka
12-31-25-11-0054*	1820 2 <sup>nd</sup> Ave	City of Anoka HRA
12-31-25-11-0053	1834 2 <sup>nd</sup> Ave	City of Anoka HRA
12-31-25-11-0111*	1814 2 <sup>nd</sup> Ave	City of Anoka HRA
07-31-24-22-0088	210 Monroe St.	City of Anoka HRA
12-31-25-11-0063*	1812 1 <sup>st</sup> Ave	Beehive Partners LLC
12-31-25-11-0061	100 Monroe St.	City of Anoka HRA
12-31-25-11-0055*	1806 2 <sup>nd</sup> Ave	Manning Brian PE & Chris
12-31-25-11-0126	1833 2 <sup>nd</sup> Ave	City of Anoka HRA
07-31-24-22-0086	222 Monroe St.	222 LLC
07-31-24-22-0087		ISD 11
12-31-25-11-0112*	1800 2 <sup>nd</sup> Ave	City of Anoka HRA
07-31-24-22-0077		BT Props LLC
07-31-24-22-0078		BT Props LLC

\*These parcels are being removed from TIF District No. 2 (County District E9 and M2).

Appendix D

Estimated Cash Flow for the District



**HRA South Central Business District**  
Anoka HRA

**ASSUMPTIONS AND RATES**

DistrictType:	Redevelopment
District Name/Number:	HRA South Central Business District
County District #:	
First Year Construction or Inflation on Value	2015
Existing District - Specify No. Years Remaining	
Inflation Rate - Every Year:	1.85%
Interest Rate:	3.50%
Present Value Date:	1-Aug-15
First Period Ending	1-Feb-16
Tax Year District was Certified:	Pay 2016
Cashflow Assumes First Tax Increment For Development:	2017
Years of Tax Increment	26
Assumes Last Year of Tax Increment	2042
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	Outside(A)
Incremental or Total Fiscal Disparities	Incremental
Fiscal Disparities Contribution Ratio	33.6802% Pay 2015 TNT
Fiscal Disparities Metro-Wide Tax Rate	161.6250% Pay 2015
Maximum/Frozen Local Tax Rate:	111.076% Pay 2015 TNT
Current Local Tax Rate: (Use lesser of Current or Max.)	111.076% Pay 2015 TNT
State-wide Tax Rate (Comm./Ind. only used for total taxes)	50.8400% Pay 2015
Market Value Tax Rate (Used for total taxes)	0.21261% Pay 2015 TNT

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 \$100,000	0.75%
Over \$100,000	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 #	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	12-31-25-11-0061	Anoka HRA	100 MONROE ST	59,000	0	59,000	100%	59,000	Pay 2016	Exempt	-	Rental	738	1
2	12-31-25-11-0126	City of Anoka	1833 2ND AVE	93,100	0	93,100	100%	93,100	Pay 2016	Exempt	9,730	Rental	1,164	1
14	07-31-24-22-0078	BT Prop		23,800	0	23,800	100%	23,800	Pay 2016	Rental	298	Hmstd. Res.	238	2
15	07-31-24-22-0077	BT Prop		23,800	0	23,800	100%	23,800	Pay 2016	Rental	298	Hmstd. Res.	238	2
11	12-31-25-11-0055	Manning, C & B	1806 2ND AVE	40,000	146,200	186,200	100%	186,200	Pay 2016	Non-H Res. 1 Unit	1,862	Hmstd. Res.	1,862	3
12	12-31-25-11-0112	Anoka HRA	1800 2ND AVE	52,500	0	52,500	100%	52,500	Pay 2016	Rental	656	Hmstd. Res.	525	3
13	07-31-24-22-0106	City of Anoka		9,700	125,000	134,700	100%	134,700	Pay 2016	Exempt	-	Hmstd. Res.	1,347	3
4	12-31-25-11-0053	Anoka HRA	1834 2ND AVE	3,300	124,300	127,600	100%	127,600	Pay 2016	C/I	2,552	C/I Pref.	1,914	4
5	07-31-24-22-0088	Anoka HRA	210 MONROE ST	72,200	0	72,200	100%	72,200	Pay 2016	Exempt	-	C/I Pref.	1,083	4
6	07-31-24-22-0087	ISD 11		6,900	93,800	100,700	100%	100,700	Pay 2016	Exempt	-	C/I	2,014	4
8	12-31-25-11-0054	City of Anoka	1820 2ND AVE	2,100	78,800	80,900	100%	80,900	Pay 2016	C/I	1,618	C/I	1,618	4
9	12-31-25-11-0111	Anoka HRA	1814 2ND AVE	45,000	0	45,000	100%	45,000	Pay 2016	Exempt	-	C/I	900	4
10	07-31-24-22-0105	City of Anoka		4,800	62,500	67,300	100%	67,300	Pay 2016	Exempt	-	C/I	1,346	4
3	12-31-25-11-0063	Beehive Partner:	1812 1ST AVE	47,000	0	47,000	100%	47,000	Pay 2016	Rental	588	Rental	588	0
7	07-31-24-22-0086	222 LLC	222 MONROE ST	70,600	175,600	246,200	100%	246,200	Pay 2016	C/I	4,924	C/I Pref.	4,174	0
				<b>1,360,000</b>	<b>830,200</b>	<b>2,190,200</b>		<b>1,360,000</b>			<b>22,525</b>		<b>19,748</b>	

**Note:**

1. Base values are based City Assessor estimates for 2015/P2016 made on 2/2/2015.



**HRA South Central Business District**  
Anoka HRA  
0

PROJECT INFORMATION (Project Tax Capacity)													
Areal/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 2015	Percentage Completed 2016	Percentage Completed 2017	Percentage Completed 2018	First Year Full Taxes Payable
1	Sr. Apt	125,000	125,000	70	8,750,000	Rental	109,375	1,563	100%	100%	100%	100%	2017
2	Single Family	225,000	208,010	1	208,010	Hmstd. Res.	2,080	2,080	100%	100%	100%	100%	2017
3	Town Homes	200,000	180,760	8	1,446,080	Hmstd. Res.	14,461	1,808	100%	100%	100%	100%	2017
4	Ramp	0	-	250	0	Exempt	0	-	100%	100%	100%	100%	2017
4	Commercial	150	150	15,000	2,250,000	C/I Pref.	44,250	3	100%	100%	100%	100%	2017
4	Town Homes	200,000	180,760	8	1,446,080	Hmstd. Res.	14,461	1,808	100%	100%	100%	100%	2017
0	Existing V. Land	47,000	47,000	1	47,000	Rental	588	588	100%	100%	100%	100%	2017
0	Existing Office	246,200	246,200	1	246,200	C/I Pref.	4,174	4,174	100%	100%	100%	100%	2017
<b>TOTAL</b>					<b>14,393,370</b>		<b>189,388</b>						
Subtotal Residential				338	11,897,170		140,964						
Subtotal Commercial/Ind.				15,001	2,496,200		48,424						

**Note:**

1. Market values are based upon estimates from City.

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
Sr. Apt	109,375	0	109,375	121,489	0	0	18,603	140,093	2,001.33
Single Family	2,080	0	2,080	2,310	0	0	442	2,753	2,752.74
Town Homes	14,461	0	14,461	16,062	0	0	3,075	19,137	2,392.12
Ramp	0	0	0	0	0	0	0	0	0.00
Commercial	44,250	14,903	29,347	32,597	24,088	22,497	4,784	83,965	5.60
Town Homes	14,461	0	14,461	16,062	0	0	3,075	19,137	2,392.12
Existing V. Land	588	0	588	653	0	0	100	752	752.50
Existing Office	4,174	1,406	2,768	3,075	2,272	2,122	523	7,992	7,992.44
<b>TOTAL</b>	<b>189,388</b>	<b>16,309</b>	<b>173,079</b>	<b>192,249</b>	<b>26,360</b>	<b>24,619</b>	<b>30,602</b>	<b>273,830</b>	

**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	273,830
less State-wide Taxes	(24,619)
less Fiscal Disp. Adj.	(8,244)
less Market Value Taxes	(30,602)
less Base Value Taxes	(21,935)
<b>Annual Gross TIF</b>	<b>188,430</b>

MARKET VALUE BUT / FOR ANALYSIS	
Current Market Value - Est.	1,360,000
New Market Value - Est.	14,393,370
Difference	13,033,370
Present Value of Tax Increment	3,800,538
Difference	9,232,832
Value likely to occur without Tax Increment is less than:	<b>9,232,832</b>



HRA South Central Business District  
Anoka HRA

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
														02/01/16
														08/01/16
														02/01/17
100%	189,388	(19,748)	-	169,640	111.076%	188,430	94,215	(339)	(9,388)	84,488	78,824	0.5	2017	08/01/17
							94,215	(339)	(9,388)	84,488	156,292	1	2017	02/01/18
100%	192,892	(19,748)	-	173,144	111.076%	192,322	96,161	(346)	(9,581)	86,233	234,001	1.5	2018	08/01/18
							96,161	(346)	(9,581)	86,233	310,372	2	2018	02/01/19
100%	196,460	(19,748)	-	176,713	111.076%	196,285	98,143	(353)	(9,779)	88,010	386,978	2.5	2019	08/01/19
							98,143	(353)	(9,779)	88,010	462,265	3	2019	02/01/20
100%	200,095	(19,748)	-	180,347	111.076%	200,322	100,161	(361)	(9,980)	89,821	537,780	3.5	2020	08/01/20
							100,161	(361)	(9,980)	89,821	611,996	4	2020	02/01/21
100%	203,797	(19,748)	-	184,049	111.076%	204,434	102,217	(368)	(10,185)	91,664	686,433	4.5	2021	08/01/21
							102,217	(368)	(10,185)	91,664	759,589	5	2021	02/01/22
100%	207,567	(19,748)	-	187,819	111.076%	208,622	104,311	(376)	(10,394)	93,542	832,960	5.5	2022	08/01/22
							104,311	(376)	(10,394)	93,542	905,069	6	2022	02/01/23
100%	211,407	(19,748)	-	191,659	111.076%	212,887	106,444	(383)	(10,606)	95,454	977,387	6.5	2023	08/01/23
							106,444	(383)	(10,606)	95,454	1,048,461	7	2023	02/01/24
100%	215,318	(19,748)	-	195,570	111.076%	217,232	108,616	(391)	(10,822)	97,402	1,119,738	7.5	2024	08/01/24
							108,616	(391)	(10,822)	97,402	1,189,789	8	2024	02/01/25
100%	219,301	(19,748)	-	199,554	111.076%	221,656	110,828	(399)	(11,043)	99,386	1,260,038	8.5	2025	08/01/25
							110,828	(399)	(11,043)	99,386	1,329,078	9	2025	02/01/26
100%	223,358	(19,748)	-	203,611	111.076%	226,163	113,081	(407)	(11,267)	101,407	1,398,311	9.5	2026	08/01/26
							113,081	(407)	(11,267)	101,407	1,466,352	10	2026	02/01/27
100%	227,490	(19,748)	-	207,743	111.076%	230,752	115,376	(415)	(11,496)	103,465	1,534,581	10.5	2027	08/01/27
							115,376	(415)	(11,496)	103,465	1,601,636	11	2027	02/01/28
100%	231,699	(19,748)	-	211,951	111.076%	235,427	117,714	(424)	(11,729)	105,561	1,668,873	11.5	2028	08/01/28
							117,714	(424)	(11,729)	105,561	1,734,953	12	2028	02/01/29
100%	235,985	(19,748)	-	216,238	111.076%	240,188	120,094	(432)	(11,966)	107,696	1,801,211	12.5	2029	08/01/29
							120,094	(432)	(11,966)	107,696	1,866,329	13	2029	02/01/30
100%	240,351	(19,748)	-	220,603	111.076%	245,038	122,519	(441)	(12,208)	109,870	1,931,619	13.5	2030	08/01/30
							122,519	(441)	(12,208)	109,870	1,995,786	14	2030	02/01/31
100%	244,798	(19,748)	-	225,050	111.076%	249,977	124,988	(450)	(12,454)	112,084	2,060,120	14.5	2031	08/01/31
							124,988	(450)	(12,454)	112,084	2,123,348	15	2031	02/01/32
100%	249,326	(19,748)	-	229,579	111.076%	255,007	127,503	(459)	(12,704)	114,340	2,186,739	15.5	2032	08/01/32
							127,503	(459)	(12,704)	114,340	2,249,040	16	2032	02/01/33
100%	253,939	(19,748)	-	234,191	111.076%	260,130	130,065	(468)	(12,960)	116,637	2,311,499	16.5	2033	08/01/33
							130,065	(468)	(12,960)	116,637	2,372,885	17	2033	02/01/34
100%	258,637	(19,748)	-	238,889	111.076%	265,349	132,674	(478)	(13,220)	118,977	2,434,424	17.5	2034	08/01/34
							132,674	(478)	(13,220)	118,977	2,494,905	18	2034	02/01/35
100%	263,422	(19,748)	-	243,674	111.076%	270,663	135,332	(487)	(13,484)	121,360	2,555,537	18.5	2035	08/01/35
							135,332	(487)	(13,484)	121,360	2,615,126	19	2035	02/01/36
100%	268,295	(19,748)	-	248,547	111.076%	276,076	138,038	(497)	(13,754)	123,787	2,674,861	19.5	2036	08/01/36
							138,038	(497)	(13,754)	123,787	2,733,569	20	2036	02/01/37
100%	273,258	(19,748)	-	253,511	111.076%	281,590	140,795	(507)	(14,029)	126,259	2,792,419	20.5	2037	08/01/37
							140,795	(507)	(14,029)	126,259	2,850,257	21	2037	02/01/38
100%	278,314	(19,748)	-	258,566	111.076%	287,205	143,602	(517)	(14,309)	128,777	2,908,234	21.5	2038	08/01/38
							143,602	(517)	(14,309)	128,777	2,965,214	22	2038	02/01/39
100%	283,463	(19,748)	-	263,715	111.076%	292,924	146,462	(527)	(14,593)	131,341	3,022,328	22.5	2039	08/01/39
							146,462	(527)	(14,593)	131,341	3,078,461	23	2039	02/01/40
100%	288,707	(19,748)	-	268,959	111.076%	298,749	149,374	(538)	(14,884)	133,953	3,134,725	23.5	2040	08/01/40
							149,374	(538)	(14,884)	133,953	3,190,021	24	2040	02/01/41
100%	294,048	(19,748)	-	274,300	111.076%	304,681	152,341	(548)	(15,179)	136,613	3,245,446	24.5	2041	08/01/41
							152,341	(548)	(15,179)	136,613	3,299,917	25	2041	02/01/42
100%	299,488	(19,748)	-	279,740	111.076%	310,724	155,362	(559)	(15,480)	139,322	3,354,513	25.5	2042	08/01/42
							155,362	(559)	(15,480)	139,322	3,408,171	26	2042	02/01/43
<b>Total</b>							<b>6,372,832</b>	<b>(22,942)</b>	<b>(634,989)</b>	<b>5,714,900</b>				
<b>Present Value From 08/01/2015</b>							<b>3,800,538</b>	<b>(13,682)</b>	<b>(378,686)</b>	<b>3,408,171</b>				
<b>Present Value Rate 3.50%</b>														

## Appendix E

### Minnesota Business Assistance Form (Minnesota Department of Employment and Economic Development)

A Minnesota Business Assistance Form (MBAF) should be used to report and/or update each calendar year's activity by April 1 of the following year.

Please see the Minnesota Department of Employment and Economic Development (DEED) website at <http://www.deed.state.mn.us/Community/subsidies/MBAFForm.htm> for information and forms.

Appendix F  
Redevelopment Qualifications for the District

Report of Inspection Procedures and Results for  
Determining Qualifications of a  
Tax Increment Financing District as a Redevelopment District

## Anoka South Central Business Redevelopment TIF District Anoka, MN



January 30, 2015

Prepared For the  
**City of Anoka**

Prepared by:



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

LHB Project No. 150098

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## PART 1 – EXECUTIVE SUMMARY

### PURPOSE OF EVALUATION

LHB was hired by the City of Anoka to inspect and evaluate the properties within a Tax Increment Financing Redevelopment District (“TIF District”) proposed to be established by the City. The proposed TIF District is located at the corner of Monroe Street and 1<sup>st</sup> Avenue, including portions of three city blocks (Diagram 1). The purpose of LHB’s work is to determine whether the proposed TIF District meets the statutory requirements for coverage, and whether 6 buildings on 15 parcels, and 10 right of way parcels located within the proposed TIF District, meet the qualifications required for a Redevelopment District.

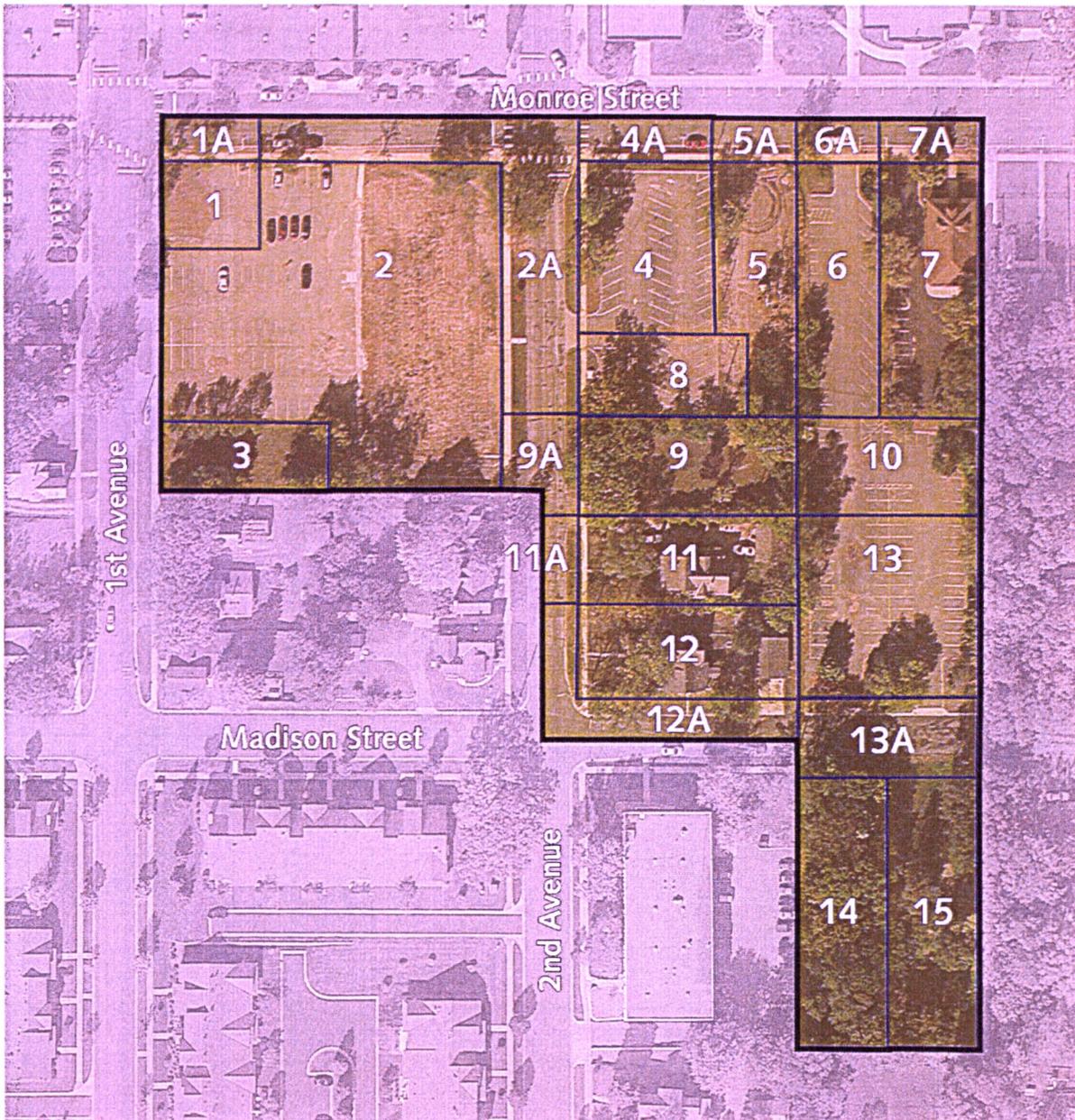


Diagram 1 – Proposed TIF District

## SCOPE OF WORK

The proposed TIF District consists of fifteen (15) parcels with six (6) structures and ten (10) right of way parcels. Four (4) buildings were inspected on January 17, July 15, and July 24 of 2014. **Letters of Finding were approved by Council Resolution on XX-XX-2014.** One building was inspected and determined to not be substandard, and was subsequently demolished prior to the preparation of this report. The final building was not inspected because it did not appear to be substandard during the exterior field inspection. Building code and Condition Deficiency reports for the buildings that were inspected are located in Appendix B.

## CONCLUSION

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

- The proposed TIF District has a coverage calculation of 83.64 percent which is above the 70 percent requirement.
- 66.7 percent of the buildings are structurally substandard which is above the 50 percent requirement.
- The substandard buildings are reasonably distributed throughout the geographic area of the proposed TIF District.

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

## PART 2 – MINNESOTA STATUTE 469.174, SUBDIVISION 10 REQUIREMENTS

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

### INTERIOR INSPECTION

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

### EXTERIOR INSPECTION AND OTHER MEANS

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

- (1) the municipality or authority is unable to gain access to the property after using its best efforts to obtain permission from the party that owns or controls the property; and
- (2) the evidence otherwise supports a reasonable conclusion that the building is structurally substandard.”

## DOCUMENTATION

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

## QUALIFICATION REQUIREMENTS

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

### A. COVERAGE TEST

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

The coverage required by the parcel to be considered occupied is defined under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which states: “For purposes of this subdivision, a parcel is not occupied by buildings, streets, utilities, or paved or gravel parking lots unless 15 percent of the area of the parcel contains building, streets, utilities, or paved or gravel parking lots.”

### B. CONDITION OF BUILDINGS TEST

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

1. Structurally substandard is defined under *Minnesota Statutes, Section 469.174, Subdivision 10(b)*, which states: “For purposes of this subdivision, ‘structurally substandard’ shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance.”
  - a. We do not count energy code deficiencies toward the thresholds required by *Minnesota Statutes, Section 469.174, Subdivision 10(b)* defined as “structurally substandard”, due to concerns expressed by the State of Minnesota Court of Appeals in the *Walser Auto Sales, Inc. vs. City of Richfield* case filed November 13, 2001.
2. Buildings are not eligible to be considered structurally substandard unless they meet certain additional criteria, as set forth in Subdivision 10(c) which states:

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

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

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

- The Minnesota energy code is one of ten building code areas highlighted by the Minnesota Department of Labor and Industry website where minimum construction standards are required by law.
- The index page of the 2007 Minnesota Building Code lists the Minnesota Energy Code as a “Required Enforcement” area compared to an additional list of “Optional Enforcement” chapters.
- The Senior Building Code Representative for the Construction Codes and Licensing Division of the Minnesota Department of Labor and Industry confirmed that the Minnesota Energy Code is being enforced throughout the State of Minnesota.
- In a January 2002 report to the Minnesota Legislature, the Management Analysis Division of the Minnesota Department of Administration confirmed that the construction cost of new buildings complying with the Minnesota Energy Code is higher than buildings built prior to the enactment of the code.
- Proper TIF analysis requires a comparison between the replacement value of a new building built under current code standards with the repairs that would be necessary to bring the existing building up to current code standards. In order for an equal comparison to be made, all applicable code chapters should be applied to both scenarios. Since current construction estimating software automatically applies the construction cost of complying with the Minnesota Energy Code, energy code deficiencies should also be identified in the existing structures.

## **PART 3 – PROCEDURES FOLLOWED**

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LHB inspected 4 of the 6 buildings on January 17, July 15, and July 24 of 2014. Two (2) buildings were not inspected as they did not appear to be substandard during the exterior field inspection.

## **PART 4 – FINDINGS**

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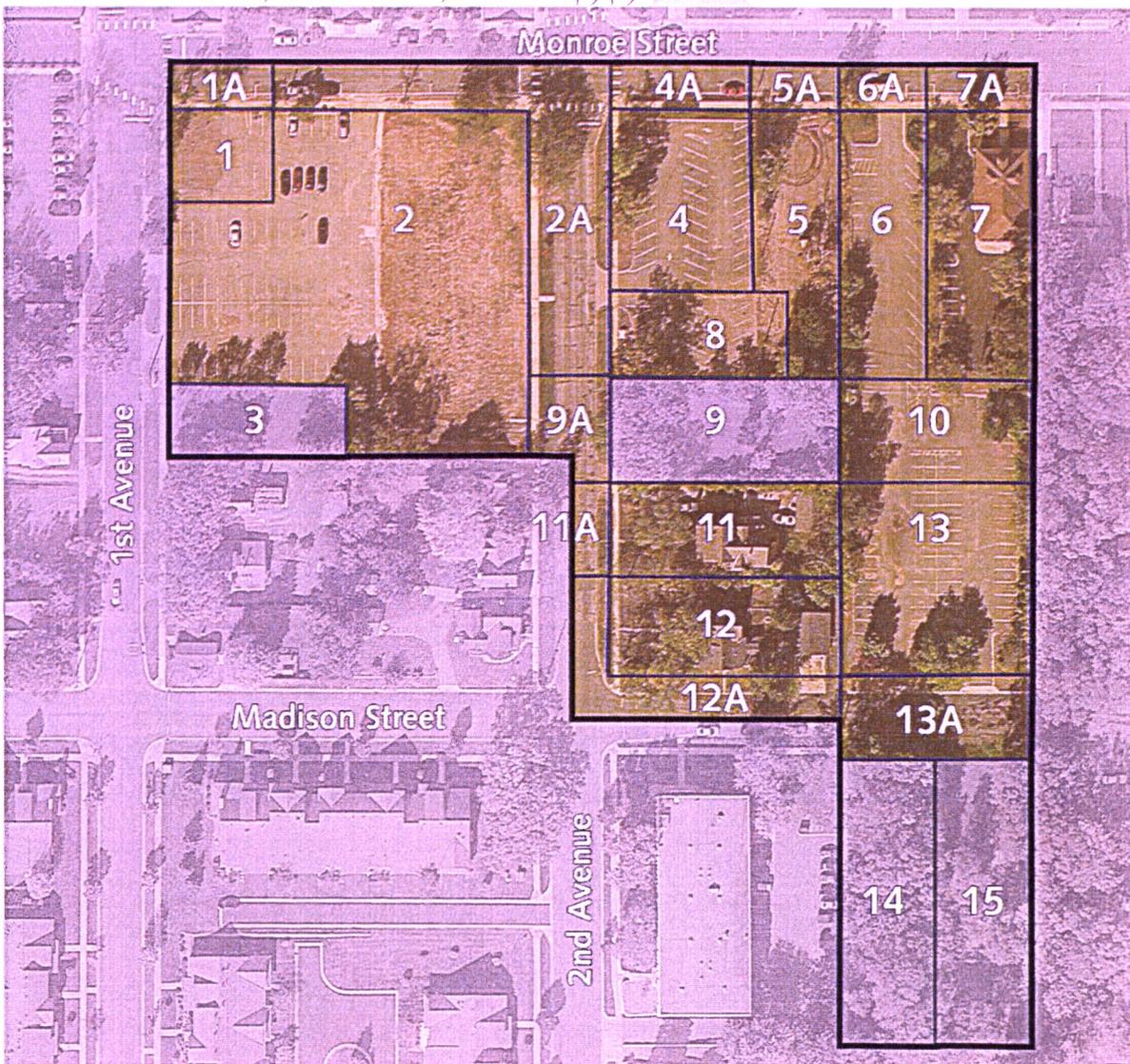
### **A. COVERAGE TEST**

1. The total square foot area of the parcel in the proposed TIF District was obtained from City records, GIS mapping and site verification.
2. The total square foot area of buildings and site improvements on the parcels in the proposed TIF District was obtained from City records, GIS mapping and site verification.

- The percentage of coverage for each parcel in the proposed TIF District was computed to determine if the 15 percent minimum requirement was met. The total square footage of parcels meeting the 15 percent requirement was divided into the total square footage of the entire district to determine if the 70 percent requirement was met.

**FINDING:**

The proposed TIF District met the coverage test under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which resulted in parcels consisting of 83.64 percent of the area of the proposed TIF District being occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures (Diagram 2). This exceeds the 70 percent area coverage requirement for the proposed TIF District under *Minnesota Statutes, Section 469.174, Subdivision (a) (1)*.



**Diagram 2 – Coverage Diagram**

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

## **B. CONDITION OF BUILDING TEST**

### **1. BUILDING INSPECTION**

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

### **2. REPLACEMENT COST**

The second step in evaluating a building to determine if it is substandard to a degree requiring substantial renovation or clearance is to determine its replacement cost. This is the cost of constructing a new structure of the same square footage and type on site. Replacement costs were researched using R.S. Means Cost Works square foot models for 2014.

A replacement cost was calculated by first establishing building use (office, retail, residential, etc.), building construction type (wood, concrete, masonry, etc.), and building size to obtain the appropriate median replacement cost, which factors in the costs of construction in Anoka, Minnesota.

Replacement cost includes labor, materials, and the contractor’s overhead and profit. Replacement costs do not include architectural fees, legal fees or other “soft” costs not directly related to construction activities. Replacement cost for each building is tabulated in Appendix A.

### **3. CODE DEFICIENCIES**

The next step in evaluating a building is to determine what code deficiencies exist with respect to such building. Code deficiencies are those conditions for a building which are not in compliance with current building codes applicable to new buildings in the State of Minnesota.

*Minnesota Statutes, Section 469.174, Subdivision 10(c)*, specifically provides that a building cannot be considered structurally substandard if its code deficiencies are not at least 15 percent of the replacement cost of the building. As a result, it was necessary to determine the extent of code deficiencies for each building in the proposed TIF District.

The evaluation was made by reviewing all available information with respect to such buildings contained in City Building Inspection records and making interior and exterior inspections of the buildings. LHB utilizes the current Minnesota State Building Code as the official code for our evaluations. The Minnesota State Building Code is actually a series of provisional codes written specifically for Minnesota only requirements, adoption of several international codes, and amendments to the adopted international codes.

After identifying the code deficiencies in each building, we used R.S. Means Cost Works 2014; Unit and Assembly Costs to determine the cost of correcting the identified deficiencies. We were then able to compare the correction costs with the replacement

cost of each building to determine if the costs for correcting code deficiencies meet the required 15 percent threshold.

**FINDING:**

Four (4) out of six (6) buildings (66.7 percent) in the proposed TIF District contained code deficiencies exceeding the 15 percent threshold required by *Minnesota Statutes, Section 469.174, Subdivision 10(c)*. Building Code, Condition Deficiency and Context Analysis reports for the buildings in the proposed TIF District can be found in Appendix B of this report.

**4. SYSTEM CONDITION DEFICIENCIES**

If a building meets the minimum code deficiency threshold under *Minnesota Statutes, Section 469.174, Subdivision 10(c)*, then in order for such building to be “structurally substandard” under *Minnesota Statutes, Section 469.174, Subdivision 10(b)*, the building’s defects or deficiencies should be of sufficient total significance to justify “substantial renovation or clearance.” Based on this definition, LHB re-evaluated each of the buildings that met the code deficiency threshold under *Minnesota Statutes, Section 469.174, Subdivision 10(c)*, to determine if the total deficiencies warranted “substantial renovation or clearance” based on the criteria we outlined above.

System condition deficiencies are a measurement of defects or substantial deterioration in site elements, structure, exterior envelope, mechanical and electrical components, fire protection and emergency systems, interior partitions, ceilings, floors and doors.

The evaluation of system condition deficiencies was made by reviewing all available information contained in City records, and making interior and exterior inspections of the buildings. LHB only identified system condition deficiencies that were visible upon our inspection of the building or contained in City records. We did not consider the amount of “service life” used up for a particular component unless it was an obvious part of that component’s deficiencies.

After identifying the system condition deficiencies in each building, we used our professional judgment to determine if the list of defects or deficiencies is of sufficient total significance to justify “substantial renovation or clearance.”

**FINDING:**

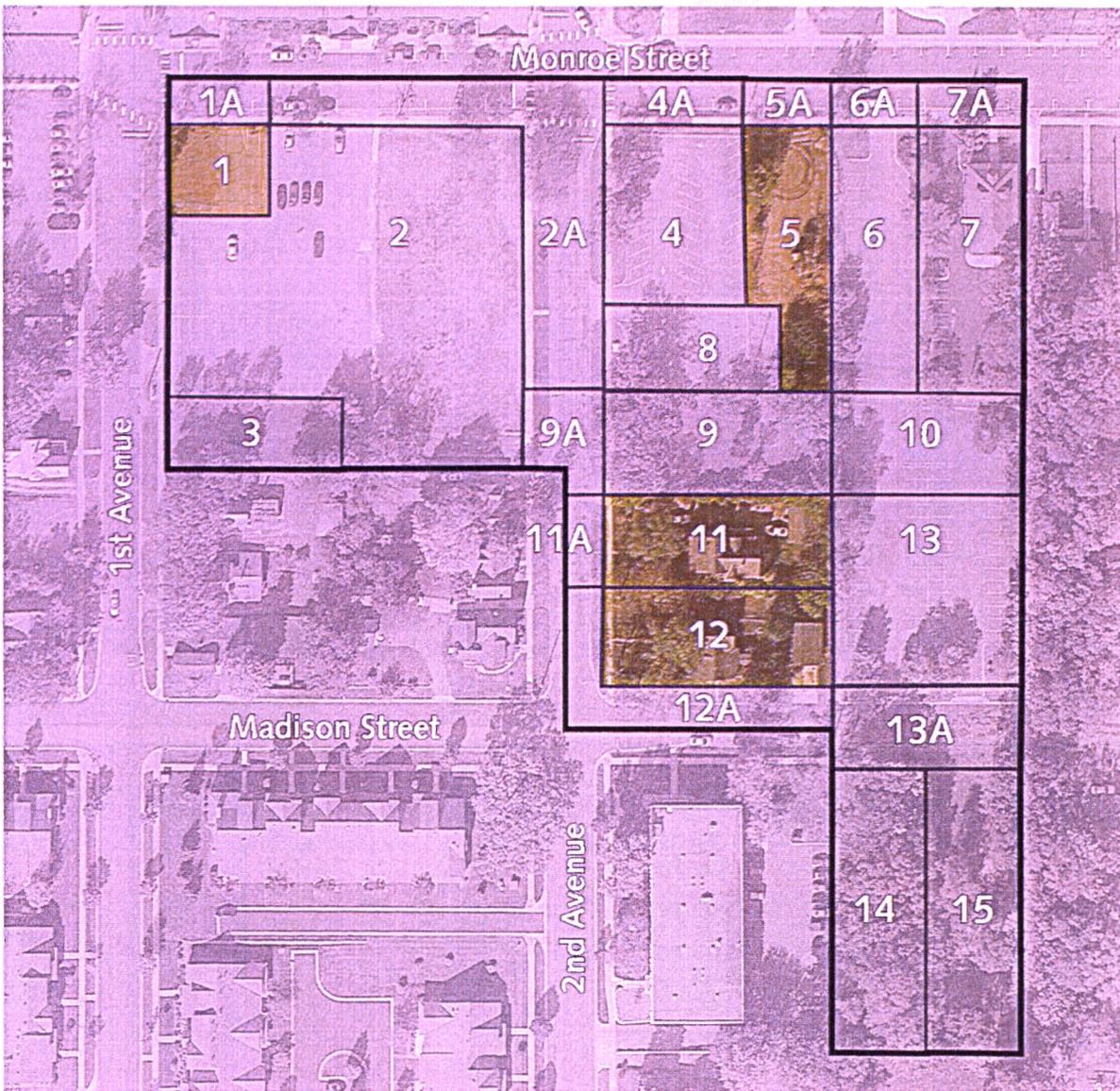
In our professional opinion, four (4) out of six (6) buildings (66.7 percent) in the proposed TIF District are structurally substandard to a degree requiring substantial renovation or clearance, because of defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance. This exceeds the 50 percent requirement of Subdivision 10a(1).

### C. DISTRIBUTION OF SUBSTANDARD STRUCTURES

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

#### FINDING:

The substandard buildings are reasonably distributed throughout the geographic area of the proposed TIF District.



**Diagram 3 – Substandard Buildings**  
Shaded area depicts parcels with substandard buildings

## PART 5 - TEAM CREDENTIALS

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

Michael has 28 years of experience as project principal, project manager, project designer and project architect on planning, urban design, educational, commercial and governmental projects. He has become an expert on Tax Increment Finance District analysis assisting over 100 cities with strategic planning for TIF Districts. He is a Senior Vice President at LHB and currently leads the Minneapolis office.

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

### ***Jonathan Pettigrew, AIA – Inspector***

Jonathan Pettigrew has worked in architecture and construction for the last twenty years in Minnesota, California and Washington. His experience includes a variety of commercial and residential project types and scales, from single-family homes to a 300,000 square foot multi-building office complex. He has significant experience in code reviews and building systems inspections and analysis. Jonathan received his Minnesota architect's license in 2004. He brings a strong interest in sustainability and an eye for detail to his work. He enjoys working with clients, consultants and contractors to bring projects together successfully.

\\\\hbmspw12\projects\15Proj\150098\400 Design\406 Reports\Final Report\150098 Anoka South Central Business Redevelopment TIF Report.docx

## APPENDICES

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APPENDIX A	Property Condition Assessment Summary Sheet
APPENDIX B	Building Code and Condition Deficiencies Reports
APPENDIX C	Building Replacement Cost Reports Code Deficiency Cost Reports Photographs

# APPENDIX B

Building Code, Condition Deficiency and Context Analysis Reports

DRAFT

## **APPENDIX C**

Building Replacement Cost Reports  
Code Deficiency Cost Reports  
Photographs

DRAFT

## Appendix G

### Findings Including But/For Qualifications

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

1. *Finding that South Central Business Tax Increment Financing District is a redevelopment district as defined in M.S., Section 469.174, Subd. 10(a)(1).*

The District consists of 15 parcels, with plans to redevelop the area for residential and commercial/industrial purposes. At least 70 percent of the area of the parcels in the District are occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures and more than 50 percent of the buildings in the District, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance.

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. Several issues are impediments to private development of the site including land assembly, adequate parking space, and inadequate infrastructure. Based upon analysis of the infrastructure and parking plans, the HRA and City have determined that a gap needs to be filled through tax increment in order to make the proposed development financially feasible. No redevelopment has taken place, except for HRA action related to acquisition and demolition of properties. Due to the high cost of redevelopment on the parcels currently occupied by substandard buildings, the limited amount of property for expansion adjacent to the existing project, the incompatible land uses at close proximity, the limited space for parking, the need for soil correction 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 and public improvements add to the total redevelopment cost. Historically, site and public improvements costs in this area have made redevelopment infeasible without tax increment assistance. While the property could be sold to individual developers on a parcel by parcel basis, development would not occur at the highest and best use of the site. Higher density housing and associated retail currently proposed for this site requires land assembly and could not be accomplished without assistance by the HRA and City and in part with tax increment. The City reasonably determines that no other redevelopment of similar scope is anticipated on this site without substantially similar assistance being provided.

Therefore, the City concludes as follows:

- a. The City's estimate of the amount by which the market value of the entire District will increase without the use of tax increment financing is \$0.
  - b. If the proposed development occurs, the total increase in market value will be \$13,033,370.
  - c. The present value of tax increments from the District for the maximum duration of the district permitted by the TIF Plan is estimated to be \$3,800,538.
  - d. Even if some development other than the proposed development were to occur, the Council finds that no alternative would occur that would produce a market value increase greater than \$9,232,832 (the amount in clause b less the amount in clause c) without tax increment assistance.
3. *Finding that the TIF Plan for the District conforms to the general plan for the development or redevelopment of the municipality as a whole.*

The 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 Redevelopment Project No. 1 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.

Through the implementation of the TIF Plan, the HRA and City will increase the availability of safe and decent life-cycle housing in the City, provide associated retail and parking availability and clean up soils conditions site in the District.

<b>But-For Analysis</b>	
Current Market Value	1,785,900
New Market Value - Estimate	14,393,370
Difference	12,607,470
Present Value of Tax Increment	3,776,779
Difference	8,830,691
<b>Value Likely to Occur Without TIF is Less Than:</b>	<b>8,830,691</b>

**CITY OF ANOKA**  
**2015 FIRST AVENUE**  
**ANOKA, MN 55303-**

PERMIT NO.: 2014-01025

DATE ISSUED: 08/26/2014

**(763) 576-2720 FAX: (763) 576-2727**

**ADDRESS** : 210 MONROE ST  
**PIN** : 073124220088  
**LEGAL DESC** : UNAVAILABLE  
: LOT 000 BLOCK 000  
**PERMIT TYPE** : BUILDING  
**PROPERTY TYPE** : RESIDENTIAL  
**CONSTRUCTION TYPE** : DEMOLITON  
**VALUATION** : \$ 2,500.00  
NOTE: DEMOLITION OF HOUSE SITE

**APPLICANT**

WEST METRO EXCAVATING  
17010 COUNTY ROAD 20  
MAYER, MN 55360-  
(952) 367-6733  
Minnesota State License #: IR-IR659775

DEMOLITION PERMIT FEE	100.00
DEMOLITION DEPOSIT	500.00
STATE SURCHARGE, OTHER	5.00
<b>TOTAL</b>	<b>605.00</b>
<b>Payment(s)</b>	
CHECK 1395	605.00

**OWNER**

CITY OF ANOKA  
210 MONROE ST  
ANOKA, MN 55303-

*OK RW 11/13/14*

**AGREEMENT AND SWORN STATEMENT**

I hereby certify that I have read and examined this application and know the same to be true and correct. All provisions of laws and ordinances governing this type of work will be complied with whether specified herein or not. The granting of a permit does not presume to give authority to violate or cancel the provisions of any other state or local law regulating construction or the performance of construction.

*OK to refund escrow*

Signature of Applicant \_\_\_\_\_

Date \_\_\_\_\_

This permit becomes null and void if construction authorized is not commenced within 180 days, or if construction is suspended for a period of 180 days at any time after work is commenced.

**FILE COPY**

West Metro Excavating 952 367-6733



DEMOLITION PERMIT APPLICATION  
City of Anoka · 2015 First Ave. No. · Anoka, MN 55303  
Phone 763-576-2720 · Fax 763-576-2727

ANOKA  
REAL. CLASSIC.

INCOMPLETE APPLICATION WILL NOT BE ACCEPTED!

SITE ADDRESS: 210 Monroe Street, Anoka, MN 55303  
LEGAL DESCRIPTION: LOT \_\_\_\_\_, BLK \_\_\_\_\_  
PROPERTY ID # \_\_\_\_\_

OWNER: Erik Skogquist PH: 763-576-9219  
ADDRESS: 616 Johnson St. CITY: Anoka STATE: MN ZIP: 55303

APPLICANT: Erik Skogquist West Metro Excavating PH: ~~763-576-9219~~ 952-367-6733  
ADDRESS: 1700 County Rd. 20 CITY: Apple Valley STATE: MN ZIP: 55318

PRIMARY USE OF THE BUILDING: Residence: \_\_\_\_\_ Commercial: \_\_\_\_\_ Industrial: \_\_\_\_\_ Other: Vacant house

TYPE OF DISPOSAL: (Demolition and off site disposal is required.) What is the name and location of the landfill?  
Name: Demcon / Barton Creek Pit Location: Shakopee, MN / Maple Creek

SEPTIC TANKS: Are there septic tanks on site? YES \_\_\_\_\_ NO  If yes, will the tanks be abandoned? YES \_\_\_\_\_ NO \_\_\_\_\_  
If yes, who is the licensed pumper pumping the tanks? NAME: N/A LICENSE # \_\_\_\_\_

CISTERNS: Is there a cistern? YES \_\_\_\_\_ NO  If yes it must be removed or filled with sand or gravel.

WELLS: Are there wells on the site? YES \_\_\_\_\_ NO  If yes how many? N/A. Are the wells being abandoned?  
YES \_\_\_\_\_ NO \_\_\_\_\_, If yes who is the licensed Well Contractor sealing the wells? NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_ PHONE: \_\_\_\_\_ LICENSE #: \_\_\_\_\_

TANKS: Are there petroleum/hazardous material tanks on site? YES \_\_\_\_\_ NO  If yes who is the licensed contractor removing the tanks? NAME: N/A PHONE: \_\_\_\_\_ LICENSE # \_\_\_\_\_

ASBESTOS: Is there asbestos present in the building? YES \_\_\_\_\_ NO \_\_\_\_\_, If yes who is asbestos abatement contractor?  
NAME: \_\_\_\_\_ PHONE: \_\_\_\_\_ LICENSE #: \_\_\_\_\_

COMMENTS/ADDITIONAL INFORMATION: No Asbestos in Circulator, but remediation was done in the house

I hereby certify with my signature that all data on this application form and site plan are true and correct to the best of my knowledge  
Name (please print) John Newman x [Signature] 8/13/14  
SIGNATURE OF APPLICANT DATE OF APPLICATION

OFFICE USE ONLY

stamp

Planning approval [Signature] By \_\_\_\_\_ Date 8-14-14  
Building approval [Signature] By \_\_\_\_\_ Date \_\_\_\_\_

Conditions/comments: \_\_\_\_\_

PERMIT FEES	
Permit Fee	\$ 100.00
Escrow Fee	\$ 500.00
Surcharge	\$ 5.00
<b>TOTAL</b>	<b>\$ 605.00</b>

RECEIVED  
AUG 13 2014  
CITY OF ANOKA  
BUILDING DEPARTMENT

**CITY OF ANOKA**

**2015 FIRST AVENUE**

**ANOKA, MN 55303-**

**(763) 576-2720 FAX: (763) 576-2727**

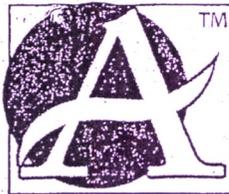
**PERMIT NO.: 2014-00870**

**DATE ISSUED: 07/28/2014**

**ADDRESS** : 210 MONROE ST  
**PIN** : 073124220088  
**LEGAL DESC** : UNAVAILABLE  
: LOT 000 BLOCK 000  
**PERMIT TYPE** : BUILDING  
**PROPERTY TYPE** : RESIDENTIAL  
**CONSTRUCTION TYPE** : MOVE

NOTE: HOUSE MOVE TO 314 MONROE

<b>APPLICANT</b>	RELOCATION FEE 100.00 STATE SURCHARGE, OTHER 5.00 RESIDENTIAL CITY SURCHARGE 5.00 <b>TOTAL 110.00</b>  <b>Payment(s)</b> CHECK 33213 110.00
STUBBS BUILDING MOVERS 2284 CO RD 90 MAPLE PLAIN, MN 55359- (612) 282-1139 Minnesota State License #: MOVE-142159	
<b>OWNER</b>	
CITY OF ANOKA 210 MONROE ST ANOKA, MN 55303-	
<b>AGREEMENT AND SWORN STATEMENT</b>  I hereby certify that I have read and examined this application and know the same to be true and correct. All provisions of laws and ordinances governing this type of work will be complied with whether specified herein or not. The granting of a permit does not presume to give authority to violate or cancel the provisions of any other state or local law regulating construction or the performance of construction.  _____ Signature of Applicant Date This permit becomes null and void if construction authorized is not commenced within 180 days, or if construction is suspended for a period of 180 days at any time after work is commenced.	<b>FILE COPY</b>



# APPLICATION TO MOVE A BUILDING

City of Anoka ♦ 2015 First Ave. No. ♦ Anoka, MN 55303  
Phone 763-576-2720 ♦ Fax 763-576-2727



Moving Company: Stubbs Building Movers Contact Name: Larry Stubbs  
 Address: 2284 Co Rd 90 City Maple Plain State MN Zip Code 55359  
 Phone 612-282-1139 Fax 763-479-1665 Cell 612-282-1139  
 Insurance Co. Travelers Policy # 660-501M2099-TIL-13

Location Of Building To Be Moved 210 Monroe City Anoka State MN Zip 55359  
 Destination Site Address 314 Monroe (PIN) \_\_\_\_\_  
 Legal Description: Lot \_\_\_\_\_, Block \_\_\_\_\_  
 Property Owner(s) Evil Skogquist  
 Phone Number \_\_\_\_\_ Cell/Business Phone 763-464-9703  
 Property Owner's Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Please provide a detailed description of the planned moving route and when the moving will occur:

House will back onto Monroe - switch dollies Then travel to 314 Monroe

First week of August or second week

Job Valuation \_\_\_\_\_ Permit Fee \$ \_\_\_\_\_ State Surcharge \$ \_\_\_\_\_ City Surcharge \$ \_\_\_\_\_ Total \$ \_\_\_\_\_

APPROVAL FOR MOVE  
 ZONING DEPT CP DATE 7-22-14  
 ELECTRIC DEPT \_\_\_\_\_ DATE \_\_\_\_\_  
 STREETS DEPT \_\_\_\_\_ DATE \_\_\_\_\_  
 POLICE DEPT Philip Johnson DATE 7-23-14  
 FIRE DEPT \_\_\_\_\_ DATE \_\_\_\_\_  
 BUILDING DEPT RW DATE 7/22/14

OFFICE USE ONLY

STAMP

RECEIVED

JUL 22 2014

CITY OF ANOKA  
BUILDING DEPARTMENT

ji

**CITY OF ANOKA  
2015 FIRST AVENUE  
ANOKA, MN 55303-**

PERMIT NO.: 2014-00665

DATE ISSUED: 06/18/2014

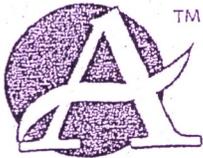
(763) 576-2720 FAX: (763) 576-2727

ADDRESS : 210 MONROE ST  
 PIN : 073124220088  
 LEGAL DESC : UNAVAILABLE  
 : LOT 000 BLOCK 000  
 PERMIT TYPE : PLUMBING  
 PROPERTY TYPE : RESIDENTIAL  
 CONSTRUCTION TYPE : WATER/SEWER SHUT OFF  
 VALUATION : \$ 1,500.00  
 NOTE: DISCONNECT SEWER & WATER  
 CALL PETE KLINGENBERG AT 763-576-2923 FOR INSPECTION.

<b>APPLICANT</b>	WATER/SEWER SHUT OFF 100.00 STATE SURCHARGE, PLBG FLAT 5.00 <p style="text-align: right;">TOTAL 105.00</p> Payment(s) CHECK 5651 105.00
METRO EARTHWORKS 18950 TERRITORIAL ROAD MAPLE GROVE, MN 55311- (763) 464-3512 Minnesota State License #: 111-PB645530	
<b>OWNER</b>	
CITY OF ANOKA 210 MONROE ST ANOKA, MN 55303-	
<p style="text-align: center;"><b>AGREEMENT AND SWORN STATEMENT</b></p> I hereby certify that I have read and examined this application and know the same to be true and correct. All provisions of laws and ordinances governing this type of work will be complied with whether specified herein or not. The granting of a permit does not presume to give authority to violate or cancel the provisions of any other state or local law regulating construction or the performance of construction.	
_____ Signature of Applicant Date This permit becomes null and void if construction authorized is not commenced within 180 days, or if construction is suspended for a period of 180 days at any time after work is commenced.	

**FILE COPY**

5651



City of Anoka  
2015 First Avenue North • Anoka, MN 55303 • Phone 763-576-2720 • Fax 763-576-2727

# PLUMBING PERMIT APPLICATION

Date of Application: 6 2014 Site Address: 210 Monroe St

Owner: City of Anoka Ph: \_\_\_\_\_

Address: \_\_\_\_\_ City, State, Zip: \_\_\_\_\_

General Contractor (New Construction Only): \_\_\_\_\_

**INCOMPLETE APPLICATIONS WILL NOT BE ACCEPTED**

This is an application for permission to do plumbing work listed below. All work will be in strict compliance with current State Plumbing Code.

Type of Work:  New Service  New Work  Repair Job  Replacement

Water Size Line \_\_\_\_\_ Material to be used \_\_\_\_\_

Sewer Size Line \_\_\_\_\_ Material to be used \_\_\_\_\_

Job Value (Materials & Labor) \$ 1,500

Description of work: Disconnect Sewer & WATER

FIXTURE COUNT	FIXTURE TYPE
	Toilet
	Bath: Tub
	Bath: Shower
	Lavatory
	Sink
	Laundry Tub
	Water Heater
	Floor Drain
	Water Softener
	Backflow Valve
	Washer Box
<u>1</u>	Sewer
<u>1</u>	Water
	Other
<u>100.00</u>	Subtotal
<u>5.00</u>	State Surcharge Minimum of .0005 x value
<u>105.00</u>	TOTAL

Company Name: METRO EARTHWORKS

Signature: [Signature]

License #: #4531 Expires: 2-6-17

Address: 18950 Territorial Rd

City Deseo State MN Zip 55369

Phone: 763 464 3812

Fax: 763 428 2212

NOTE:  
\$7.00 PER FIXTURE  
OR MINIMUM  
CHARGE WHICHEVER  
IS GREATEST.  
MINIMUM PERMIT  
FEE- \$25.00  
MINIMUM  
SURCHARGE IS \$ 5.00  
OR .0005 x JOB VALUE

(Stamp)

**RECEIVED**  
JUN 18 2014  
CITY OF ANOKA  
BUILDING DEPARTMENT

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

**CITY OF ANOKA**  
**2015 FIRST AVENUE**  
**ANOKA, MN 55303-**

PERMIT NO.: 2014-00262

DATE ISSUED: 03/21/2014

(763) 576-2720 FAX: (763) 576-2727

**ADDRESS** : 100 MONROE ST  
**PIN** : 123125110061  
**LEGAL DESC** : UNAVAILABLE  
: LOT 0 BLOCK 0  
**PERMIT TYPE** : BUILDING  
**PROPERTY TYPE** : COMMERCIAL  
**CONSTRUCTION TYPE** : DEMOLITON  
**VALUATION** : \$ 30,000.00  
NOTE: DEMOLITION OF BUILDING

FUNDING CODE FOR TO PAY FOR THIS IS 830-5-8300-3800

**APPLICANT**

SAUTER & SONS  
6651 141ST AVE NW  
RAMSEY, MN 55303-  
(763) 427-7919

DEMOLITION PERMIT FEE	100.00
STATE SURCHARGE, OTHER	5.00
<b>TOTAL</b>	<b>105.00</b>
<b>Payment(s)</b>	
CASH	105.00

**OWNER**

CITY OF ANOKA  
2015 1ST AVENUE  
ANOKA, MN 55303-

**AGREEMENT AND SWORN STATEMENT**

I hereby certify that I have read and examined this application and know the same to be true and correct. All provisions of laws and ordinances governing this type of work will be complied with whether specified herein or not. The granting of a permit does not presume to give authority to violate or cancel the provisions of any other state or local law regulating construction or the performance of construction.

\_\_\_\_\_  
Signature of Applicant Date

This permit becomes null and void if construction authorized is not commenced within 180 days, or if construction is suspended for a period of 180 days at any time after work is commenced.

**FILE COPY**



# DEMOLITION PERMIT APPLICATION

City of Anoka · 2015 First Ave. No. · Anoka, MN 55303  
Phone 763-576-2720 · Fax 763-576-2727



**INCOMPLETE APPLICATION WILL NOT BE ACCEPTED!**

SITE ADDRESS: 100 MONROE ST. ANOKA, MN 55303

LEGAL DESCRIPTION: LOT 9+10, BLK 30

PROPERTY ID # 12-31-25-11-0061

OWNER: CITY OF ANOKA HRA

PH: (763) 576-2724

ADDRESS: 2015 FIRST AVE. N.

CITY: ANOKA

STATE: MN ZIP: 55303

APPLICANT: CITY OF ANOKA HRA

PH: (763) 576-2724

ADDRESS: 2015 FIRST AVE. N.

CITY: ANOKA

STATE: MN ZIP: 55303

PRIMARY USE OF THE BUILDING: Residence:  Commercial:  Industrial:  Other: VACANT

TYPE OF DISPOSAL: (Demolition and off site disposal is required.) What is the name and location of the landfill?

Name: VONCO II

Location: BECKER, MN

SEPTIC TANKS: Are there septic tanks on site? YES  NO  , if yes, will the tanks be abandoned? YES  NO

If yes, who is the licensed pumper pumping the tanks? NAME: \_\_\_\_\_ LICENSE # \_\_\_\_\_

CISTERNS: Is there a cistern? YES  NO  , if yes it must be removed or filled with sand or gravel.

WELLS: Are there wells on the site? YES  NO  , if yes how many? \_\_\_\_ . Are the wells being abandoned?

YES  NO  , if yes who is the licensed Well Contractor sealing the wells? NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_ PHONE: \_\_\_\_\_ LICENSE #: \_\_\_\_\_

TANKS: Are there petroleum/hazardous material tanks on site? YES  NO  , if yes who is the licensed contractor removing the tanks? NAME \_\_\_\_\_ PHONE: \_\_\_\_\_ LICENSE # \_\_\_\_\_

ASBESTOS: Is there asbestos present in the building? YES  NO  , If yes who is asbestos abatement contractor:

NAME: \_\_\_\_\_ PHONE: \_\_\_\_\_ LICENSE #: \_\_\_\_\_

COMMENTS/ADDITIONAL INFORMATION: \_\_\_\_\_

I hereby certify with my signature that all data on this application form and site plan are true and correct to the best of my knowledge

Name (please print) DARIN BERGER

Darin Berger  
SIGNATURE OF APPLICANT

3/3/14

DATE OF APPLICATION

### OFFICE USE ONLY

stamp

Planning approval \_\_\_\_\_ By Crystal Baumer Date 3-21-14

Building approval \_\_\_\_\_ By \_\_\_\_\_ Date \_\_\_\_\_

Conditions/comments: \_\_\_\_\_

#### PERMIT FEES

Permit Fee	\$100.00
Escrow Fee	\$
Surcharge	\$5.00
TOTAL	\$105.00

RECEIVED

MAR 21 2014

CITY OF ANOKA

BUILDING DEPARTMENT

30,000

**CITY OF ANOKA**  
**2015 FIRST AVENUE**  
**ANOKA, MN 55303-**

PERMIT NO.: 2014-00261

DATE ISSUED: 03/21/2014

(763) 576-2720 FAX: (763) 576-2727

**ADDRESS** : 1833 2ND AV  
**PIN** : 123125110126  
**LEGAL DESC** : UNAVAILABLE  
: LOT 0 BLOCK 0  
**PERMIT TYPE** : BUILDING  
**PROPERTY TYPE** : COMMERCIAL  
**CONSTRUCTION TYPE** : DEMOLITON  
**VALUATION** : \$ 100,000.00

NOTE: DEMOLITION OF BUILDING

FUNDING CODE TO PAY FOR THIS IS 830-5-8300-3800

**APPLICANT**

SAUTER & SONS  
6651 141ST AVE NW  
RAMSEY, MN 55303-  
(763) 427-7919

DEMOLITION PERMIT FEE	100.00
STATE SURCHARGE, OTHER	5.00
<b>Payment(s) TOTAL</b>	<b>105.00</b>
CASH	105.00

**OWNER**

CITY OF ANOKA  
2105 FIRST AVENUE  
ANOKA, MN 55303-

**AGREEMENT AND SWORN STATEMENT**

I hereby certify that I have read and examined this application and know the same to be true and correct. All provisions of laws and ordinances governing this type of work will be complied with whether specified herein or not. The granting of a permit does not presume to give authority to violate or cancel the provisions of any other state or local law regulating construction or the performance of construction.

Signature of Applicant

Date

This permit becomes null and void if construction authorized is not commenced within 180 days, or if construction is suspended for a period of 180 days at any time after work is commenced.

**FILE COPY**



**DEMOLITION PERMIT APPLICATION**  
 City of Anoka · 2015 First Ave. No. · Anoka, MN 55303  
 Phone 763-576-2720 · Fax 763-576-2727



**INCOMPLETE APPLICATION WILL NOT BE ACCEPTED!**

SITE ADDRESS: 1833 2<sup>ND</sup> AVE., ANOKA, MN 55303

LEGAL DESCRIPTION: LOT 4-12, BLK 30

PROPERTY ID # 12-31-25-11-0126

OWNER: CITY OF ANOKA HRA PH: (763) 576-2724

ADDRESS: 2015 FIRST AVE. N. CITY: ANOKA STATE: MN ZIP: 55303

APPLICANT: CITY OF ANOKA HRA PH: \_\_\_\_\_

ADDRESS: 2015 FIRST AVE. N. CITY: ANOKA STATE: MN ZIP: 55303

PRIMARY USE OF THE BUILDING: Residence: \_\_\_\_\_ Commercial: \_\_\_\_\_ Industrial: \_\_\_\_\_ Other: VACANT

TYPE OF DISPOSAL: (Demolition and off site disposal is required.) What is the name and location of the landfill?  
 Name: VONCO II Location: BECKER, MN

SEPTIC TANKS: Are there septic tanks on site? YES \_\_\_\_\_ NO X, if yes, will the tanks be abandoned? YES \_\_\_\_\_ NO \_\_\_\_\_

If yes, who is the licensed pumper pumping the tanks? NAME: \_\_\_\_\_ LICENSE # \_\_\_\_\_

CISTERNS: Is there a cistern? YES \_\_\_\_\_ NO X, if yes it must be removed or filled with sand or gravel.

WELLS: Are there wells on the site: YES \_\_\_\_\_ NO X, if yes how many? \_\_\_\_\_. Are the wells being abandoned?  
 YES \_\_\_\_\_ NO \_\_\_\_\_, if yes who is the licensed Well Contractor sealing the wells? NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_ PHONE: \_\_\_\_\_ LICENSE #: \_\_\_\_\_

TANKS: Are there petroleum/hazardous material tanks on site: YES \_\_\_\_\_ NO X, if yes who is the licensed contractor  
 removing the tanks? NAME \_\_\_\_\_ PHONE: \_\_\_\_\_ LICENSE # \_\_\_\_\_

ASBESTOS: Is there asbestos present in the building? YES \_\_\_\_\_ NO X, If yes who is asbestos abatement contractor:  
 NAME: \_\_\_\_\_ PHONE: \_\_\_\_\_ LICENSE #: \_\_\_\_\_

COMMENTS/ADDITIONAL INFORMATION: \_\_\_\_\_

I hereby certify with my signature that all data on this application form and site plan are true and correct to the best of my knowledge  
 Name (please print) DARIN BERGER x Darin Berger 3/3/14  
 SIGNATURE OF APPLICANT DATE OF APPLICATION

**OFFICE USE ONLY**

Planning approval CP By Crystal Peterson Date 3-21-14  
 Building approval \_\_\_\_\_ By \_\_\_\_\_ Date \_\_\_\_\_

Conditions/comments: \_\_\_\_\_

PERMIT FEES	
Permit Fee	\$100.00
Escrow Fee	\$
Surcharge	\$5.00
<b>TOTAL</b>	<b>\$105.00</b>

stamp  
**RECEIVED**  
 MAR 21 2014  
 CITY OF ANOKA  
 BUILDING DEPARTMENT

100,000



2015 1st Avenue North  
Anoka, MN 55303  
(763) 576-2743

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# Memo

**To:** HRA Board Members

**From:** Darin Berger, Housing Manager

**Date:** March 9<sup>th</sup>, 2015

**Re:** Resolution Authorizing an Interfund Loan for Advance of Certain Costs in Connection with the South Central Business Tax Increment Financing District

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Attached is Resolution No. 2015-03 authorizing an interfund loan for costs associated with the South Central Business Tax Increment Financing District.

This resolution would allow the HRA to borrow up to \$2 million from the Tax Increment Redevelopment District #2 (County District E9 – Walker Plaza & M2 – Riverspointe). These funds would be repaid at an interest rate of 3 ½% from the revenue generated through the new TIF district after the improvements have been made

Passing this resolution would give the HRA the ability to advance any funds for administrative or other “qualified costs” prior to the first increment coming in.

**Action Requested: Approve Resolution No. 2015-03 Authorizing an Interfund Loan for Advance of Certain Costs in Connection with the South Central Tax Increment Financing District by motion, second and vote.**

**ANOKA HOUSING AND REDEVELOPMENT AUTHORITY  
CITY OF ANOKA  
COUNTY OF ANOKA  
STATE OF MINNESOTA**

**RESOLUTION NO. 2015-03**

**RESOLUTION AUTHORIZING AN INTERFUND LOAN FOR ADVANCE OF CERTAIN COSTS IN CONNECTION WITH THE SOUTH CENTRAL BUSINESS TAX INCREMENT FINANCING DISTRICT.**

BE IT RESOLVED by the Board of Commissioners ("Board") of the Anoka Housing and Redevelopment Authority ("HRA"), as follows:

WHEREAS, the City Council ("Council") of the City of Anoka, Minnesota ("City") intends to establish the South Central Business Tax Increment Financing District ("TIF District") located within Anoka Redevelopment Project No. 1 ("Project"), and adopt a Tax Increment Financing Plan ("TIF Plan") for the purpose of financing certain improvements within the Project.

WHEREAS, HRA has determined to pay for certain costs identified in the TIF Plan consisting of land/building acquisition, site improvements, other qualifying improvements, interest and administrative costs (collectively, the "Qualified Costs"), which costs may be financed on a temporary basis from HRA funds available for such purposes.

WHEREAS, under Minnesota Statutes, Section 469.178, Subd. 7, the HRA is authorized to advance or loan money from the HRA's general fund or any other fund from which such advances may be legally made, in order to finance the Qualified Costs.

WHEREAS, HRA intends to reimburse itself for the Qualified Costs from tax increments derived from the TIF District in accordance with the terms of this resolution (which terms are referred to collectively as the "Interfund Loan").

NOW, THEREFORE BE IT RESOLVED by the Board as follows:

1. HRA hereby authorizes the advance of up to \$2,000,000 from the Tax Increment Redevelopment District #2 (County District E9 & M2) Fund, (the "HRA TIF District Fund") so much thereof as may be paid as Qualified Costs. HRA shall reimburse itself for such advances together with interest at the rate stated below. Interest accrues on the principal amount from the date of each advance. The maximum rate of interest permitted to be charged is limited to the greater of the rates specified under Minnesota Statutes, Section 270.75 or Section 549.09 as of the date or advance is made, unless the written agreement states that the maximum interest rate will fluctuate as the interest rates specified under Minnesota Statutes, Section 270.75 or Section 549.09 are from time to time adjusted. The interest rate shall be 3½% and will not fluctuate.

2. Principal and interest ("Payments") on the Interfund Loan shall be paid annually on each December 31 (each a "Payment Date"), commencing on the first Payment Date on which the Authority has Available Tax Increment (defined below), or on any other dates determined by the Executive Director of HRA, through the date of last receipt of tax increment from the TIF District.

3. Payments on this Interfund Loan are payable solely from "Available Tax Increment," which shall mean, on each Payment Date, all of the tax increment generated in the preceding twelve (12) months with respect to the property within the TIF District and remitted to the City by Anoka County, all in accordance with Minnesota Statutes, Sections 469.174 to 469.1794, all inclusive, as amended. Payments on this Interfund Loan may be subordinated to any outstanding or future bonds, notes or contracts secured in whole or in part with Available Tax Increment, and are on parity with any other outstanding or future interfund loans secured in whole or in part with Available Tax Increment.

4. The principal sum and all accrued interest payable under this Interfund Loan are pre-payable in whole or in part at any time by HRA without premium or penalty. No partial prepayment shall affect the amount or timing of any other regular payment otherwise required to be made under this Interfund Loan.

5. This Interfund Loan is evidence of an internal borrowing by HRA in accordance with Minnesota Statutes, Section 469.178, Subd. 7, and is a limited obligation payable solely from Available Tax Increment pledged to the payment hereof under this resolution. This Interfund Loan and the interest hereon shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, HRA or the City. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on this Interfund Loan or other costs incident hereto except out of Available Tax Increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on this Interfund Loan or other costs incident hereto. HRA shall have no obligation to pay any principal amount of the Interfund Loan or accrued interest thereon, which may remain unpaid after the final Payment Date.

6. HRA may amend the terms of this Interfund Loan at any time by resolution of the Board, including a determination to forgive the outstanding principal amount and accrued interest to the extent permissible under law.

Approved by the Board of Commissioners of the Anoka Housing and Redevelopment Authority this 9<sup>th</sup> day of March, 2015.

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Chair

ATTEST:

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Secretary