

City of Ramsey
Agenda
City Council Work Session
Tuesday November 23, 2010
5:30 p.m. or immediately following Special CC
Lake Itasca Room 7550 Sunwood Drive NW

1. **Call to Order**
2. **Topics for Discussion**
 1. Review Fiscal Disparties and Fiscal Disparity Election for New COR TIF District
 2. Review Legislative Agenda for 2011
 3. Review Proposals for *Ramsey Resident* Advertising
3. **Mayor/Council/Staff Input**
4. **Adjournment**
5.
 1. Future Work Session Topics

CC Work Session

Item #: 2. 1.

Date: 11/23/2010

By: Heidi Nelson
Administrative Services

Information

Title:

Review Fiscal Disparties and Fiscal Disparity Election for New COR TIF District

Background:

At the October 26th City Council worksession, representatives from Springsted presented the draft Tax Increment Financing (TIF) Plan for the new COR TIF District. The public hearing for the new district is scheduled to occur at the regular meeting of December 14, 2010. During the presentation of the draft plan for the new district, there was considerable discussion regarding fiscal disparities and the election of whether fiscal disparities will be paid from within or outside the new district. Representatives of Springsted will be present for the worksession to discuss fiscal disparities in general as well as the election of fiscal disparities to be paid within or outside the new district.

Staff has made our legislative representatives aware of this discussion and they have been invited to attend this portion of the worksession as this may be a legislative issue to pursue in the 2011 session.

Staff has attached the materials reviewed at the October 26th worksession for Council reference.

Notification:

No notification is required for this action.

Recommendation:

Following review of fiscal disparities and the election for the new district, direct staff with regard to paying fiscal disparities from within or outside the district for the new COR district in preparation for the December 14th public hearing for the new district.

Council Action:

Following review of fiscal disparities and the election for the new district, direct staff with regard to paying fiscal disparities from within or outside the district for the new COR district in preparation for the December 14th public hearing for the new district.

Fiscal Impact

Budgeted Y/N: N

Budgeted Year:

Fund:

Funding:

Consideration of impacts to tax rates for other commercial properties of paying fiscal disparities within or outside the district.

Attachments

Draft TIF Plan

TIF Plan Overview Memo

TIF Plan Timeline

Form Review

Inbox

Heidi Nelson (Originator)

Kurt Ulrich

Form Started By: Heidi Nelson

Final Approval Date: 11/18/2010

Reviewed By

Heidi Nelson

Kurt Ulrich

Date

11/17/2010 01:05 PM

11/18/2010 03:36 PM

Started On: 11/17/2010 12:40 PM

City of Ramsey, Minnesota

Tax Increment Financing Plan

for

Tax Increment Financing (Redevelopment) District No. 14

(The COR Development Project)

Within Development District No. 1

Dated: October 20, 2010 (Draft)

Prepared by:

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Section A Definitions

The terms defined in this section have the meanings given herein, unless the context in which they are used indicates a different meaning:

"Authority" means the Housing and Redevelopment Authority of the City of Ramsey.

"City" means the City of Ramsey, Minnesota; also referred to as a "Municipality".

"City Council" means the City Council of the City; also referred to as the "Governing Body".

"County" means Anoka County, Minnesota.

"Development District" means Development District No. 1 in the City, which is described in the corresponding Development Program.

"Development Program" means the Development Program for the Development District.

"Project Area" means the geographic area of the Development District.

"School District" means Independent School District No. 11, Minnesota.

"State" means the State of Minnesota.

"TIF Act" means Minnesota Statutes, Sections 469.174 through 469.1799, both inclusive.

"TIF District" means Tax Increment Financing (Redevelopment) District No. 14.

"TIF Plan" means the tax increment financing plan for the TIF District (this document).

Section B Statutory Authorization

See Section 2.02 of the Development Program for the Development District.

Section C Statement of Need and Public Purpose

See Section 2.01 of the Development Program for the Development District.

Section D Statement of Objectives

See the Development Program for statement of objectives for the Development District.

Section E Designation of Tax Increment Financing District as a Redevelopment District

Under Chapter 389 – H.F.No. 3729, Article 7 "Public Finance", Section 22 City of Ramsey; Tax Increment Financing District; Special Rules Subdivision (b) the requirements for qualifying a redevelopment tax increment district under Minnesota Statutes, section 469.174, subdivision 10, do not apply to the parcels located within the district. .

Section F Duration of the TIF District

Redevelopment districts may remain in existence 25 years from the date of receipt of the first tax increment. The City anticipates that the TIF District will remain in existence the maximum duration allowed by law (projected to be through the year 2037). Modifications of this plan (see Section Z) shall not extend these limitations. All tax increments from taxes payable in the year the TIF District is decertified shall be paid to the Authority. Pursuant to MN Statutes, Section 469.175 subdivision 1(b), the Authority elects to delay receipt of first increment until 2012.

Section G Property to be Included in the TIF District

The TIF District is a 533 acre area of land located within the Project Area. A map showing the location of the TIF District is shown in Exhibit I.

Under Chapter 389 – H.F.No. 3729, Article 7 “Public Finance”, Section 22 City of Ramsey; Tax Increment Financing District; Special Rules Subdivision (a) if the City of Ramsey or an authority of the City elects upon the adoption of a tax increment financing plan for a district, the rules under this section apply to a redevelopment tax increment financing district established by the City or an Authority of the City. The redevelopment tax increment district includes parcels within the area bound on the East by Ramsey Boulevard, on the North by Bunker Lake Boulevard as extended West to Llama Street, on the West by Llama Street, and on the south by a line running parallel to and 600 feet south of the southerly right-of-way for US Highway 10, but including Parcels 28-32-25-43-0007, and 28-32-25-34-0002 in their entirety, and excluding the Anoka County Regional Park property in it’s entirety.* A parcel within this area that is included in a tax increment financing district that was certified before the date of enactment of this act may be included in the district created under this act if the initial district is decertified.

The area encompassed by the TIF District shall also include all street or utility right-of-ways located upon or adjacent to the property described above.

*The individual parcel identification numbers and legal descriptions are described in Exhibit II.

Section H Property to be Acquired in the TIF District

The City may acquire and sell any or all of the property located within the TIF District. The City currently owns a number of parcels located within the District and anticipates the sale of these parcels; additionally the City may also finance the direct acquisition of land by a Developer.

Section I Specific Development Expected to Occur Within the TIF District

The anticipated development projected to occur within the District is varied. The City has been acquiring parcels within the District and has been preparing them for development and sale to developers. The City has projected future development of the City owned property; the projections include the development of 69 acres of retail development, 10 acres of mixed-use development, 15 acres of commercial/business development, and 16 acres of housing development.

The size of the proposed District makes it difficult to estimate with any certainty the years that various types of development will occur within such District. It is likely that multiple projects will occur through many years of the District. The projects forecasted within the revenue projections assume development to be fully constructed through 2035. Although the City has been approached by several developers indicating some level of interest in development of specific parcels within the District, at the time this document was prepared there were no signed construction contracts with regard to the above described development.

The City anticipates using tax increment to reimburse itself for a portion of the eligible public improvement costs including acquisition, demolition, site improvements, and related administrative costs. Additionally, under Chapter 389 – H.F.No. 3729, Article 7 “Public Finance”, Section 22 City of Ramsey; Tax Increment Financing District; Special

Rules Subdivision (c) in addition to the costs permitted by Minnesota Statutes, section 469.176, subdivision 4j, eligible expenditures within the district include the City's share of the costs necessary to provide for the construction of the Northstar Transit Station and related infrastructure, including structured parking, a pedestrian overpass, and roadway improvements.

Section J Findings and Need for Tax Increment Financing

In establishing the TIF District, the City makes the following findings:

- (1) The TIF District qualifies as a redevelopment district;

See Section E of this document for the reasons and facts supporting this finding.

- (2) 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, and the increased market value of the site that could reasonably be expected to occur without the use of tax increment 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 TIF District permitted by the TIF Plan;

Factual Basis:

Proposed development not expected to occur:

The proposed development in the District will include the construction of substantial transit and road improvements. A key component to the successful development of the project and the surrounding area is the construction of the Ramsey Station on the Northstar Commuter Rail. The application of tax increment financing will allow for construction of this key transit and related transportation infrastructure that will support the development of the proposed mixed-use, transit oriented development. The City has determined that but-for this investment in infrastructure to support the quality and type of development desired by the City and its regional partners, this project will not realize its full potential and maximize its location on a key transit and transportation corridor. In addition to the transit oriented benefits of this TIF Plan, the related transportation improvements of the Armstrong Boulevard interchange and pedestrian overpass will increase motor vehicle and pedestrian safety in the corridor. Additionally, this interchange improvement will increase the likelihood of development surrounding the interchange, that would not likely occur but-for the interchange improvement.

The City believes the investment in this key infrastructure would not occur but for the use of tax increment financing, and the special uses provided by the special legislation granted under Chapter 389 – H.F.No. 3729, Article 7 "Public Finance", Section 22 City of Ramsey; Tax Increment Financing District; Special Rules Subdivisions (a-e). The City anticipates analyzing future developer's proformas in detail to determine the minimal amount of assistance needed to compensate developers for extraordinary development costs.

No higher market value expected:

This finding is based on the fact that no other development of comparable scope to the proposed development is practical without the same type of assistance described in this plan, or the proposed transit and roadway improvements. The City of Ramsey believes the investment in this key infrastructure will provide for economic growth and development to the fullest potential, which would not be realized but for the use of tax increment financing.

To summarize the basis for the City's findings regarding alternative market value, in accordance with Minnesota Statutes, Section 469.175, Subd. 3(d), the City makes the following determinations:

a. The City's estimate of the amount by which the market value of the site will increase without the use of tax increment financing is anywhere from \$0 to some modest amount based on small scale development that could be possible without assistance; any estimated values would be too speculative to ascertain.

b. If the proposed development to be assisted with tax increment occurs in the District, the total increase in market value would be approximately \$591,723,309, including the value of the building (See Exhibit III). Prior to the inclusion of a 2% market value inflator starting in 2018.

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 \$68,943,022 (See Exhibit VI)

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 \$522,780,287 (the amount in clause b less the amount in clause c) without tax increment assistance.

(3) The TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for development of the Project Area by private enterprise.

Factual basis: The anticipated development projected by the City may include the development of 69 acres for retail development, 10 acres for mixed-use development, 15 acres for commercial/business development, and 16 acres for housing development; in addition to the substantial private development which is projected to occur in the District. The mixed-use, transit-oriented development clearly meets the economic development goals of the City.

(4) The TIF Plan conforms to general plans for development of the City as a whole.

Factual basis: The City Planning Commission has determined that the development proposed in the TIF Plan conforms to the City comprehensive plan.

(5) The City does not elect the method of tax increment computation set forth in Minnesota Statutes, Section 469.177, Subdivision 3(b); therefore subdivision 3(a) shall apply which indicates the original net tax capacity and the current net tax capacity shall be determined before the application of the fiscal disparity provisions (see method (a) in Section P).

Section K Estimated Public Costs

The estimated public costs of the TIF District are listed below. Such costs are eligible for reimbursement from tax increments of the TIF District.

Land/Building acquisition, Special Assessments, Public Utilities, Site Improvements/Preparation Costs, Northstar Transit Station and related infrastructure, and other Eligible Improvements	\$61,825,343
Bond/Note Interest Payments	105,312,690
Administrative expenses	18,570,896
<u>Other Expenditures</u>	
Capitalized Interest payments	0
Total	\$185,708,929

The City reserves the right to administratively adjust the amount of any of the items listed above or to incorporate additional eligible items, so long as the total estimated public cost is not increased.

Section L Estimated Sources of Revenue

Tax Increment revenue	\$185,708,929
Interest on invested funds	0
Bond proceeds	0
Loan proceeds	0
Grants	0
Other	0
Total	\$185,708,929

The City anticipates using future tax increments for reimbursement of public costs incurred from Section K. As increments are collected from the TIF District in future years, a portion of these taxes will be reserved by the City as reimbursement for public costs incurred (primarily land acquisition), either through internal funding or general obligation or revenue debt. The City also anticipates providing financial assistance to the proposed developments through the use of a pay-as-you-go technique. As tax increments are collected from the TIF District in future years, a portion of these taxes will be distributed to the developer/owner as reimbursement for public costs incurred that relate to redevelopment of the project site.

The City reserves the right to finance any or all public costs of the TIF District using pay-as-you-go assistance, internal funding, general obligation or revenue debt, or any other financing mechanism authorized by law. The City also reserves the right to use other sources of revenue legally applicable to the Project Area to pay for such costs including, but not limited to, special assessments, utility revenues, federal or state funds, and investment income.

Section M Estimated Amount of Bonded Indebtedness

The Authority does not anticipate issuing tax increment bonds to finance the estimated public costs of the TIF District, but reserves the right to issue such bonds in an amount not to exceed \$80,372,946 (\$61,825,343 + 30% contingency).

Section N Original Net Tax Capacity

The County Auditor shall certify the original net tax capacity of the TIF District. This value will be equal to the total net tax capacity of all property in the TIF District as certified by the State Commissioner of Revenue. For districts certified between January 1 and June 30, inclusive, this value is based on the previous assessment year. For districts certified between July 1 and December 31, inclusive, this value is based on the current assessment year.

The Estimated Market Value of all property within the TIF District as of January 2, 2010, for taxes payable in 2011, is \$68,067,900. Upon establishment of the TIF District, and subsequent reclassification of property, it is estimated that the original net tax capacity of the TIF District will be approximately \$1,128,643. At the time this document was created a significant portion of the land within the TIF District was owned by the City and tax-exempt and is not included in the amounts above. Pursuant to Minnesota Statutes, Section 469.177, Subdivision 1(c) if improvements are made to tax exempt property after certification of the District and before the parcel becomes taxable, the assessor shall, at the request of the City, separately assess the estimated market value of the improvements. If the property becomes taxable, the County Auditor shall add to original net tax capacity, the net tax capacity of the parcel, excluding the separately assessed improvements. The City intends to request the assessor separately assess the market value of any improvements to the currently tax-exempt property.

Each year the County Auditor shall certify the amount that the original net tax capacity has increased or decreased as a result of:

- (1) changes in the tax-exempt status of property;
- (2) reductions or enlargements of the geographic area of the TIF District;
- (3) changes due to stipulation agreements or abatements; or
- (4) changes in property classification rates.

Section O Original Tax Capacity Rate

The County Auditor shall also certify the original tax capacity rate of the TIF District. This rate shall be the sum of all local tax rates that apply to property in the TIF District. This rate shall be for the same taxes payable year as the original net tax capacity.

In future years, the amount of tax increment generated by the TIF District will be calculated using the lesser of (a) the sum of the current local tax rates at that time or (b) the original tax capacity rate of the TIF District.

At the time this document was prepared, the sum of the local tax rates that apply to property in the TIF District, for taxes levied in 2010 and payable in 2011, was not yet available. When this total becomes available, the County Auditor shall certify this amount as the original tax capacity rate of the TIF District. For purposes of estimating the tax increment generated by the TIF District, the sum of the local tax rates for taxes levied in 2009 and payable in 2010 is 99.566% as shown below.

<u>Taxing Jurisdiction</u>	<u>2009/2010 Local Tax Rate</u>
City of Ramsey	37.811%
Anoka County	35.189%
ISD # 11	19.939%
Other	6.627%
Total	99.566%

Section P Projected Retained Captured Net Tax Capacity and Projected Tax Increment

The City anticipates that the redevelopment will be continual through the term of the TIF District. The City is projecting a total tax capacity for TIF District No. 14 of \$1,491,958 as of January 2, 2011. The captured tax capacity as of that date is estimated to be \$344,842, and the first year of increment is estimated to be \$343,345 in payable 2012. A complete schedule of estimated tax increment from the TIF District is shown in Exhibit IV.

The estimates shown in this TIF Plan assume that residential class rates remain at 1.0% of the estimated market value under \$500,000 and 1.25% of the estimated market value above \$500,000, rental class rates remain at 1.25%, commercial class rates remain at 1.5% for the first \$150,000 of estimated market value and 2.0% of the market value above \$150,000. The projections assume a 2% annual market value inflator starting in the year taxes payable 2018.

Each year the County Auditor shall determine the current net tax capacity of all property in the TIF District. To the extent that this total exceeds the original net tax capacity, the difference shall be known as the captured net tax capacity of the TIF District.

For communities affected by the fiscal disparity provisions of Minnesota Statutes, Chapter 473F and Chapter 276A, the original net tax capacity of the TIF District shall be determined before the application of fiscal disparity. In subsequent years, the current net tax capacity shall either (a) be determined before the application of fiscal disparity or (b) exclude the product of any fiscal disparity increase in the TIF District (since the original net tax capacity was certified) times the appropriate fiscal disparity ratio. The method the City elects shall remain the same for the life of the TIF District, except that a single change may be made at any time from method (a) to method (b) above. The City elects method (a), or M.S. Section 469.1777, subdivision 3(a).

The County Auditor shall certify to the City the amount of captured net tax capacity each year. The City may choose to retain any or all of this amount. It is the City's intention to retain 100% of the captured net tax capacity of the TIF District. Such amount shall be known as the retained captured net tax capacity of the TIF District.

Exhibit III gives a listing of the various information and assumptions used in preparing a number of the exhibits contained in this TIF Plan, including Exhibit IV which shows the projected tax increment generated over the anticipated life of the TIF District.

Section Q Use of Tax Increment

Each year the County Treasurer shall deduct 0.36% of the annual tax increment generated by the TIF District and pay such amount to the State's General Fund. Such amounts will be appropriated to the State Auditor for the cost of financial reporting and auditing of tax increment financing information throughout the state. Exhibit III shows the projected deduction for this purpose over the anticipated life of the TIF District.

The City has determined that it will use 100% of the remaining tax increment generated by the TIF District for any of the following purposes:

- (1) pay for the estimated public costs of the TIF District (see Section K) and County administrative costs associated with the TIF District (see Section T);
- (2) pay principal and interest on tax increment bonds or other bonds issued to finance the estimated public costs of the TIF District;
- (3) accumulate a reserve securing the payment of tax increment bonds or other bonds issued to finance the estimated public costs of the TIF District;
- (4) pay all or a portion of the county road costs as may be required by the County Board under M.S. Section 469.175, Subdivision 1a; or
- (5) return excess tax increments to the County Auditor for redistribution to the City, County and School District.

Tax increments from property located in one county must be expended for the direct and primary benefit of a project located within that county, unless both county boards involved waive this requirement. Tax increments shall not be used to circumvent levy limitations applicable to the City.

Tax increment shall not be used to finance 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, or for a commons area used as a public park, or a facility used for social, recreational, or conference purposes. This prohibition does not apply to the construction or renovation of a parking structure or of a privately owned facility for conference purposes.

If there exists any type of agreement or arrangement providing for the developer, or other beneficiary of assistance, to repay all or a portion of the assistance that was paid or financed with tax increments, such payments shall be subject to all of the restrictions imposed on the use of tax increments. Assistance includes sale of property at less than the

cost of acquisition or fair market value, grants, ground or other leases at less than fair market rent, interest rate subsidies, utility service connections, roads, or other similar assistance that would otherwise be paid for by the developer or beneficiary.

Section R Excess Tax Increment

In any year in which the tax increments from the TIF District exceed the amount necessary to pay the estimated public costs authorized by the TIF Plan, the City shall use the excess tax increments to:

- (1) prepay any outstanding tax increment bonds;
- (2) discharge the pledge of tax increments thereof;
- (3) pay amounts into an escrow account dedicated to the payment of the tax increment bonds; or
- (4) return excess tax increments to the County Auditor for redistribution to the City, County and School District. The County Auditor must report to the Commissioner of Education the amount of any excess tax increment redistributed to the School District within 30 days of such redistribution.

Section S Tax Increment Pooling and the Five Year Rule

Under Chapter 389 – H.F.No. 3729, Article 7 “Public Finance”, Section 22 City of Ramsey; Tax Increment Financing District; Special Rules Subdivision (e) at least 100% of the tax increments from the TIF District, except for administrative expenses, must be expended on activities within the district or to pay for bonds used to finance the estimated public costs of the TIF District (see Section E for additional restrictions). All administrative expenses are considered to have been spent outside of the TIF District. Tax increments are considered to have been spent within the TIF District if such amounts are:

- (1) actually paid to a third party for activities performed within the TIF District within five years after certification of the district;
- (2) used to pay bonds that were issued and sold to a third party, the proceeds of which are reasonably expected on the date of issuance to be spent within the later of the five-year period or a reasonable temporary period or are deposited in a reasonably required reserve or replacement fund.
- (3) used to make payments or reimbursements to a third party under binding contracts for activities performed within the TIF District, which were entered into within five years after certification of the district; or
- (4) used to reimburse a party for payment of eligible costs (including interest) incurred within five years from certification of the district.

Under Chapter 389 – H.F.No. 3729, Article 7 “Public Finance”, Section 22 City of Ramsey; Tax Increment Financing District; Special Rules Subdivision (d) beginning with the 11th year following certification of the TIF District, at least 100% of the tax increments must be used to pay outstanding bonds or make contractual payments obligated within the first ten years. When outstanding bonds have been defeased and sufficient money has been set aside to pay for such contractual obligations, the TIF District must be decertified.

The Authority does not anticipate that tax increments will be spent outside of the TIF District, except for allowable administrative expenses, in accordance with subdivision (e).

Section T Limitation on Administrative Expenses

Administrative expenses are defined as all costs of the Authority other than:

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

Administrative expenses include amounts paid for services provided by bond counsel, fiscal consultants, planning or economic development consultants, and actual costs incurred by the County in administering the TIF District. Tax increments may be used to pay administrative expenses of the TIF District up to the lesser of (a) 10% of the total estimated tax increment expenditures authorized by the TIF Plan or (b) 10% of the total tax increment for the project.

Section U Limitation on Property Not Subject to Improvements - Four Year Rule

If after four years from certification of the TIF District no demolition, rehabilitation, renovation, or qualified improvement of an adjacent street has commenced on a parcel located within the TIF District, then that parcel shall be excluded from the TIF District and the original net tax capacity shall be adjusted accordingly. Qualified improvements of a street are limited to construction or opening of a new street, relocation of a street, or substantial reconstruction or rebuilding of an existing street. The City must submit to the County Auditor, by February 1 of the fifth year, evidence that the required activity has taken place for each parcel in the TIF District.

If a parcel is excluded from the TIF District and the Authority or owner of the parcel subsequently commences any of the above activities, the City shall certify to the County Auditor that such activity has commenced and the parcel shall once again be included in the TIF District. The County Auditor shall certify the net tax capacity of the parcel, as most recently certified by the Commissioner of Revenue, and add such amount to the original net tax capacity of the TIF District.

The City is in the process of seeking special legislation to seek exemption from or redefinition of the requirements of Minnesota Statutes Chapter 469.176 Subdivision 6.

Section V Estimated Impact on Other Taxing Jurisdictions

Exhibit V shows the estimated impact on other taxing jurisdictions if the maximum projected retained captured net tax capacity of the TIF District was hypothetically available to the other taxing jurisdictions. The City believes that there will be no adverse impact on other taxing jurisdictions during the life of the TIF District, since the proposed development would not have occurred without the establishment of the TIF District and the provision of public assistance. A positive impact on other taxing jurisdictions will occur when the TIF District is decertified and the development therein becomes part of the general tax base.

The fiscal and economic implications of the proposed tax increment financing district, as pursuant to Minnesota Statutes, Section 469.175, Subdivision 2, are listed below.

1. The total amount of tax increment that will be generated over the life of the district is estimated to be \$185,708,929.

2. To the extent the project in TIF District 14 generates any public cost impacts on city-provided services such as police and fire protection, public infrastructure, and the impact of any general obligation tax increment bonds attributable to the district upon the ability to issue other debt for general fund purposes, such costs will be levied upon the taxable net tax capacity of the City, excluding that portion captured by the District.
3. 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 estimated to be \$37,324,274.
4. 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 estimated to be \$65,871,101.
5. No additional information has been requested by the county or school district that would enable it to determine additional costs that will accrue to it due to the development proposed for the district.

Section W Prior Planned Improvements

The City shall accompany its request for certification to the County Auditor (or notice of district enlargement), with a listing of all properties within the TIF District for which building permits have been issued during the 18 months immediately preceding approval of the TIF Plan. The County Auditor shall increase the original net tax capacity of the TIF District by the net tax capacity of each improvement for which a building permit was issued.

The City is in the process of seeking special legislation to seek exemption from or redefinition of the requirements of Minnesota Statutes Chapter 469.177 Subdivision 4.

Section X Development Agreements

If within a project containing a redevelopment district, more than 25% of the acreage of the property to be acquired by the Authority is purchased with tax increment bonds proceeds (to which tax increment from the property is pledged), then prior to such acquisition, the City must enter into an agreement for the development of the property. Such agreement must provide recourse for the City should the development not be completed.

The City anticipates entering into individual agreements for development as projects occur, but does not anticipate acquiring any additional property located within the TIF District.

Section Y Assessment Agreements

The City may, upon entering into a development agreement, also enter into an assessment agreement with the developer, which establishes a minimum market value of the land and improvements for each year during the life of the TIF District.

The assessment agreement shall be presented to the County or City Assessor who shall review the plans and specifications for the improvements to be constructed, review the market value previously assigned to the land, and so long as the minimum market value contained in the assessment agreement appears to be an accurate estimate, shall certify the assessment agreement as reasonable. The assessment agreement shall be filed for record in the office of the County Recorder of each county where the property is located. Any modification or premature termination of this agreement must first be approved by the City, County and School District.

The City reserves the right to enter into an assessment agreement for individual projects.

Section Z Modifications of the Tax Increment Financing Plan

Any reduction or enlargement in the geographic area of the Project Area or the TIF District; increase in the amount of bonded indebtedness to be incurred; increase in the amount of capitalized interest; increase in that portion of the captured net tax capacity to be retained by the City; increase in the total estimated public costs; or designation of additional property to be acquired by the City shall be approved only after satisfying all the necessary requirements for approval of the original TIF Plan. This paragraph does not apply if:

- (1) the only modification is elimination of parcels from the TIF District; and
- (2) the current net tax capacity of the parcels eliminated equals or exceeds the net tax capacity of those parcels in the TIF District's original net tax capacity, or the City agrees that the TIF District's original net tax capacity will be reduced by no more than the current net tax capacity of the parcels eliminated.

The City must notify the County Auditor of any modification that reduces or enlarges the geographic area of the TIF District. The geographic area of the TIF District may be reduced but not enlarged after five years following the date of certification.

Section AA Administration of the Tax Increment Financing Plan

Upon adoption of the TIF Plan, the City shall submit a copy of such plan to the Minnesota Department of Revenue. The City shall also request that the County Auditor certify the original net tax capacity and net tax capacity rate of the TIF District. To assist the County Auditor in this process, the City shall submit copies of the TIF Plan, the resolution establishing the TIF District and adopting the TIF Plan, and a listing of any prior planned improvements. The City shall also send the County Assessor any assessment agreement establishing the minimum market value of land and improvements in the TIF District, and shall request that the County Assessor review and certify this assessment agreement as reasonable.

The County shall distribute to the City the amount of tax increment as it becomes available. The amount of tax increment in any year represents the applicable property taxes generated by the retained captured net tax capacity of the TIF District. The amount of tax increment may change due to development anticipated by the TIF Plan, other development, inflation of property values, or changes in property classification rates or formulas. In administering and implementing the TIF Plan, the following actions should occur on an annual basis:

- (1) prior to July 1, the City shall notify the County Assessor of any new development that has occurred in the TIF District during the past year to insure that the new value will be recorded in a timely manner.
- (2) if the County Auditor receives the request for certification of a new TIF District, or for modification of an existing TIF District, before July 1, the request shall be recognized in determining local tax rates for the current and subsequent levy years. Requests received on or after July 1 shall be used to determine local tax rates in subsequent years.
- (3) each year the County Auditor shall certify the amount of the original net tax capacity of the TIF District. The amount certified shall reflect any changes that occur as a result of the following:
 - (a) the value of property that changes from tax-exempt to taxable shall be added to the original net tax capacity of the TIF District. The reverse shall also apply;

- (b) the original net tax capacity may be modified by any approved enlargement or reduction of the TIF District;
- (c) if laws governing the classification of real property cause changes to the percentage of estimated market value to be applied for property tax purposes, then the resulting increase or decrease in net tax capacity shall be applied proportionately to the original net tax capacity and the retained captured net tax capacity of the TIF District.

The County Auditor shall notify the City of all changes made to the original net tax capacity of the TIF District.

Section AB Filing TIF Plan, Financial Reporting and Disclosure Requirements

The City will file the TIF Plan and any subsequent amendments thereto, with the Commissioner of Revenue and the Office of the State Auditor pursuant to Minnesota Statutes, Section 469.175, subdivision 4A. The City will comply with all reporting requirements for the TIF District under Minnesota Statutes, Section 469.175, subdivisions 5 and 6.

DRAFT

MAP OF TAX INCREMENT FINANCING
(REDEVELOPMENT) DISTRICT NO. 14

DRAFT

MAP OF DEVELOPMENT DISTRICT NO. 1

DRAFT

Boundaries of Tax Increment Financing (Redevelopment) District No. 14

29-32-25-12-0001	UNPLATTED RAMSEY TWSP NW1/4 OF NE1/4 SEC 29-32-25-EX R R RT OF WAY-SUBJ TO EASE TO RURAL CO-OP POWER ASSN-
28-32-25-13-0008	LOT 1 BLOCK 2 RAMSEY TOWN CENTER 7TH ADD
28-32-25-13-0009	LOT 2 BLOCK 2 RAMSEY TOWN CENTER 7TH ADD
28-32-25-13-0010	LOT 3 BLOCK 2 RAMSEY TOWN CENTER 7TH ADD
28-32-25-13-0011	LOT 4 BLOCK 2 RAMSEY TOWN CENTER 7TH ADD
28-32-25-13-0012	LOT 5 BLOCK 2 RAMSEY TOWN CENTER 7TH ADD
28-32-25-13-0013	LOT 6 BLOCK 2 RAMSEY TOWN CENTER 7TH ADD
28-32-25-13-0014	LOT 7 BLOCK 2 RAMSEY TOWN CENTER 7TH ADD
28-32-25-13-0015	LOT 8 BLOCK 2 RAMSEY TOWN CENTER 7TH ADD
28-32-25-13-0016	LOT 9 BLOCK 2 RAMSEY TOWN CENTER 7TH ADD
28-32-25-13-0017	LOT 10 BLOCK 2 RAMSEY TOWN CENTER 7TH ADD
28-32-25-13-0018	LOT 11 BLOCK 2 RAMSEY TOWN CENTER 7TH ADD
28-32-25-13-0019	LOT 12 BLOCK 2 RAMSEY TOWN CENTER 7TH ADD
28-32-25-13-0024	LOT 5 BLOCK 3 RAMSEY TOWN CENTER 7TH ADDITION, SUBJ TO EASE OF REC
28-32-25-13-0025	LOT 6 BLOCK 3 RAMSEY TOWN CENTER 7TH ADDITION, SUBJ TO EASE OF REC
28-32-25-13-0026	LOT 7 BLOCK 3 RAMSEY TOWN CENTER 7TH ADD, SUBJ TO EASE OF REC
28-32-25-13-0027	LOT 8 BLOCK 3 RAMSEY TOWN CENTER 7TH ADD, SUBJ TO EASE OF REC
28-32-25-13-0028	LOT 9 BLOCK 3 RAMSEY TOWN CENTER 7TH ADD
28-32-25-13-0029	LOT 10 BLOCK 3 RAMSEY TOWN CENTER 7TH ADD
28-32-25-13-0030	LOT 11 BLOCK 3 RAMSEY TOWN CENTER 7TH ADD, SUBJ TO EASE OF REC
28-32-25-14-0055	LOT 47 BLOCK 1 RAMSEY TOWN CENTER 2ND LOT 1 BLOCK 2 CIC NO 214 RAMSEY TOWN CENTER 2ND ADD, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0056	LOT 2 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0057	LOT 3 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0058	LOT 4 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0059	LOT 16 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0071	LOT 17 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0072	LOT 18 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0073	LOT 19 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0074	LOT 20 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0075	LOT 21 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0076	LOT 22 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0077	LOT 23 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0078	LOT 24 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0079	LOT 25 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0080	LOT 26 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0081	LOT 35 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0090	OUTLOT A RAMSEY TOWN CENTER 2ND, SUBJ TO EASE OF REC
28-32-25-14-0091	LOT 1 BLOCK 1 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0009	LOT 2 BLOCK 1 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0010	LOT 2 BLOCK 1 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT,

ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0047 LOT 39 BLOCK 1 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON
ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0048 LOT 40 BLOCK 1 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON
ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0049 LOT 41 BLOCK 1 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON
ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0050 LOT 42 BLOCK 1 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON
ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0051 LOT 43 BLOCK 1 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON
ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0060 LOT 5 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT,
SUBJ TO EASE OF REC
28-32-25-14-0061 LOT 6 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT,
SUBJ TO EASE OF REC
28-32-25-14-0062 LOT 7 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT,
SUBJ TO EASE OF REC
28-32-25-14-0063 LOT 8 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT,
SUBJ TO EASE OF REC
28-32-25-14-0064 LOT 9 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT,
SUBJ TO EASE OF REC
28-32-25-14-0065 LOT 10 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON
ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0066 LOT 11 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON
ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0067 LOT 12 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON
ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0068 LOT 13 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC O 214, TOG/W COMMON ELEMENT,
SUBJ TO EASE OF REC
28-32-25-14-0069 LOT 14 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON
ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0070 LOT 15 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON
ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0082 LOT 27 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON
ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0083 LOT 28 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON
ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0084 LOT 29 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON
ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0085 LOT 30 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON
ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0086 LOT 31 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON
ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0087 LOT 32 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON
ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0088 LOT 33 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON
ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0089 LOT 34 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON
ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0096 UNIT 1 CIC NO 213 THE GABLES MANOR CONDOMINIUM, TOG/W COMMON ELEMENT,
SUBJ TO EASE OF REC
28-32-25-14-0097 UNIT 2 CIC NO 213 THE GABLES MANOR CONDOMINIUM, TOG/W COMMON ELEMENT,
SUBJ TO EASE OF REC
28-32-25-14-0098 UNIT 3 CIC NO 213 THE GABLES MANOR CONDOMINIUM, TOG/W COMMON ELEMENT,
SUBJ TO EASE OF REC
28-32-25-14-0099 UNIT 4 CIC NO 213 THE GABLES MANOR CONDOMINIUM, TOG/W COMMON ELEMENT,
SUBJ TO EASE OF REC
28-32-25-14-0100 UNIT 5 CIC NO 213 THE GABLES MANOR CONDOMINIUM, TOG/W COMMON ELEMENT,
SUBJ TO EASE OF REC
28-32-25-14-0101 UNIT 6 CIC NO 213 THE GABLES MANOR CONDOMINIUM, TOG/W COMMON ELEMENT,
SUBJ TO EASE OF REC
28-32-25-14-0102 UNIT 7 CIC NO 213 THE GABLES MANOR CONDOMINIUM, TOG/W COMMON ELEMENT,
SUBJ TO EASE OF REC
28-32-25-14-0103 UNIT 8 CIC NO 213 THE GABLES MANOR CONDOMINIUM, TOG/W COMMON ELEMENT,
SUBJ TO EASE OF REC
28-32-25-14-0112 UNIT 9 CIC NO 213 GABLES MANOR, TOG/W COMMON ELEMENT, SUBJ TO EASE OF
REC
28-32-25-14-0113 UNIT 10 CIC NO 213 GABLES MANOR, TOG/W COMMON ELEMENT, SUBJ TO EASE OF
REC

REC

28-32-25-14-0149 UNIT 22 CIC NO 213 GABLES MANOR, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC

28-32-25-14-0150 UNIT 23 CIC NO 213 GABLES MANOR, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC

28-32-25-14-0151 UNIT 24 CIC NO 213 GABLES MANOR, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC

28-32-25-14-0152 UNIT 25 CIC NO 213 GABLES MANOR, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC

28-32-25-14-0153 UNIT 26 CIC NO 213 GABLES MANOR, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC

28-32-25-23-0008 LOT 2 BLOCK 1 RAMSEY TOWN CENTER 3RD ADD, SUBJ TO EASE OF REC

28-32-25-31-0004 UNPLATTED CITY OF RAMSEY THAT PART OF THE NE1/4 OF SW1/4 OF SEC 28-32-25 ANOKA CNTY, MN DESC AS FOL-BEG AT THE POINT OF INTERSECTION OF THE W LINE OF SAID NE1/4 OF SW1/4 WITH THE SLY RT OF WAY LINE OF THE BURLINGTON NORTHERN RR-TH SLY ALONG SAID W LINE OF SAID NE1/4 OF SW1/4 TO ITS INTERSECTION WITH THE NLY RT OF WAY LINE OF U S TRKHWY NO 10-TH SELY ALONG SAID NLY RT OF WAY LINE OF SAID U S TRKHWY NO 10 A DIST OF 300.00 FT TO THE ACTUAL POINT OF BEG OF THE TRACT TO BE HEREIN DESC-TH CONT ALONG THE NLY RT OF WAY OF SAID HWY A DIST OF 185 FT-TH NLY TO A POINT ON SAID SLY RT OF WAY LINE OF SAID BURLINGTON NORTHERN RR DIST 551.80 FT SELY FROM THE W LINE OF THE NE1/4 OF SW1/4 AS MEAS ALONG THE SLY RT OF WAY OF THE BURLINGTON NORTHERN RR-TH NWLY ALONG SAID SLY RT OF WAY LINE OF SAID BURLINGTON NORTHERN RR A DIST OF 185 FT-TH SWLY TO THE POINT OF BEG(SUBJ TO AN EASE FOR ROAD OVER THE W LY 25 FT THEREOF)

28-32-25-31-0007 THAT PRT OF NE1/4 OF SW1/4 DESC AS FOL: BEG AT THE PT OF INTER OF THE W LINE OF SD NE1/4 OF SW1/4 WITH THE SLY R/W LINE OF THE B & N R/R TH SLY ALG SD W LINE OF SD 1/4, 1/4 TO ITS INTER/W THE NLY R/W LINE OF T H #10 TH SELY ALG SD NLY R/W LINE OF SD HWY 485.0 FT TO THE ACT POB OF TRACT TO BE DESC TH CONT ALG THE NLY R/W LINE OF SD HWY 140 FT TH NLY TO A PT ON SD SLY R/W LINE OF SD B & N R/R 691.80FT SELY FROM THE W LINE OF NE1/4 OF SW1/4 (AS MEAS ALG THE SLY R/W LINE OF THE B & N R/R) TH NWLY ALG SD SLY R/W LINE OF SD B & N R/R 140 FT TH SWLY TO POB EX RD SUBJ TO EASE OF REC

28-32-25-31-0008 ALPACA ESTATES LOT 1 BLK 3 ALPACA EST EASE TO ST OF MN FOR RT OF ACCESS TO HWY NO 10(SUBJ TO EASE AS SHOWN ON PLAT)

28-32-25-41-0007 OUTLOT A RAMSEY TOWN CENTER 4TH

28-32-25-42-0014 THAT PRT OF OUTLOT AA RAMSEY TOWN CENTER ADD DESC AS FOL: BEG AT NE COR OF SD OUTLOT, TH W ALG NLY LINE OF SD OUTLOT 322.44 FT, TH S 124.54 FT, TH SELY 52.36 FT ALG A TAN CUR CONC TO NE RAD 250FT & CEN ANG 12 DEG, TH S 12 DEG E 144.84 FT, TH SELY SLY & SWLY 156.31 FT ALG A TAN CUR CONC TO W RAD 250 FT & CEN ANG 35 DEG 49 MIN 27 SEC, TH S 23 DEG 49 MIN 27 SEC W 54.25 FT TO SWLY LINE OF SD OUTLOT, TH S 66 DEG 10 MIN 33 SEC E ALG SD SWLY LINE 349.45 FT TO MOST SLY COR OF SD OUTLOT, TH N 03 DEG 49 MIN 27 SEC E ALG ELY LINE OF SD OUTLOT 58.84 FT TO PT OF CURVATURE IN SD ELY LINE, TH NLY 30.70 FT ALG SD ELY LINE ALG A TAN CUR CONC TO W RAD 460 FT & CEN ANG 03 DEG 49 MIN 27 SEC TO A PT OF TAN IN SD ELY LINE, TH N ALG SD ELY LINE 572.55 FT TO POB, SUBJ TO EASE OF REC

28-32-25-42-0015 OUTLOT AA RAMSEY TOWN CENTER ADD, EX THAT PRT THEREOF DESC AS FOL: BEG AT NE COR OF SD OUTLOT, TH W ALG NLY LINE OF SD OUTLOT 322.44 FT, TH S 124.54 FT, TH SELY 52.36 FT ALG A TAN CUR CONC TO NERAD 250 FT & CEN ANG 12 DEG, TH S 12 DEG E 144.84 FT, TH SELY SLY & SWLY 156.31 FT ALG A TAN CUR CONC TO W RAD 250 FT & CEN ANG 35 DEG 49 MIN 27 SEC, TH S 23 DEG 49 MIN 27 SEC W 54.25 FT TO SWLY LINE OF SD OUTLOT, TH S 66 DEG 10 MIN 33 SEC E ALG SD SWLY LINE 349.45 FT TO MOST SLY COR OF SD OUTLOT, TH N 03 DEG 49 MIN 27 SEC E ALG ELY LINE OF SD OUTLOT 58.84 FT TO A PT OF CURVATURE IN SD ELY LINE, TH NLY 30.70 FT ALG SD ELY LINE ALG A TAN CUR CONC TO W RAD 460 FT & CEN ANG 03 DEG 49 MIN 27 SEC TO A PT OF TAN IN SD ELY LINE, TH N ALG SD ELY LINE 572.55 FT TO POB, SUBJ TO EASE OF REC

28-32-25-44-0002 THAT PRT OF LOT 7 AUD SUB NO 34 DESC AS FOL: COM AT SE COR OF SD LOT, TH NWLY ALG SWLY LINE OF SD LOT 770 FT, TH N PRLL/W E LINE OF SD LOT TO NELY LINE OF SD LOT, TH SELY ALG SD NELY LINE 350 FT TO POB TH S PRLL/W SD E LINE TO SD SWLY LINE, TH SELY ALG SD SWLY LINE 180 FT, TH N PRLL/W SD E LINE TO SD NELY LINE, TH NWLY ALG SD NELY LINE TO POB, SUBJ TO EASE OF REC

28-32-25-44-0004 THAT PRT OF LOT 7 AUD SUB NO 34 DESC AS FOL: BEG AT INTER OF NLY R/W LINE OF T H NO 10 & E LINE OF SEC 28 TWP 32 RGE 25 ALSO BEING SE COR OF SD LOT 7, TH NLY ALG SD E LINE 367.87 FT TH SWLY TO A PT ON SD NLY R/W LINE 111.9 FT NWLY, AS MEAS ALG SD R/W LINE, FROM POB, TH SELY ALG SD R/W LINE TO POB, TOG/W THAT PRT OF SD LOT 7 DESC AS FOL: BEG AT INTER OF SD NLY R/W LINE

- WITH SD E LINE TH NWLY ALG SDR/W LINE 36.30 FT, TH N PRLL/W SD E LINE 203.46 FT TO POB, TH W PRLL/W S LINE OF SD SEC 85 FT, TH N PRLL/W SD E LINE TO NLY LINE OF SD LOT, SD NLY LINE ALSO BEING SLY R/W LINE OF B N R/R, TH E ALG SDSLY R/W LINE TO A PT ON A LINE DRAWN PRLL/W & 33 FT W OF SD E LINE, TH S ALG SD PRLL LINE TO POB, EX RD, SUBJ TO EASE OF REC
- 29-32-25-13-0004 LOT 1 BLOCK 1 ALPACA ESTATES 4TH ADD
- 29-32-25-13-0006 LOT 3 BLOCK 1 ALPACA ESTATES 4TH ADD
- 29-32-25-13-0007 OUTLOT A ALPACA ESTATES 4TH ADD
- 29-32-25-13-0008 OUTLOT B ALPACA ESTATES 4TH ADD
- 29-32-25-14-0017 LOT 5 BLOCK 1 ALPACA ESTATES 4TH ADD
- 29-32-25-14-0018 LOT 6 BLOCK 1 ALPACA ESTATES 4TH ADD
- 29-32-25-14-0019 LOT 7 BLOCK 1 ALPACA ESTATES 4TH ADD
- 29-32-25-41-0007 LOT 1 BLOCK 6 ALPACA ESTATES, EX RD SUBJ TO EASE OF REC
- 29-32-25-41-0021 LOT 1 BLOCK 2 ALPACA ESTATES 4TH ADD
- 29-32-25-41-0022 LOT 2 BLOCK 2 ALPACA ESTATES 4TH ADD
- 29-32-25-41-0023 LOT 3 BLOCK 2 ALPACA ESTATES 4TH ADD
- 29-32-25-41-0024 LOT 4 BLOCK 2 ALPACA ESTATES 4TH ADD
- 28-32-25-23-0007 LOT 1 BLOCK 1 RAMSEY TOWN CENTER 3RD ADD, SUBJ TO EASE OF REC
UNPLATTED CITY OF RAMSEY THAT PART OF THE NE1/4 OF SW1/4 OF SEC 28-32-25 ANOKA CNTY, MN DESC AS FOL-BEG AT THE POINT OF INTERSECTION OF THE W LINE OF SAID NE1/4 OF SW1/4 WITH THE SLY RIGHT OF WAY LINE OF THE BURLINGTON NORTHERN RAILROAD-TH SLY ALONG SAID W LINE OF SAID NE1/4 OF SW1/4 TO ITS INTERSECTION WITH THE NLY RIGHT OF WAY LINE OF U S TRUNK HWY NO 10-TH SELY ALONG SAID NLY RIGHT OF WAY LINE OF SAID U S TRUNK HWY NO 10 A DIST OF 300.00 FT-TH NLY TO APOINT ON SAID SLY RIGHT OF WAY LINE OF SAID BURLINGTON NORTHERN RAILROAD DIST 366.80 FT SELY FROM THE PT OF BEG-TH NWLY ALONG SAID SLY RIGHT OF WAY LINE OF SAID BURLINGTON NORTHERN RAILROAD TO THE POINT OF BEG (SUBJ TO AN EASE FOR RD OVER THE ELY 25 FT THEREO F)
- 28-32-25-31-0003 THAT PRT OF NE1/4 OF SW1/4 OF SEC 28 TWP 32 RGE 25 DESC AS FOL: COM AT INTER OF W LINE OF SD 1/4 1/4 WITH NELY R/W LINE OF T H NO 10, TH SELY ALG SD R/W LINE 625 FT TO POB, TH CONT SELY ALG SD R/W LINE TO A PT 386.98 FT NWLY OF E LINE OF SD 1/4 1/4, AS MEAS ALG SD NELY R/W LINE, TH DEFL AT A RT ANG NELY TO INTER/W SWLY R/W LINE OF B & N R/R, TH NWLY ALG SD R/R R/W LINE TO A PT 691.80 FT SELY OF INTER/W W LINE OF SD 1/4 1/4 & SELY R/W LINE OF B & N R/R, TH SWLY TO POB, SUBJ TO EASE OF REC
- 28-32-25-31-0005 ALPACA ESTATES LOT 2 BLK 2 ALPACA EST EASE TO ST OF MN FOR RT OF ACCESS
- 28-32-25-32-0003 TO HWY NO 10(SUBJ TO EASE AS SHOWN ON PLAT)
- 28-32-25-32-0009 ALPACA ESTATES LOT 2 BLK 3 ALPACA EST EASE TO ST OF MN FOR RT OF ACCESS
- 28-32-25-41-0006 TO HWY NO 10(SUBJ TO EASE AS SHOWN ON PLAT)
- LOT 1 BLOCK 1 RAMSEY TOWN CENTER 4TH, SUBJ TO EASE OF REC
ALL THAT PRT OF LOTS 2 & 3 AUD SUB NO 34 LYG NWLY OF FOL DESC LINE: BEG AT A PT ON NELY LINE OF CSAH NO 10 585 FT NWLY OF SE COR OF SD LOT 3, AS MEAS ALG NELY LINE OF SD HWY, TH NELY TO A PT ON SWLINE OF R/W OF GREAT NORTHERN R/R CO, WHICH PT IS 490 FT NWLY OF NE COR OF SD LOT 3, AS MEAS ALG SWLY LINE OF SD R/R R/W, TH NWLY ALG SWLY LINE OF SD R/R R/W 495 FT TO POB OF SD LINE, TH SLY TO A PT ON NELY LINE OF SD HWY, WHICH PT IS 400 FT FROM POB & SD LINE THERE TERM, SUBJ TO EASE OF REC
- 28-32-25-42-0002 THAT PRT OF S1/2 OF SE1/4 SEC 28 T32 R25 (AKA PRT OF LOT 3 AUD SUB NO 34) LYG SLY OF SLY R/W LINE OF BN R/R, NLY OF NLY R/W LINE OF US HWY 10, WLY OF LINE A & ELY OF LINE B; SD LINE A DESC AS FOL: COM AT SE COR OF SD SEC, TH N 0 DEG 28 MIN 50 SEC W ALG E LINE OF SD SE1/4, 164.43 FT TO SD NLY R/W LINE, TH N 65 DEG 51 MIN 38 SEC W ALG SD NLY R/W LINE 806.12 FT, TH CONT NWLY ALG SD NLY R/W LINE ON A TAN CUR, CONC TO NE, RAD OF 22,673.76 FT, CEN ANG 1 DEG 42 MIN 24 SEC, 675.48 FT, TH N 64 DEG 09 MIN 14 SEC W ALG SD NLY R/W LINE 95.64 FT TO POB, TH N 1 DEG 25 MIN W 306.60 FT TO SD SLY R/W LINE & THERE TERM; SD LINE B DESC AS FOL: COM AT A PT ON SD NLY R/W LINE 447 FT NWLY, AS MEAS ALG SD NLY R/W LINE, FROM ITS INTER/W E LINE OF W1/2 OF SD SE1/4, TH N 62 DEG 05 MIN 41 SEC W ALG SD NLY R/W LINE 400 FT, TH N 1 DEG 20 MIN 02 SEC W 274.01 FT TO SD SLY R/W LINE, TH S 64 DEG 38 MIN 28 SEC E ALG SD SLY R/W LINE 495 FT, TH S 19 DEG 20 MIN 16 SEC W 264.04 FT TO SD NLY R/W LINE TO POB & THERETERM; EX RD; SUBJ TO EASE OF REC
- 28-32-25-43-0001 THAT PRT OF S1/2 OF SE1/4 SEC 28 T32 R25 (AKA PRT OF LOTS 3 & 7 AUD SUB NO 34) DESC AS FOL: COM AT SE COR OF SD SEC, TH N 0 DEG 28 MIN 50 SEC W ALG E
- 28-32-25-43-0003

- LINE OF SD SE1/4, 164.43 FT TO A MONUMENT ON NLY R/W LINE OF T H NO 10, TH N 65 DEG 51 MIN 38 SEC W ALG SD NLY R/W LINE 806.12 FT TO A MONUMENT ON SD NLY R/W LINE, TH CONT NWLY ALG SD NLY R/W LINE ON A TAN CUR, CONC TO NE, RAD 22,673.76 FT, CEN ANG 1DEG 18 MIN 57 SEC, 520.81 FT TO POB, TH CONT NWLY ALG SD R/W LINE ON SD CUR, CEN ANG 0 DEG 23 MIN 27 SEC, 154.67 FT TO A MONUMENT ON SD R/W LINE, TH N 64 DEG 09 MIN 14 SEC W ALG SD NLY R/W LINE 95.64FT, TH N 1 DEG 25 MIN W 306.60 FT TO INTER/W SLY R/W LINE OF BN R/R, TH S 66 DEG 42 MIN 01 SEC E ALG SD SLY R/W LINE 253.26 FT TO INTER/W A LINE BRG N 0 DEG 05 MIN 02 SEC W FROM POB, TH S 0 DEG 05 MIN 02 SEC E 314.94 FT TO POB; EX RD; SUBJ TO EASE OF REC
- 28-32-25-43-0007 LOT 1 BLOCK 1 THE DIAMONDS
THAT PRT OF LOT 7 AUD SUB NO 34 DESC AS FOL: COM AT SE COR OF SD LOT, TH N 0 DEG 3 MIN 28 SEC E ALG E LINE OF SD LOT 367.87 FT TO POB OF A LINE AKA LINE "A", TH SWLY TO A PT ON SWLY LINE OF SD LOT 111.9 FT NWLY, AS MEAS ALG SWLY LINE OF SD LOT, FROM POC & SD LINE "A" THERE TERM, TH NWLY ALG SD SWLY LINE 658.1 FT, TH N PRLL/W E LINE OF SD LOT TO INTER/W NELY LINE OF SD LOT, TH SELY ALG SD NELY LINE 350 FT, TH S PRLL/W E LINE OF SD LOT TO INTER/W SD SWLY LINE, TH SELY ALG SD SWLY LINE 180 FT TO POB, TH N PRLL/W SD E LINE TO INTER/W SD NELY LINE, TH SELY ALG SD NELY LINE 107.14 FT, TH S PRLL/W SDE LINE 177.43 FT, TH E PRLL/W S LINE OF SEC 28 TWP 32 RGE 25 TO INTER/W SD LINE "A", TH SWLY ALG SD LINE "A" TO SD SWLY LINE, TH NWLY ALG SD SWLY LINE TO POB, EX RD, SUBJ TO EASE OF REC
- 28-32-25-44-0003 AUDITORS SUB NO 34 THAT PART OF LOT 7 AUD SUB NO 34 ANOKA CNTY, MN DESC AS FOL-COM AT THE SE CORNER OF SAID LOT 7-TH NWLY ON THE SWLY LINE OF SAID LOT 7 DIST OF 770 FT-TH N & PRLL WITH THE E LINE OF SAID LOT 7 & TO THE NELY LINE OF SAID LOT 7-TH SELY ON SAID NELY LINE A DIST OF 200 FT TO THE PT OF BEG OF LAND TO BE DESC-TH CONT SELY ON THE NELY LINE OF SAID LOT 7 A DIST OF 150 FT-TH S & PRLL WITH THE E LINE OF SAID LOT 7 & TO THE SWLY LINE OF SAID LOT 7-TH NWLY ON SAID SWLY LINE TO A LINE DRAWN S FROM THE PT OF BEG & PRLL WITH THE E LINE OF SAID LOT 7-TH N & PRLL WITH THE E LINE OF SAID LOT 7 & TO THE PT OF BEG (SUBJ TO EASE OF RECORD IF ANY)
- 28-32-25-44-0005 AUDITORS SUB NO 34 THAT PART OF LOT 7 AUD SUB NO 34 ANOKA CNTY, MN DESC AS FOL-COM AT THE SW CORNER OF LOT 7 WHICH POINT IS THE INTERSECTION OF THEW LINE OF THE SE1/4 OF SE1/4 SECTION 28-32-25 WITH THE NLY LINE OF ST TRK HWY NO 10-TH SELY ALONG THE NLY LINE OF ST TRK HWY NO 10 A DIST OF 138 FT TO THE ACTUAL POINT OF BEG OF THE TRACT TO BE HEREIN DESC-TH CONT SELY ALONG THE N LINE OF SAID HWY 10 ADIST OF 500 FT-TH N & PRLL TO THE E LINE OF SAID LOT 7 TO THE NELY LINE OF LOT 7-TH NWLY ALONG THE NLY LINE OF LOT 7 TO A POINT ON SAID NLY LINE DIST 138 FT FROM THE NW CORNER THEREOF-THS TO THE POINT OF COM(EX THAT PART DESC AS FOL-THAT PART OF LOT 7 AUD SUB NO 34 ANOKA CNTY, MN DESC AS FOL-COM AT THE SW CORNER OF LOT 7 WHICH POINT IS THE INTERSECTION OF THE W LINE OF THE SE1/4 OF SE1/4 SEC 28-32-25 WITH THE NLY LINE OF ST TRK HWY NO 10-TH SELY ALONG THE NLY LINE OF ST TRK HWY NO 10 A DIST OF 538 FT TO THE ACTUAL POINT OF BEG OF THE TRACT OF LAND TO BE HEREIN DESC-TH CONT SELY ALONG THE N LINE OF SAID HWY TO A POINT DIST 770 FT AS MEAS ALONG THE N LINE OF SAID ST TRK HWY NO 10 FROM THE SE CORNER OF SAID LOT 7-TH N & PRLL WITH THE E LINE OF SAID LOT 7 TO THE N LINE OF SAID LOT 7-TH NWLY ALONG THE NLY LINE OF SAID LOT 7 TO THE POINT OF INTERSECTION WITH A LINE DRAWN PRLL WITH THE E LINE OF SAID LOT 7 DRAWN THROUGH THE POINT OF BEG-TH S TO THE POINT OF BEG ACCORDING TO THE PLAT T HEREOF ON FILE & OFRECORD I N THE OFFICE OF THE REGISTE R OF DEEDS OF ANOKA CNTY, M N)
- 28-32-25-44-0006
- 29-32-25-11-0008 LOT 3 BLK 1 HY-10 3RD ADD; EX RD SUBJ TO EASE OF REC
- 29-32-25-13-0005 LOT 2 BLOCK 1 ALPACA ESTATES 4TH ADD
- 29-32-25-14-0010 8019 146TH AVE NW , RAMSEY, MN 55303-0000
- 29-32-25-14-0013 LOT 2 BLOCK 1 HAUSER ADD
- 29-32-25-14-0014 LOT 3 BLOCK 1 HAUSER ADD
- 29-32-25-14-0016 LOT 4 BLOCK 1 ALPACA ESTATES 4TH ADD
- 29-32-25-41-0003 ALPACA ESTATES LOT 1 BLK 1 ALPACA EST EASE TO ST OF MN FOR RT OF ACCESS TO HWY NO 10(SUBJ TO EASE AS SHOWN ON PLAT)
- 29-32-25-41-0004 ALPACA ESTATES LOT 1 BLK 2 ALPACA EST EASE TO ST OF MN FOR RT OF ACCESS TO HWY NO 10(SUBJ TO EASE AS SHOWN ON PLAT)
- 29-32-25-11-0007 LOT 2 BLK 1 HY-10 3RD ADD; SUBJ TO EASE OF REC
- 29-32-25-11-0009 LOT 1 BLK 1 HY-10 RAMSEY 4TH ADD; SUBJ TO EASE OF REC
- 29-32-25-11-0010 LOT 2 BLK 1 HY-10 RAMSEY 4TH ADD; SUBJ TO EASE OF REC

29-32-25-11-0011 LOT 3 BLK 1 HY-10 RAMSEY 4TH ADD; SUBJ TO EASE OF REC

29-32-25-14-0005 LOT 1 BLK 1 HY-10 RAMSEY SUBJ TO EASE OF REC
 THAT PRT OF LOT 1 BLOCK 1 RAMSEY TOWN CENTER 11TH ADD LYG SLY OF FOL
 DESC LINE: COM AT SELY COR OF SD LOT, TH N ALG E LINE OF SD LOT 186.92 FT TO
 POB OF SD LINE, TH W 692.28 FT TO WLY LINE OF SD LOT & SD LINE THERE TERM,
 SUBJ TO EASE OF REC

28-32-25-42-0020 THAT PRT OF LOT 7 AUD SUB NO 34 DESC AS FOL: COM AT SW COR OF SD LOT, SD
 SW COR BEING INTER OF W LINE OF SE1/4 OF SE1/4 OF SEC 28 TWP 32 RGE 25
 WITH NLY R/W LINE OF TH NO 10, TH SELY ALG SD NLY R/W LINE 538 FT TO POB, TH
 CONT SELY ALG SD R/W LINE TO A PT 570 FT N OF SE COR OF SD LOT, TH N PRLL/W
 E LINE OF SD LOT 335 FT TO N LINE OF SD LOT, TH NWLY ALG SD N LINE TO PT OF
 INTER/W A LINE DRAWN NLY PRLL/W SD E LINE FROM POB, TH S ALG SD PRLL LINE
 TO POB, SUBJ TO EASE OF REC

28-32-25-44-0011 LOT 2 BLOCK 1 HY-10 RAMSEY 2ND ADD, EX N 70 FT THEREOF, SUBJ TO EASE OF
 REC

29-32-25-11-0013 LOT 1 BLK 2 HY-10 RAMSEY SUBJ TO EASE OF REC

29-32-25-14-0008 LOT 2 BLK 2 HY-10 RAMSEY SUBJ TO EASE OF REC

29-32-25-14-0009 LOT 4 BLK 2 HY-10 RAMSEY SUBJ TO EASE OF REC

29-32-25-14-0011 LOT 1 BLOCK 1 HAUSER ADD

29-32-25-14-0012 LOT 2 BLK 1 HY-10 RAMSEY TOG/W THAT PRT OF SW1/4 OF NE1/4 OF SEC 29 TWP
 32 RGE 25 LYG NELY OF NELY R/W LINE OF BN R/R, SUBJ TO EASE OF REC

29-32-25-14-0015 OUTLOT A RAMSEY TOWN CENTER 13TH ADD

28-32-25-41-0011 OUTLOT B RAMSEY TOWN CENTER 13TH ADD, SUBJ TO EASE OF REC

28-32-25-41-0012 LOT 1 BLOCK 1 RAMSEY TOWN CENTER 14TH ADD EX RD SUBJ TO EASE OF REC

28-32-25-41-0014 OUTLOT A RAMSEY TOWN CENTER 14TH ADD EX RD SUBJ TO EASE OF REC

28-32-25-41-0015 LOT 1 BLOCK 1 RAMSEY TOWN CENTER ADD

28-32-25-41-0002 OUTLOT A TOOTH ACRES

28-32-25-34-0002 OUTLOT B TOOTH ACRES

28-32-25-34-0003 UNPLATTED CITY OF RAMSEY LOTS 5 & 6 AUD SUB 34

28-32-25-43-0005 LOT 1 BLOCK 1 RAMSEY TOWN CENTER 13TH ADD, SUBJ TO EASE OF REC

28-32-25-41-0010 LOT 1 BLOCK 2 RAMSEY TOWN CENTER ADD

28-32-25-13-0005 OUTLOT V RAMSEY TOWN CENTER ADD

28-32-25-13-0007 OUTLOT A RAMSEY TOWN CENTER 7TH ADD

28-32-25-13-0033 OUTLOT B RAMSEY TOWN CENTER 7TH ADD

28-32-25-13-0034 OUTLOT CC RAMSEY TOWN CENTER ADD

28-32-25-14-0007 OUTLOT DD RAMSEY TOWN CENTER ADDITION, SUBJ TO EASE OF REC

28-32-25-14-0008 THAT PRT OF OUTLOT B RAMSEY TOWN CENTER 2ND ADD LYG ELY OF FOL DESC
 LINE: COM AT NW COR OF SD OUTLOT, TH S 89 DEG 42 MIN 54 SEC E, ASSD BRG,
 ALG NLY LINE OF SD OUTLOT 607.10 FT TO POB OF SD LINE, TH S 247.47 TO SLY
 LINE OF SD OUTLOT & SD LINE THERE TERM, SUBJ TO EASE OF REC

28-32-25-14-0094 THAT PRT OF OUTLOT B RAMSEY TOWN CENTER 2ND LYG SLY OF RAMSEY TOWN
 CENTER 7TH ADD & LYG WLY OF FOL DESC LINE: COM AT NW COR OF SD OUTLOT,
 TH S 89 DEG 42 MIN 54 SEC E ASSD BRG, ALG NLY LINE OF SDOUTLOT 607.10 FT TO
 POB OF SD LINE, TH S 247.47 FT TO SLY LINE OF SD OUTLOT & SD LINE THERE
 TERM, SUBJ TO EASE OF REC

28-32-25-14-0095 OUTLOT F RAMSEY TOWN CENTER ADD

28-32-25-22-0005 OUTLOT G RAMSEY TOWN CENTER ADD

28-32-25-23-0004 OUTLOT H RAMSEY TOWN CENTER ADD

28-32-25-23-0005 OUTLOT J RAMSEY TOWN CENTER ADD

28-32-25-24-0002 OUTLOT K RAMSEY TOWN CENTER ADD

28-32-25-24-0003 OUTLOT N RAMSEY TOWN CENTER ADD

28-32-25-24-0005 OUTLOT O RAMSEY TOWN CENTER ADD

28-32-25-24-0006 OUTLOT P RAMSEY TOWN CENTER ADD

28-32-25-24-0007 OUTLOT Q RAMSEY TOWN CENTER ADD

28-32-25-24-0008 TRACT A REG LAND SURVEY NO 241

28-32-25-24-0009 TRACT B REG LAND SURVEY NO 241

28-32-25-24-0010 TRACT C REG LAND SURVEY NO 241

28-32-25-24-0011

28-32-25-24-0012 TRACT D REG LAND SURVEY NO 241
28-32-25-24-0013 TRACT E REG LAND SURVEY NO 241
28-32-25-31-0009 OUTLOT R RAMSEY TOWN CENTER ADD
28-32-25-31-0012 LOT 1 BLOCK 1 RAMSEY TOWN CENTER 5TH ADD
28-32-25-31-0013 LOT 2 BLOCK 1 RAMSEY TOWN CENTER 5TH ADD
28-32-25-31-0014 OUTLOT A RAMSEY TOWN CENTER 5TH ADD
28-32-25-31-0015 OUTLOT M RAMSEY TOWN CENTER ADD, EX PRT PLATTED AS RAMSEY TOWN CENTER
5TH ADD, SUBJ TO EASE OF REC
OUTLOT GG RAMSEY TOWN CENTER ADD, EX THAT PRT OF SD OUTLOT DESC AS FOL:
BEG AT NW COR OF SD OUTLOT, TH S ALG WLY LINE OF SD OUTLOT 567.55 FT TO A
PT OF CURVATURE IN SD WLY LINE, TH SLY 36.04 FT ALGSD WLY LINE ALG A TAN
CUR CONC TO W RAD 540 FT & CEN ANG 03 DEG 49 MIN 27 SEC TO A PT OF
TANGENCY IN SD WLY LINE, TH S 03 DEG 49 MIN 27 SEC W ALG SD WLY LINE 87.95
FT TO MOST SLY COR IN SD WLY LINE, TH S 66 DEG 10 MIN 33 SEC E ALG SWLY LINE
OF SD OUTLOT 659.59 FT, TH N 957.75 FT TO NLY LINE OF SD OUTLOT, TH W ALG SD
NLY LINE 596.32 FT TO POB, SUBJ TO EASE OF REC
28-32-25-41-0009
28-32-25-42-0010 LOT 1A BLOCK 1 RAMSEY TOWN CENTER 5TH ADD
28-32-25-43-0008 OUTLOT A THE DIAMONDS
28-32-25-44-0012 OUTLOT HH RAMSEY TOWN CENTER ADD
29-32-25-13-0009 BLOCK PARK ALPACA ESTATES 4TH ADD
28-32-25-42-0017 OUTLOT A RAMSEY TOWN CENTER 11TH ADD
28-32-25-42-0018 OUTLOT B RAMSEY TOWN CENTER 11TH ADD
UNPLATTED CITY OF RAMSEY THAT PART OF THE NE1/4 OF SW1/4 OF SEC 28-32-25
ANOKA CNTY, MN DESC AS FOL-BEG AT THE INTERSECTION OF THE ELY LINE OF
SAID NE1/4 OF SW1/4 WITH THE NELY LINE OF U S HWY NO10 AS MONUMENTED TH
NWLY ALONG SAID NELY LINE OF SAID HWY A DIST OF 386.98 FT-TH NELY AT RIGHT
ANGLES TO SAID NELY LINE OF SAID HWY TO THE SWLY LINE OF THE BURLINGTON
NORTHERN RAILROAD-TH SELY ALONG SAID SWLY LINE OF SAID RAILROAD TO THE
SAID ELY LINE OF SAID NE1/4 OF SW1/4-TH SLY ON SAID ELY LI NE TO THE POINT
OF BEG
28-32-25-31-0002
28-32-25-23-0009 OUTLOT A RAMSEY TOWN CENTER 3RD ADD
THAT PRT OF W1/2 OF SE1/4 OF SEC 28 TWP 32 RGE 25 DESC AS FOL: COM AT SE
COR OF SD SEC, TH N 0 DEG 28 MIN 50 MIN W, ASSD BRG, ALG E LINE OF SD 1/4
164.43 FT TO MONUMENT A-85 ON NLY R/W LINE OF TH NO10 AS SHOWN ON MN
DEPT OF TRANSPORTATION PLAT 02-M4, TH N 65 DEG 51 MIN 38 SEC W ALG SD NLY
R/W LINE 806.12 FT TO MONUMENT A-39 AS SHOWN ON SD PLAT, TH CONT ALG SD
NLY R/W LINE ALG A TAN CUR CONC TONE RAD 22673.76 FT, CEN ANG 1 DEG 42
MIN 24 SEC 675.48 FT TO MONUMENT A-37 AS SHOWN ON SD PLAT, TH N 64 DEG 09
MIN 14 SEC W ALG SD NLY R/W LINE 430.18 FT TO POB, TH CONT N 64 DEG 09 MIN
14 SEC W ALGSD NLY R/W LINE 538 FT TO A PT 985 FT NWLY, AS MEAS ALG SD NLY
R/W LINE, FROM ITS INTER/W E LINE OF SD W1/2 OF SE1/4, TH N 4 DEG 33 MIN 33
SEC W 269.97 FT TO SLY R/W LINE OF BN R/R, TH S 66 DEG 42 MIN 01 SEC E ALG
SD SLY R/W LINE 630.93 FT TO INTER/W A LINE BRG N 16 DEG 12 MIN 07 SEC E
FROM POB, TH S 16 DEG 12 MIN 07 SEC W 264.61 FT TO POB, AKA PRT OF LOTS 2 &
3 AUD SUB NO 34, EX RD, SUBJ TO EASE OF REC
28-32-25-43-0002
29-32-25-11-0012 THE N 70 FT OF LOT 2 BLK 1 HY-10 RAMSEY 2ND ADD, SUBJ TO EASE OF REC

Assumptions Report

City of Ramsey, Minnesota
Tax Increment Financing (Redevelopment) District No. 14
The COR Project
Scenario 2 - Without FD

Type of Tax Increment Financing District	Redevelopment			
Maximum Duration of TIF District	25 years from 1st increment			
Projected Certification Request Date	06/30/11			
Decertification Date	12/31/37 (26 Years of Increment)			
	<u>2010/2011</u>			
Base Estimated Market Value	\$68,067,900			
Original Net Tax Capacity	\$1,128,643			
	Assessment/Collection Year			
	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>
Base Estimated Market Value	\$69,430,297	\$70,792,693	\$72,762,851	\$74,733,009
Increase in Estimated Market Value	15,385,318	30,770,635	48,023,192	65,275,748
Total Estimated Market Value	84,815,614	101,563,328	120,786,043	140,008,757
Total Net Tax Capacity	\$1,491,958	\$1,658,437	\$1,980,512	\$2,184,035
City of Ramsey	37.811%			
Anoka County	35.189%			
ISD #11	19.939%			
Other	6.627%			
Local Tax Capacity Rate	99.566%		2009/2010	
Fiscal Disparities Contribution From TIF District	41.9115%			
Administrative Retainage Percent (maximum = 10%)	10.00%			
Pooling Percent	0.00%			
Bonds	Note (Pay-As-You-Go)			
Bonds Dated	06/30/11	Note Dated	06/30/11	
Bond Issue @ 0.00% (NIC)	\$0	Note Rate	6.00%	
Eligible Project Costs	\$0	Note Amount	\$60,703,400	
Present Value Date & Rate	06/30/11		6.00%	

Notes

Assumptions include no future changes to the property tax system, class rates and tax rate.

The assumptions include the use of a 2% annual market value inflator starting in taxes payable 2018.

Projected Tax Increment Report

**City of Ramsey, Minnesota
Tax Increment Financing (Redevelopment) District No. 14
The COR Project
Scenario 2 - Without FD**

Annual Period Ending	Total Net Tax Capacity	Less: Original Net Tax Capacity	Less: Fiscal Disp. @ 0.0000%	Retained Captured Net Tax Capacity	Times: Tax Capacity Rate	Annual Gross Tax Increment	Less: State Aud. Deduction 0.360%	Less: Admin. Retainage 10.00%	Annual Net Revenue	P.V. Annual Net Rev. To 06/30/11 6.00%
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
12/31/11	1,128,643	1,128,643	0	0	99.566%	0	0	0	0	0
12/31/12	1,491,958	1,147,116	0	344,842	99.566%	343,345	1,236	34,211	307,898	286,223
12/31/13	1,658,437	1,165,590	0	492,846	99.566%	490,707	1,767	48,894	440,046	385,913
12/31/14	1,980,512	1,195,920	0	784,592	99.566%	781,187	2,812	77,838	700,537	579,584
12/31/15	2,184,035	1,226,249	0	957,786	99.566%	953,629	3,433	95,020	855,176	667,475
12/31/16	3,139,660	1,309,326	0	1,830,334	99.566%	1,822,390	6,561	181,583	1,634,246	1,203,348
12/31/17	3,567,802	1,392,404	0	2,175,398	99.566%	2,165,957	7,797	215,816	1,942,344	1,349,255
12/31/18	4,444,004	1,475,481	0	2,968,523	99.566%	2,955,640	10,640	294,500	2,650,500	1,736,961
12/31/19	5,351,168	1,558,559	0	3,792,609	99.566%	3,776,149	13,594	376,256	3,386,299	2,093,542
12/31/20	6,276,475	1,641,636	0	4,634,839	99.566%	4,614,724	16,613	459,811	4,138,300	2,413,640
12/31/21	7,220,288	1,724,713	0	5,495,575	99.566%	5,471,724	19,698	545,203	4,906,823	2,699,883
12/31/22	8,081,730	1,789,317	0	6,292,413	99.566%	6,265,104	22,554	624,255	5,618,295	2,916,374
12/31/23	8,960,400	1,853,920	0	7,106,479	99.566%	7,075,637	25,472	705,017	6,345,148	3,107,239
12/31/24	9,819,599	1,906,669	0	7,912,930	99.566%	7,878,588	28,363	785,023	7,065,202	3,264,011
12/31/25	10,695,982	1,959,417	0	8,736,565	99.566%	8,698,648	31,315	866,733	7,800,600	3,399,767
12/31/26	11,365,273	1,959,417	0	9,405,856	99.566%	9,365,035	33,714	933,132	8,398,189	3,453,034
12/31/27	11,982,720	1,959,417	0	10,023,303	99.566%	9,979,802	35,927	994,388	8,949,487	3,471,423
12/31/28	12,222,374	1,959,417	0	10,262,957	99.566%	10,218,416	36,786	1,018,163	9,163,467	3,353,230
12/31/29	12,466,822	1,959,417	0	10,507,405	99.566%	10,461,803	37,662	1,042,414	9,381,727	3,238,773
12/31/30	12,716,158	1,959,417	0	10,756,741	99.566%	10,710,057	38,556	1,067,150	9,604,351	3,127,950
12/31/31	12,970,481	1,959,417	0	11,011,064	99.566%	10,963,276	39,468	1,092,381	9,831,427	3,020,665
12/31/32	13,229,891	1,959,417	0	11,270,474	99.566%	11,221,560	40,398	1,118,116	10,063,046	2,916,819
12/31/33	13,494,489	1,959,417	0	11,535,072	99.566%	11,485,010	41,346	1,144,366	10,299,298	2,816,319
12/31/34	13,764,379	1,959,417	0	11,804,961	99.566%	11,753,728	42,313	1,171,142	10,540,273	2,719,069
12/31/35	14,039,666	1,959,417	0	12,080,249	99.566%	12,027,821	43,300	1,198,452	10,786,069	2,624,978
12/31/36	14,320,459	1,959,417	0	12,361,042	99.566%	12,307,395	44,307	1,226,309	11,036,779	2,533,955
12/31/37	14,606,869	1,959,417	0	12,647,452	99.566%	12,592,562	45,333	1,254,723	11,292,506	2,445,913
12/31/38	0	0	0	0	99.566%	0	0	0	0	0
12/31/39	0	0	0	0	99.566%	0	0	0	0	0
						\$186,379,894	\$670,965	\$18,570,896	\$167,138,033	\$61,825,343

Estimated Impact on Other Taxing Jurisdictions Report

City of Ramsey, Minnesota
Tax Increment Financing (Redevelopment) District No. 14
The COR Project
Scenario 2 - Without FD

Taxing Jurisdiction	Without Project or TIF District		With Project and TIF District					
	2009/2010 Taxable Net Tax Capacity (1)	2009/2010 Local Tax Rate	2009/2010 Taxable Net Tax Capacity (1)	Projected Retained Captured Net Tax Capacity +	New Taxable Net Tax Capacity =	Hypothetical Adjusted Local Tax Rate (*)	Hypothetical Decrease In Local Tax Rate (*)	Hypothetical Tax Generated by Retained Captured N.T.C. (*)
City of Ramsey	22,452,307	37.811%	22,452,307	\$12,647,452	35,099,759	24.187%	13.624%	3,058,990
Anoka County	350,143,958	35.189%	350,143,958	12,647,452	362,791,410	33.962%	1.227%	4,295,360
ISD #11	222,953,724	19.939%	222,953,724	12,647,452	235,601,176	18.869%	1.070%	2,386,402
Other (2)	---	6.627%	---	12,647,452	---	6.627%	---	---
Totals		99.566%				83.645%	15.921%	

*** Statement 1:** If the projected Retained Captured Net Tax Capacity of the TIF District was hypothetically available to each of the taxing jurisdictions above, the result would be a lower local tax rate (see Hypothetical Adjusted Tax Rate above) which would produce the same amount of taxes for each taxing jurisdiction. In such a case, the total local tax rate would decrease by 15.921% (see Hypothetical Decrease in Local Tax Rate above). The hypothetical tax that the Retained Captured Net Tax Capacity of the TIF District would generate is also shown above.

Statement 2: Since the projected Retained Captured Net Tax Capacity of the TIF District is not available to the taxing jurisdictions, then there is no impact on taxes levied or local tax rates.

(1) Taxable net tax capacity = total net tax capacity - captured TIF - fiscal disparity contribution, if applicable.

(2) The impact on these taxing jurisdictions is negligible since they represent only 6.66% of the total tax rate.

Market Value Analysis Report

**City of Ramsey, Minnesota
Tax Increment Financing (Redevelopment) District No. 14
The COR Project
Scenario 2 - Without FD**

<u>Assumptions</u>			
Present Value Date			06/30/11
P.V. Rate - Gross T.I.			6.00%
Increase in EMV With TIF District			591,723,309
Less: P.V of Gross Tax Increment			68,943,022
Subtotal			\$522,780,287
Less: Increase in EMV Without TIF			0
Difference			\$522,780,287
	Year	Annual Gross Tax Increment	Present Value @ 6.00%
1	2012	343,345	319,174
2	2013	490,707	430,342
3	2014	781,187	646,310
4	2015	953,629	744,319
5	2016	1,822,390	1,341,885
6	2017	2,165,957	1,504,589
7	2018	2,955,640	1,936,929
8	2019	3,776,149	2,334,562
9	2020	4,614,724	2,691,511
10	2021	5,471,724	3,010,709
11	2022	6,265,104	3,252,123
12	2023	7,075,637	3,464,961
13	2024	7,878,588	3,639,782
14	2025	8,698,648	3,791,167
15	2026	9,365,035	3,850,567
16	2027	9,979,802	3,871,073
17	2028	10,218,416	3,739,272
18	2029	10,461,803	3,611,638
19	2030	10,710,057	3,488,057
20	2031	10,963,276	3,368,420
21	2032	11,221,560	3,252,620
22	2033	11,485,010	3,140,549
23	2034	11,753,728	3,032,103
24	2035	12,027,821	2,927,180
25	2036	12,307,395	2,825,679
26	2037	12,592,562	2,727,501
		\$186,379,894	\$68,943,022



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MEMORANDUM

TO: Heidi Nelson, Deputy City Administrator/Director of Community Development

FROM: Tom Denaway, Analyst
Tony Schertler, Senior Vice President
Mikaela Huot, Assistant Vice-President

DATE: October 20, 2010

SUBJECT: TIF Plan Overview

At the request of the City we have prepared a draft TIF Plan for the COR Development at Ramsey project. Included with preparation of the TIF Plan is the development of a projected TIF revenue stream that assists with creation of the TIF Plan budget. The purpose of this memo is to outline the assumptions Springsted used to create the draft TIF Plan, as well as identify potential outstanding policy decisions related to the creation of the TIF District.

The memo will address the following topics:

1. Purpose of the TIF Plan
2. Build-out and value projections, including underlying assumptions
3. The impact of Fiscal Disparities election on the TIF Plan Budget
4. Proposed TIF Plan Budget for revenues and expenses

Purpose of the TIF Plan:

The TIF plan outlines the future development assumptions, notes the statutory authority under which the District is created and must adhere to, and sets the budget for the future revenues and expenses of the TIF District. The TIF Plan does not provide and/or require the direct financing of the projects.. It,does, however, provide the authority for the future financing of certain anticipated development activities, which is important for large TIF Districts such as the proposed HRA TIF District one in which future development activities may be unknown. The TIF Plan provides the HRA and City with the authority to enter into future financial obligations based on actual development activities. The build-out and value assumptions used in preparing the draft TIF Plan were used to set the overall budget authority for the District. These assumptions are based on the speculative nature of the project at this initial phase, and are used to set the budget of the District while providing the HRA and City with maximum flexibility with future administration.

The financing of specific public improvements, and/or the providing of development subsidies, should be evaluated on a case by case basis to determine feasibility, need for assistance, and the appropriate amount of financing issued. This financing analysis will be performed on more concrete development assumptions, and based on specific projects and development outcomes. It is assumed this secondary analysis will create the actual TIF obligations of the District for which the TIF Plan provides the authority, and will be based on specific development plans.

Build-Out Projections:

Private Residential Development:

We projected the remaining build-out for the privately owned residential portion of the COR Development area. Our projections were created using the existing building valuations in the area, and parcel information from Anoka County indicating which parcels are currently undeveloped. Based on this information we projected an additional 155 residential units will be constructed within this area and that the average valuation per home will be \$130,654, which is the current average value for the homes that have already been constructed in the area. The preliminary revenue projections include a 15-year build-out for the remaining homes. The chart below shows the current base values, the projected growth values, and the projections for future Tax Capacity.

*The average valuation per home assumption was prepared using current value information as provided by Anoka County. Additionally, a 2% annual market value inflator has been included starting in 2018, as directed by City Staff.

Private Residential Portion				
<u>Base Market Value</u>			<u>Base Tax Capacity</u>	
<u>Land</u>	<u>Building</u>	<u>Total</u>	<u>Total</u>	
3,738,000	14,633,300	18,371,300	178,393	
<u>Post Development Market Value</u>			<u>Post Dev Tax Cap.</u>	
<u>Land</u>	<u>Building</u>	<u>Total</u>	<u>Total</u>	
3,738,000	34,884,742	38,622,742	386,227	
		20,251,442	Growth	207,834
Build-Out Schedule: 15 Years, starting with construction in 2010				
<u>Year</u>	<u>Base TC</u>	<u>Total TC</u>	<u>Incremental Growth</u>	
1 - 2012	178,393	192,249	13,856	
2 - 2013	178,393	206,104	27,711	
3 - 2014	178,393	219,960	41,567	
4 - 2015	178,393	233,816	55,423	
5 - 2016	178,393	247,671	69,278	
6 - 2017	178,393	261,527	83,134	
7 - 2018	178,393	280,613	102,220	
8 - 2019	178,393	300,081	121,688	
9 - 2020	178,393	319,938	141,545	
10 - 2021	178,393	340,192	161,799	
11 - 2022	178,393	360,852	182,459	
12 - 2023	178,393	381,925	203,532	
13 - 2024	178,393	403,419	225,026	
14 - 2025	178,393	425,343	246,950	
15 - 2026	178,393	447,705	269,312	
16 - 2027	178,393	456,659	278,266	
17 - 2028	178,393	465,792	287,399	
18 - 2029	178,393	475,108	296,715	
19 - 2030	178,393	484,611	306,218	
20 - 2031	178,393	494,303	315,910	
21 - 2032	178,393	504,189	325,796	
22 - 2033	178,393	514,273	335,880	
23 - 2034	178,393	524,558	346,165	
24 - 2035	178,393	535,049	356,656	
25 - 2036	178,393	545,750	367,357	
26 - 2037	178,393	556,665	378,272	

Private Commercial Development – Within COR Area

Using the Anoka County property records system we identified the privately owned parcels within the COR area that are anticipated to include private commercial development. The projected future development assumptions, valuations and revenue projections for those parcels are included in the charts below. For this portion of the preliminary projections we assumed a 15-year build-out period with construction starting in 2010.

*The post development value assumptions were prepared using value/square foot information as provided by City Staff, and include a 2% annual market value inflator starting in 2018.

Private Development - Within COR Area				
Parcel ID	Parcel Size	Base Value	Post Develop. Value	Value Calculation
28-32-25-41-0007	1.27	460,900	2,095,500	SF/Acre Density of 15,000 and Value/SF of \$110.
28-32-25-42-0014	4.18	1,141,700	6,897,000	SF/Acre Density of 15,000 and Value/SF of \$110.
28-32-25-42-0015	5.23	1,430,900	8,629,500	SF/Acre Density of 15,000 and Value/SF of \$110.
28-32-25-41-0006	1.23	3,498,900	2,029,500	SF/Acre Density of 15,000 and Value/SF of \$110.
28-32-25-42-0020	3.14	3,542,900	9,410,900	Based on Current Bldg Value x 2 for additional build-out.
28-32-25-41-0011	9.98	2,720,200	16,467,000	SF/Acre Density of 15,000 and Value/SF of \$110.
28-32-25-41-0012	N/A	35,000	35,000	No Future Growth projected.
28-32-25-41-0014	1.36	1,058,600	2,244,000	SF/Acre Density of 15,000 and Value/SF of \$110.
28-32-25-41-0015	3	338,300	4,950,000	SF/Acre Density of 15,000 and Value/SF of \$110.
		14,227,400	52,758,400	

Private Commercial Portion (Within COR Area)			
Base Market Value			Base Tax Capacity
<u>Land</u>	<u>Building</u>	<u>Total</u>	<u>Total</u>
8,314,100	5,913,300	14,227,400	278,373
Post Development Market Value			Post Dev Tax Cap.
<u>Land</u>	<u>Building</u>	<u>Total</u>	<u>Total</u>
8,314,100	44,444,300	52,758,400	1,048,993
		38,531,000	Growth 770,620

Build-Out Schedule: 15 Years, starting with construction in 2010

<u>Year</u>	<u>Base TC</u>	<u>Total TC</u>	<u>Incremental Growth</u>
1 - 2012	278,373	329,748	51,375
2 - 2013	278,373	381,122	102,749
3 - 2014	278,373	432,497	154,124
4 - 2015	278,373	483,872	205,499
5 - 2016	278,373	535,246	256,873
6 - 2017	278,373	586,621	308,248
7 - 2018	278,373	649,728	371,355
8 - 2019	278,373	714,097	435,724
9 - 2020	278,373	779,754	501,381
10 - 2021	278,373	846,724	568,351
11 - 2022	278,373	915,033	636,660
12 - 2023	278,373	984,708	706,335
13 - 2024	278,373	1,055,777	777,404
14 - 2025	278,373	1,128,267	849,894
15 - 2026	278,373	1,202,207	923,834
16 - 2027	278,373	1,226,251	947,878
17 - 2028	278,373	1,250,776	972,403
18 - 2029	278,373	1,275,792	997,419
19 - 2030	278,373	1,301,308	1,022,935
20 - 2031	278,373	1,327,334	1,048,961
21 - 2032	278,373	1,353,881	1,075,508
22 - 2033	278,373	1,380,958	1,102,585
23 - 2034	278,373	1,408,577	1,130,204
24 - 2035	278,373	1,436,749	1,158,376
25 - 2036	278,373	1,465,484	1,187,111
26 - 2037	278,373	1,494,794	1,216,421

Private Commercial Development – Outside of COR Areas (TIF Areas A, B, C, D & E):

For the preliminary projections consisting of private commercial development outside COR areas, we utilized the value assumptions provided by the City, in addition to information provided by Anoka County for the base value information. We assumed a 10-year build-out period with construction starting in 2016. The charts below show the valuation assumptions along with the current base values, the projected growth values, and the projections for future Tax Capacity.

*The post development value assumptions were prepared using value/square foot information provided by City Staff, including the use of a 2% annual market value inflator starting in 2018.

Redevelopment TIF District Additions		Acres	Land Value	Valuation	TIF Value
A	Acquired and added to The CoR	15.00	\$ 5,227,200	\$ 16,200,000	\$ 16,200,000
B	NW quad of new Armstrong Overpass	60.40	\$ 21,048,192	\$ 65,232,000	\$ 65,232,000
C	600' Strip south of 10	64.30	\$ 22,407,264	\$ 69,444,000	\$ 69,444,000
D	Church Parcel	32.00	\$ 11,151,360	\$ 34,560,000	\$ 34,560,000
E	Diamonds Parcel	40.20	\$ 14,008,896	\$ 43,416,000	\$ 43,416,000
		211.90	\$ 73,842,912	\$ 228,852,000	\$ 228,852,000

Private Commercial Portion (TIF Areas A, B, C, D, E)				
Base Market Value				Base Tax Capacity
Land	Building	Total		Total
21,363,200	14,106,000	35,469,200		671,877
Post Development Market Value				Post Dev Tax Cap.
Land	Building	Total		Total
73,842,912	155,009,088	228,852,000		4,573,290
			193,382,800	Growth
				3,901,414
Build-Out Schedule: 10 - years, starting with construction in 2016				
Year	Base TC	Total TC	Incremental Growth	
1 - 2012	671,877	671,877	0	
2 - 2013	671,877	671,877	0	
3 - 2014	671,877	671,877	0	
4 - 2015	671,877	671,877	0	
5 - 2016	671,877	671,877	0	
6 - 2017	671,877	671,877	0	
7 - 2018	671,877	1,062,018	390,141	
8 - 2019	671,877	1,473,400	801,523	
9 - 2020	671,877	1,893,009	1,221,132	
10 - 2021	671,877	2,321,010	1,649,134	
11 - 2022	671,877	2,757,572	2,085,695	
12 - 2023	671,877	3,202,865	2,530,988	
13 - 2024	671,877	3,657,063	2,985,187	
14 - 2025	671,877	4,120,346	3,448,470	
15 - 2026	671,877	4,592,894	3,921,018	
16 - 2027	671,877	5,074,894	4,403,017	
17 - 2028	671,877	5,176,391	4,504,515	
18 - 2029	671,877	5,279,919	4,608,043	
19 - 2030	671,877	5,385,518	4,713,641	
20 - 2031	671,877	5,493,228	4,821,351	
21 - 2032	671,877	5,603,093	4,931,216	
22 - 2033	671,877	5,715,154	5,043,278	
23 - 2034	671,877	5,829,457	5,157,581	
24 - 2035	671,877	5,946,047	5,274,170	
25 - 2036	671,877	6,064,968	5,393,091	
26 - 2037	671,877	6,186,267	5,514,390	

COR Development Area – City Owned Properties:

For this portion of the preliminary projections we utilized the value assumptions provided by the City, in addition to information provided by Anoka County for the base value information. We assumed a 10-year build-out period with construction starting between 2010 and 2014 depending on project type. It is important to note for the TIF calculations that these parcels are currently tax-exempt. Because they are tax exempt, the base value of the parcels will not be set until the time the parcels are sold to a private party and become taxable. As a result, the base value of these parcels will not realize land value growth, and therefore the TIF revenue projections are based solely on the incremental growth created by the building developments. The chart below shows the valuation assumptions used in these projections. The TIF valuation is the net growth from the projected land value (used for the future base value calculation) and the total valuation. For the mixed-use district we assumed a 50% split between commercial and rental property uses. It should also be noted that Housing areas H4 & H5 are located outside of the boundaries of the TIF District.

*The post development value assumptions were prepared using value/square foot information provided by City Staff, including the use of a 2% annual market value inflator starting in 2018.

Retail District		Acres	Land Value	Valuation	TIF Value
R1	Large Flexible Retail Space	21.11	5,516,934	\$ 42,744,840	\$ 37,227,906
R2	Small Retail Space	4.78	2,500,116	\$ 9,685,367	\$ 7,185,251
R3	Large Flexible Retail Space	11.98	3,131,292	\$ 24,261,043	\$ 21,129,751
R4	Large Flexible Retail Space	11.28	2,947,122	\$ 22,834,106	\$ 19,886,984
R5	Med. Retail Adjacent to MXD	5.49	2,867,964	\$ 11,110,398	\$ 8,242,434
R6	Small Retail Adj to Sunwood	0.81	701,720	\$ 1,631,064	\$ 929,344
R7	Small Retail Adj to Sunwood	0.69	544,374	\$ 1,405,925	\$ 861,551
R8	Small Retail Adj to Sunwood	0.69	482,704	\$ 1,402,485	\$ 919,781
R9	Small Retail Adj to Sunwood	0.69	358,416	\$ 1,388,492	\$ 1,030,076
R10	Small Retail Adj to Sunwood	0.51	268,860	\$ 1,041,555	\$ 772,695
R11	Small Retail Adj to Sunwood	2.47	1,288,788	\$ 4,992,722	\$ 3,703,934
R12	Small Retail Adj to Sunwood	2.13	1,113,732	\$ 4,314,561	\$ 3,200,829
R13	Small Retail Adj to Sunwood	1.35	705,912	\$ 2,734,680	\$ 2,028,768
R14	Small Retail Adj to Sunwood	1.36	713,172	\$ 2,762,805	\$ 2,049,633
R15	Small Retail Adj to Sunwood	1.37	1,786,710	\$ 2,768,662	\$ 981,952
R16	Ramp Liner Space	0.70	613,100	\$ 1,425,077	\$ 811,977
R17	Ramp Liner Space	1.02	887,480	\$ 2,062,841	\$ 1,175,361
R18	Lakeside Restaurant Parcel	0.26	225,000	\$ 522,986	\$ 297,986
R19	Lakeside Restaurant Parcel	0.27	232,040	\$ 539,349	\$ 307,309
R120	Lakeside Restaurant Parcel	0.27	238,700	\$ 554,830	\$ 316,130
		69.23	27,124,136	\$ 140,183,786	\$ 113,059,650

Mixed Use District		Acres	Land Value	Valuation	TIF Value
M1	NW Quadrant	2.86	2,490,920	\$ 11,579,690	\$ 9,088,770
M2	SW Quadrant	2.72	2,366,020	\$ 10,999,060	\$ 8,633,040
M3	NE Quadrant	1.93	1,680,120	\$ 7,810,475	\$ 6,130,355
M4	SE Quadrant	1.07	932,880	\$ 4,336,736	\$ 3,403,856
M5	East Parcel	1.70	890,040	\$ 6,895,971	\$ 6,005,931
		10.28	8,359,980	\$ 41,621,932	\$ 33,261,952

Business District		Acres	Land Value	Valuation	TIF Value
B1	Large Business Parcel	7.60	1,984,926	\$ 12,540,000	\$ 10,555,074
B2	Corner - Ramsey Blvd Frontage	3.00	2,357,568	\$ 4,950,000	\$ 2,592,432
B3	Ramsey Blvd Frontage	1.70	677,151	\$ 2,805,000	\$ 2,127,849
B4	Ramsey Blvd Frontage	2.70	1,057,968	\$ 4,455,000	\$ 3,397,032
		15.00	6,077,613	\$ 24,750,000	\$ 18,672,387

Housing District		Acres	Land Value	Valuation	TIF Value
H1	High Density Res adj. to Lake	3.49	1,366,830	\$ 20,918,733	\$ 19,551,903
H2	Lifecycle Housing	7.17	2,500,272	\$ 27,981,694	\$ 25,481,422
H3	SW quad Ramsey/Bunker	5.34	1,396,884	\$ 16,034,022	\$ 14,637,138
H4	SF Site north of Bunker	0.00	-	\$ -	\$ -
H5	SF Triangle Site North of Bunker	0.00	-	\$ -	\$ -
		16.01	5,263,986	\$ 64,934,449	\$ 59,670,463

The following charts below show the current base values, the projected growth values, and the projections for future Tax Capacity.

Total COR Development Area (City Owned)				Retail/Commercial Districts			
<u>Base Market Value</u>				<u>Base Tax Capacity</u>			
<u>Land</u>	<u>Building</u>	<u>Total</u>		<u>Total</u>			
46,825,715	0	46,825,715		830,775			
<u>Post Development Market Value</u>				<u>Post Dev Tax Cap.</u>			
<u>Land</u>	<u>Building</u>	<u>Total</u>		<u>Total</u>			
46,825,715	224,664,452	271,490,167		4,580,877			
	224,664,452	Growth	3,750,102				
					113,059,650	Growth	2,246,193
<u>Year</u>	<u>Base TC</u>	<u>Total TC</u>	<u>Incremental Growth</u>	Build-Out Schedule: 10-Years, starting with construction in 2014			
1 - 2012	18,474	298,086	279,612	<u>Year</u>	<u>Base TC</u>	<u>Total TC</u>	<u>Incremental Growth</u>
2 - 2013	36,948	399,334	362,386	1 - 2012	0	0	0
3 - 2014	67,277	656,179	588,901	2 - 2013	0	0	0
4 - 2015	97,606	794,471	696,865	3 - 2014	0	0	0
5 - 2016	180,684	1,684,866	1,504,182	4 - 2015	0	0	0
6 - 2017	263,761	2,047,778	1,784,017	5 - 2016	52,748	752,102	699,354
7 - 2018	346,839	2,451,645	2,104,807	6 - 2017	105,497	976,721	871,225
8 - 2019	429,916	2,863,590	2,433,674	7 - 2018	158,245	1,220,875	1,062,630
9 - 2020	512,994	3,283,774	2,770,781	8 - 2019	210,993	1,469,912	1,258,919
10 - 2021	596,071	3,712,362	3,116,291	9 - 2020	263,741	1,723,929	1,460,188
11 - 2022	660,674	4,048,273	3,387,598	10 - 2021	316,490	1,983,027	1,666,538
12 - 2023	725,278	4,390,902	3,665,624	11 - 2022	369,238	2,247,307	1,878,069
13 - 2024	778,026	4,703,340	3,925,313	12 - 2023	421,986	2,516,873	2,094,886
14 - 2025	830,775	5,022,026	4,191,251	13 - 2024	474,734	2,791,829	2,317,095
15 - 2026	830,775	5,122,466	4,291,692	14 - 2025	527,483	3,072,285	2,544,802
16 - 2027	830,775	5,224,916	4,394,141	15 - 2026	527,483	3,133,731	2,606,248
17 - 2028	830,775	5,329,414	4,498,639	16 - 2027	527,483	3,196,406	2,668,923
18 - 2029	830,775	5,436,002	4,605,228	17 - 2028	527,483	3,260,334	2,732,851
19 - 2030	830,775	5,544,722	4,713,948	18 - 2029	527,483	3,325,540	2,798,058
20 - 2031	830,775	5,655,617	4,824,842	19 - 2030	527,483	3,392,051	2,864,568
21 - 2032	830,775	5,768,729	4,937,955	20 - 2031	527,483	3,459,892	2,932,409
22 - 2033	830,775	5,884,104	5,053,329	21 - 2032	527,483	3,529,090	3,001,607
23 - 2034	830,775	6,001,786	5,171,011	22 - 2033	527,483	3,599,672	3,072,189
24 - 2035	830,775	6,121,821	5,291,047	23 - 2034	527,483	3,671,665	3,144,182
25 - 2036	830,775	6,244,258	5,413,483	24 - 2035	527,483	3,745,099	3,217,616
26 - 2037	830,775	6,369,143	5,538,368	25 - 2036	527,483	3,820,000	3,292,518
				26 - 2037	527,483	3,896,400	3,368,918

Mixed Use Area - Rental				Mixed Use Area - Commercial			
<u>Base Market Value</u>			<u>Base Tax Capacity</u>	<u>Base Market Value</u>			<u>Base Tax Capacity</u>
<u>Land</u>	<u>Building</u>	<u>Total</u>	<u>Total</u>	<u>Land</u>	<u>Building</u>	<u>Total</u>	<u>Total</u>
4,179,990	0	4,179,990	52,250	4,179,990	0	4,179,990	79,850
<u>Post Development Market Value</u>			<u>Post Dev Tax Cap.</u>	<u>Post Development Market Value</u>			<u>Post Dev Tax Cap.</u>
<u>Land</u>	<u>Building</u>	<u>Total</u>	<u>Total</u>	<u>Land</u>	<u>Building</u>	<u>Total</u>	<u>Total</u>
4,179,990	16,630,976	20,810,966	260,137	4,179,990	16,630,976	20,810,966	408,719
		16,630,976	Growth	207,887			
				16,630,976	Growth	328,870	
Build-Out Schedule: 10-Years, starting with construction in 2010				Build-Out Schedule: 10-Years, starting with construction in 2010			
<u>Year</u>	<u>Base TC</u>	<u>Total TC</u>	<u>Incremental Growth</u>	<u>Year</u>	<u>Base TC</u>	<u>Total TC</u>	<u>Incremental Growth</u>
1 - 2012	5,225	73,039	67,814	1 - 2012	7,985	112,737	104,752
2 - 2013	10,450	93,827	83,377	2 - 2013	15,970	133,525	117,556
3 - 2014	15,675	114,616	98,941	3 - 2014	23,955	154,314	130,359
4 - 2015	20,900	135,405	114,505	4 - 2015	31,940	175,103	143,163
5 - 2016	26,125	156,193	130,069	5 - 2016	39,925	195,892	155,967
6 - 2017	31,350	176,982	145,632	6 - 2017	47,910	216,680	168,770
7 - 2018	36,575	201,311	164,736	7 - 2018	55,895	241,803	185,908
8 - 2019	41,800	226,125	184,326	8 - 2019	63,880	267,427	203,548
9 - 2020	47,025	251,437	204,412	9 - 2020	71,865	293,565	221,700
10 - 2021	52,250	277,254	225,004	10 - 2021	79,850	320,225	240,375
11 - 2022	52,250	282,799	230,549	11 - 2022	79,850	326,629	246,779
12 - 2023	52,250	288,455	236,205	12 - 2023	79,850	333,162	253,312
13 - 2024	52,250	294,224	241,974	13 - 2024	79,850	339,825	259,975
14 - 2025	52,250	300,109	247,859	14 - 2025	79,850	346,622	266,772
15 - 2026	52,250	306,111	253,861	15 - 2026	79,850	353,554	273,704
16 - 2027	52,250	312,233	259,983	16 - 2027	79,850	360,625	280,775
17 - 2028	52,250	318,478	266,228	17 - 2028	79,850	367,838	287,988
18 - 2029	52,250	324,847	272,598	18 - 2029	79,850	375,194	295,345
19 - 2030	52,250	331,344	279,095	19 - 2030	79,850	382,698	302,848
20 - 2031	52,250	337,971	285,721	20 - 2031	79,850	390,352	310,502
21 - 2032	52,250	344,731	292,481	21 - 2032	79,850	398,159	318,309
22 - 2033	52,250	351,625	299,375	22 - 2033	79,850	406,122	326,273
23 - 2034	52,250	358,658	306,408	23 - 2034	79,850	414,245	334,395
24 - 2035	52,250	365,831	313,581	24 - 2035	79,850	422,530	342,680
25 - 2036	52,250	373,148	320,898	25 - 2036	79,850	430,980	351,131
26 - 2037	52,250	380,611	328,361	26 - 2037	79,850	439,600	359,750

Business Park				Housing Areas - H1, H2, H3 (H4 & H5 are outside of district boundaries)			
<u>Base Market Value</u>				<u>Base Tax Capacity</u>			
<u>Land</u>	<u>Building</u>	<u>Total</u>		<u>Total</u>			
6,077,613	0	6,077,613		5,263,986	0	5,263,986	
<u>Post Development Market Value</u>				<u>Post Development Market Value</u>			
<u>Land</u>	<u>Building</u>	<u>Total</u>		<u>Total</u>			
6,077,613	18,672,387	24,750,000		5,263,986	59,670,463	64,934,449	
18,672,387			Growth	59,670,463			Growth
			370,448				596,705
Build-Out Schedule: 10-Years, starting with construction in 2012				Build-Out Schedule: 10-Years, starting with construction in 2010			
<u>Year</u>	<u>Base TC</u>	<u>Total TC</u>	<u>Incremental Growth</u>	<u>Year</u>	<u>Base TC</u>	<u>Total TC</u>	<u>Incremental Growth</u>
1 - 2012	0	0	0	1 - 2012	5,264	112,310	107,046
2 - 2013	0	0	0	2 - 2013	10,528	171,981	161,453
3 - 2014	11,855	155,597	143,742	3 - 2014	15,792	231,651	215,859
4 - 2015	23,710	192,642	168,931	4 - 2015	21,056	291,322	270,266
5 - 2016	35,566	229,687	194,121	5 - 2016	26,320	350,992	324,672
6 - 2017	47,421	266,731	219,310	6 - 2017	31,584	410,663	379,079
7 - 2018	59,276	309,111	249,835	7 - 2018	36,848	478,546	441,698
8 - 2019	71,131	352,338	281,206	8 - 2019	42,112	547,788	505,676
9 - 2020	82,987	396,429	313,443	9 - 2020	47,376	618,414	571,038
10 - 2021	94,842	441,403	346,561	10 - 2021	52,640	690,453	637,813
11 - 2022	106,697	487,275	380,578	11 - 2022	52,640	704,262	651,622
12 - 2023	118,552	534,066	415,513	12 - 2023	52,640	718,347	665,707
13 - 2024	118,552	544,747	426,195	13 - 2024	52,640	732,714	680,074
14 - 2025	118,552	555,642	437,090	14 - 2025	52,640	747,368	694,728
15 - 2026	118,552	566,755	448,203	15 - 2026	52,640	762,316	709,676
16 - 2027	118,552	578,090	459,538	16 - 2027	52,640	777,562	724,922
17 - 2028	118,552	589,652	471,099	17 - 2028	52,640	793,113	740,473
18 - 2029	118,552	601,445	482,893	18 - 2029	52,640	808,975	756,336
19 - 2030	118,552	613,474	494,921	19 - 2030	52,640	825,155	772,515
20 - 2031	118,552	625,743	507,191	20 - 2031	52,640	841,658	789,018
21 - 2032	118,552	638,258	519,706	21 - 2032	52,640	858,491	805,851
22 - 2033	118,552	651,023	532,471	22 - 2033	52,640	875,661	823,021
23 - 2034	118,552	664,044	545,491	23 - 2034	52,640	893,174	840,534
24 - 2035	118,552	677,324	558,772	24 - 2035	52,640	911,038	858,398
25 - 2036	118,552	690,871	572,319	25 - 2036	52,640	929,258	876,619
26 - 2037	118,552	704,688	586,136	26 - 2037	52,640	947,844	895,204

The following two charts show the summary tax capacity and market value information for all areas within the TIF District, and the TIF revenue projections.

Summary Page											
Taxes Payable		Private Residential		Private Commercial		TIF Areas A,B,C,D&E		COR Dev. Area		Total	
Year		Base TC	Total TC	Base TC	Total TC	Base TC	Total TC	Base TC	Total TC	Base TC	Total TC
1	2012	178,393	192,249	278,373	329,748	671,877	671,877	18,474	298,086	1,147,116	1,491,958
2	2013	178,393	206,104	278,373	381,122	671,877	671,877	36,948	399,334	1,165,590	1,658,437
3	2014	178,393	219,960	278,373	432,497	671,877	671,877	67,277	656,179	1,195,920	1,980,512
4	2015	178,393	233,816	278,373	483,872	671,877	671,877	97,606	794,471	1,226,249	2,184,035
5	2016	178,393	247,671	278,373	535,246	671,877	671,877	180,684	1,684,866	1,309,326	3,139,660
6	2017	178,393	261,527	278,373	586,621	671,877	671,877	263,761	2,047,778	1,392,404	3,567,802
7	2018	178,393	280,613	278,373	649,728	671,877	1,062,018	346,839	2,451,645	1,475,481	4,444,004
8	2019	178,393	300,081	278,373	714,097	671,877	1,473,400	429,916	2,863,590	1,558,559	5,351,168
9	2020	178,393	319,938	278,373	779,754	671,877	1,893,009	512,994	3,283,774	1,641,636	6,276,475
10	2021	178,393	340,192	278,373	846,724	671,877	2,321,010	596,071	3,712,362	1,724,713	7,220,288
11	2022	178,393	360,852	278,373	915,033	671,877	2,757,572	660,674	4,048,273	1,789,317	8,081,730
12	2023	178,393	381,925	278,373	984,708	671,877	3,202,865	725,278	4,390,902	1,853,920	8,960,400
13	2024	178,393	403,419	278,373	1,055,777	671,877	3,657,063	778,026	4,703,340	1,906,669	9,819,599
14	2025	178,393	425,343	278,373	1,128,267	671,877	4,120,346	830,775	5,022,026	1,959,417	10,695,982
15	2026	178,393	447,705	278,373	1,202,207	671,877	4,592,894	830,775	5,122,466	1,959,417	11,365,273
16	2027	178,393	456,659	278,373	1,226,251	671,877	5,074,894	830,775	5,224,916	1,959,417	11,982,720
17	2028	178,393	465,792	278,373	1,250,776	671,877	5,176,391	830,775	5,329,414	1,959,417	12,222,374
18	2029	178,393	475,108	278,373	1,275,792	671,877	5,279,919	830,775	5,436,002	1,959,417	12,466,822
19	2030	178,393	484,611	278,373	1,301,308	671,877	5,385,518	830,775	5,544,722	1,959,417	12,716,158
20	2031	178,393	494,303	278,373	1,327,334	671,877	5,493,228	830,775	5,655,617	1,959,417	12,970,481
21	2032	178,393	504,189	278,373	1,353,881	671,877	5,603,093	830,775	5,768,729	1,959,417	13,229,891
22	2033	178,393	514,273	278,373	1,380,958	671,877	5,715,154	830,775	5,884,104	1,959,417	13,494,489
23	2034	178,393	524,558	278,373	1,408,577	671,877	5,829,457	830,775	6,001,786	1,959,417	13,764,379
24	2035	178,393	535,049	278,373	1,436,749	671,877	5,946,047	830,775	6,121,821	1,959,417	14,039,666
25	2036	178,393	545,750	278,373	1,465,484	671,877	6,064,968	830,775	6,244,258	1,959,417	14,320,459
26	2037	178,393	556,665	278,373	1,494,794	671,877	6,186,267	830,775	6,369,143	1,959,417	14,606,869
Market Values*:		18,371,300	38,622,742	14,227,400	52,758,400	35,469,200	228,852,000	46,825,715	271,490,167	114,893,615	591,723,309

*Total Market Values prior to inflation.

Impact of Fiscal Disparity Calculation:

When a TIF District is established, the City must choose whether to elect for the fiscal disparities contribution generated from new commercial-industrial property be made from within the district (Option B) or from properties outside the district (Option A). Choosing Option B typically reduces the impact to other taxpayers within the City because all fiscal disparities contribution amounts are paid by properties within the district. However, it also results in reduced tax increment revenues captured. Electing Option A will maximize revenue collections within the district, but may have an impact on properties outside of the district, resulting in an estimated levy increase and tax rate increase to offset the required contribution amounts.

MN statute allows for the City to change the election of the fiscal disparities contribution from outside of the district to properties within the district once during the term of the TIF District. However it does not allow for the reverse scenario, of electing to have the contribution be from within the District to outside the district. The impact of the fiscal disparities election is illustrated in the chart below and in the proposed budgets for the new district.

Historically the City has created TIF Districts electing both Option A and B. The City's existing TIF District Nos. 1, 2, 4, & 8 have all been established under Option A and the remaining districts elected Option B. As a result of the districts previously established under Option A, we estimate the City's total levy amount has been increasing, to make up for the collection of TIF on the Fiscal Disparity portion of those districts. Based on available information, we have prepared projections of this estimate for taxes payable 2011 of \$380,860, which is shown under the existing levy amount columns for both Option A and B. We have estimated the annual levy amounts through the remaining terms of the districts and as the districts are decertified the annual levy amounts should decrease.

The chart below illustrates the estimated impact to the City of electing Option A (fiscal disparities contribution outside the district) as opposed to Option B (fiscal disparities contribution from properties within district). With Option A, we estimate the City would have the additional annual TIF revenues as increased revenues (shown in the third column) resulting from the portion that would be used as the fiscal disparities contribution. If Option A is elected the result is increased revenues available in the district, however there is also estimated to be a need to levy a certain amount to offset the cost of the new district. The illustration of the estimated new levy amount is indicated under Option A (titled New Levy Amount).. With decertification of existing districts, the total estimated levy amount will be lower than the 2011 amount from 2012 through 2018. As commercial-industrial development occurs within the district, under Option A the estimated New Levy Amount will increase through the term of the district. With Option B we assume the City would not capture the increased TIF revenues illustrated in the third column. In addition, we include estimated existing annual levy amounts (same as Option A) with decreases in the existing levy amount as existing districts decertify. With Option B there would be less impact on properties outside the district but no capture of the additional TIF revenues provided under Option A. This difference is reflected in the two TIF Plan budgets shown above.

Option A								Option B		
Calculated with Fiscal Disparities from outside District								Calculated with Fiscal Disparities from within District		
Year	New District Fiscal Disparity Tax Capacity	Frozen Tax Rate	Increased TIF Revenue			Combined Impact of Fiscal Disparities**		Increased TIF Revenue	Impact of Fiscal Disparities From Existing Districts	
				Existing Levy Amount*	New Levy Amount	Total Levy Amount	Tax Rate		Existing Levy Amount***	Tax Rate
2011	N/A	N/A	N/A	380,860	N/A	380,860	1.83%	N/A	380,860	1.83%
2012	65,435	99.566%	65,151	345,609	22,710	368,318	1.64%		345,609	1.54%
2013	92,333	99.566%	91,932	342,787	31,802	374,589	1.61%		342,787	1.47%
2014	179,476	99.566%	178,697	99,517	60,669	160,186	0.62%		99,517	0.38%
2015	216,931	99.566%	215,990	47,382	72,541	119,922	0.44%		47,382	0.17%
2016	547,496	99.566%	545,120	47,306	180,760	228,066	0.81%		47,306	0.17%
2017	656,985	99.566%	654,134	47,313	216,292	263,605	0.91%		47,313	0.16%
2018	947,145	99.566%	943,034	47,319	309,173	356,493	1.20%		47,319	0.16%
2019	1,249,348	99.566%	1,243,926	47,326	404,448	451,774	1.47%		47,326	0.15%
2020	1,558,204	99.566%	1,551,442	47,332	500,454	547,786	1.73%		47,332	0.15%
2021	1,873,846	99.566%	1,865,713	47,338	597,298	644,636	1.98%		47,338	0.15%
2022	2,191,042	99.566%	2,181,533	47,344	693,493	740,837	2.21%		47,344	0.14%
2023	2,515,124	99.566%	2,504,208	47,350	790,726	838,075	2.43%		47,350	0.14%
2024	2,835,672	99.566%	2,823,365	47,355	886,036	933,391	2.62%		47,355	0.13%
2025	3,163,073	99.566%	3,149,345	47,361	982,557	1,029,917	2.81%		47,361	0.13%
2026	3,425,430	99.566%	3,410,563	47,366	1,059,966	1,107,332	2.93%		47,366	0.13%
2027	3,671,502	99.566%	3,655,568	47,371	1,132,530	1,179,901	3.03%		47,371	0.12%
2028	3,758,982	99.566%	3,742,668	47,376	1,160,344	1,207,721	3.02%		47,376	0.12%
2029	3,848,212	99.566%	3,831,511		1,187,678	1,187,678	2.86%			0.00%
2030	3,939,226	99.566%	3,922,130		1,215,639	1,215,639	2.84%			0.00%
2031	4,032,060	99.566%	4,014,561		1,244,942	1,244,942	2.82%			0.00%
2032	4,126,751	99.566%	4,108,841		1,274,854	1,274,854	2.80%			0.00%
2033	4,223,336	99.566%	4,205,007		1,305,387	1,305,387	2.79%			0.00%
2034	4,321,853	99.566%	4,303,096		1,336,554	1,336,554	2.77%			0.00%
2035	4,422,340	99.566%	4,403,147		1,368,367	1,368,367	2.75%			0.00%
2036	4,524,836	99.566%	4,505,199		1,400,840	1,400,840	2.74%			0.00%
2037	4,629,383	99.566%	4,609,291		1,433,986	1,433,986	2.72%			0.00%

*This is the existing levy amount based on the currently existing TIF Districts, as projected for 2011

**This column shows the combined impact of the existing TIF Districts and the new proposed District. Prior to 2021, the decertification of the existing Districts offsets the cost of the new District resulting in the decreasing levy amount.

*** Levy Savings are realized as existing TIF Districts are decertified
 If the new District is calculated without Fiscal Disparities the City will realize savings as existing Districts are decertified, however the increased TIF revenue from the new District will not be realized.

Proposed Budgets

As we have indicated in the previously, when establishing a TIF District the City must choose whether to elect for the fiscal disparities contribution generated from new commercial-industrial property be made from within the district (Option B) or from properties outside the district (Option A). Option B typically results in reduced tax increment revenues captured, but reduces impact to other taxpayers. Option A will maximize revenue collections within the district, but may have an impact on properties outside of the district.

The fiscal disparities election will impact the amount of estimated available total tax increment revenues, and will control the amount of budgeted expenditures. The draft TIF Plan has been prepared with the assumption of the City choosing Option A (fiscal disparities contribution made from properties outside the district) and includes the estimated maximum amount of revenues generated for the full term of the District. The purpose is to maximize the tax increment revenues of the district. As the TIF district grows, if it is determined the impact of this election is too great; the City could modify the Plan and elect to have the contribution be made from commercial-industrial properties within the District.

It is important to note that both budget scenarios are based on anticipated but unknown future development assumptions. It is likely the HRA and City will need to administratively amend the budget, and or formally modify. Under current TIF Statute the City will have the authority to adjust the specific line-item amounts of the TIF Plan budgets without requiring a public hearing, provided the total revenues and expenses have not increased. As a result, it is important to estimate tax increment revenues and expenditures for the TIF Plan budget in a realistic manner that provides the HRA and City with maximum flexibility. Any increase in tax increment revenues and or total project costs will require a formal budget modification. Adjusting the individual project costs without increasing the total expenditure amount will not require a formal budget modification.

Without Fiscal Disparities (included in draft TIF Plan)

Estimated Expenses	TIF Budget (Option A)	TIF Budget (Option B)
Land/Building acquisition, Special Assessments, Public Utilities, Site Improvements/Preparation Costs, Northstar Transit Station and related infrastructure, and other Eligible Improvements *Project costs based on Present Value of TIF assuming an interest rate of 6%	\$61,825,343	\$40,082,416
Bond/Note Interest Payments	105,312,690	67,219,151
Administrative expenses	18,570,896	11,922,397
Other Expenditures		
Capitalized Interest payments		
Total	\$185,708,929	\$119,223,964

Estimated Revenues		
Tax Increment revenue	\$185,708,929	\$119,223,964
Interest on invested funds	0	0
Bond proceeds	0	0
Loan proceeds	0	0
Grants	0	0
Other	0	0
Total	\$185,708,929	\$119,223,964

City of Ramsey, Minnesota

Tax Increment Financing (Redevelopment) District No. 14
(The COR Development Project)

Time Schedule

Tuesday, October 26, 2010	Presentation of draft TIF Plan to City Council (Special Meeting)
Tuesday, October 26, 2010 @ 7:00 pm	City Council calls for public hearing for Tuesday, December 14 (resolution provided by Briggs & Morgan)
On/Before November 1, 2010	County Commissioner <u>receives</u> notification letter (sent by SPRINGSTED) 30 days prior to publication of notice of public hearing
On/Before November 12, 2010	County and School District <u>receive</u> impact letters & draft TIF plan (sent by SPRINGSTED) 30 days prior to public hearing
Thursday, November 4, 2010 Or Thursday, December 2, 2010 @ 7:00 pm	City Planning Commission reviews TIF documents (TIF documents provided by SPRINGSTED) (resolution provided by Briggs & Morgan)
Friday, December 3, 2010 Deadline: November 24, 2010	Publication of notice of public hearing (arrangements made by SPRINGSTED) 10-30 days prior to public hearing
Tuesday, December 14, 2010 @ 7:00 pm	City Council holds public hearing, and adopts resolution establishing TIF District (resolution provided by Briggs & Morgan)
After December 14, 2010	State filing and request for county certification (completed by SPRINGSTED)

Date: 11/23/2010

By: Jo Thieling
Administrative Services

Information

Title:

Review Legislative Agenda for 2011

Background:

The purpose of this topic report is to discuss the legislative agenda for the 2011 session. Staff has invited Senator Jungbauer and Representative Abeler to the meeting to provide their perspective on the coming session and to discuss some of the City's legislative initiatives.

Observations:

The following items are proposed for consideration in the City's 2011 legislative agenda:

1. COR Tax increment financing district modifications. Several modifications of the COR TIF district are desirable for the successful implementation of the district. These modifications include a technical modification of the boundary description, an expansion of the eligible activities to be more consistent with an economic development district (as opposed to redevelopment), inclusion of recently constructed projects as increment, and possible modifications to fiscal disparities as it applies to this district.
2. Revisions to the state open meeting law to allow Cities that are acting as developers to close a meeting to discuss the development and management of real estate projects.
3. Ramsey Rail station funding of \$3.08 million in state bonding and/or transit appropriations.
4. Armstrong interchange funding of \$5+ million in state bonding.
5. Street improvement districts (see page 36 of attached Metro Cities document) would be a key component of the City's efforts to reconstruct and maintain its streets infrastructure.
6. Possible other: Sales tax on local government (p.5 attached), administrative fines (p.10), selection of Metropolitan Council member (p.26), and others as discussed.

Council Action:

Consider legislative priorities based upon discussion.

Attachments

metro cities

Form Review

Inbox	Reviewed By	Date
Jo Thieling (Originator)	Jo Thieling	11/18/2010 09:27 AM
Heidi Nelson	Jo Thieling	11/18/2010 09:45 AM
Kurt Ulrich	Kurt Ulrich	11/18/2010 04:49 PM
Form Started By: Jo Thieling		Started On: 11/18/2010 09:06 AM
Final Approval Date: 11/18/2010		

DRAFT



Legislative Policies

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Municipal Revenue & Taxation (I)

I-A State and Local Fiscal Relationship

Metro Cities supports a strong state and local fiscal relationship that emphasizes adequacy, equitability and accountability for public resources, and effective communication between the state, its cities, and the public about the roles and responsibilities of state and local governments. Metro Cities believes that the state and local relationship is in decline, as expressed through continued reductions in state aids and credits, and increasingly unpredictable levels of those aids and credits. The diminishment of the state and local partnership has forced the funding of city services to be disproportionately reliant on the property tax and has placed an undue burden on city cash flows. Increasingly, cities are also bearing more of the responsibility for the costs for services that have historically been the responsibility of the state.

Metro Cities supports a state and local fiscal relationship that affirms the goal of all citizens receiving adequate levels of basic public services at relatively similar levels of taxation, that compensates cities for service costs created by non-taxpaying users of city services, that reduces tax burden disparities among communities, and that assists cities with high needs and relatively low fiscal capacities.

Metro Cities supports a strong state and local fiscal partnership that emphasizes the following principles:

- Strong financial stewardship and accountability for public resources that emphasizes maximizing efficiencies in service delivery and effective communication between the state and local units of government, and to the public, about state and local roles and responsibilities;
- Certainty and predictability in revenue sources including the property tax and local government aids;
- Adequate revenue sources available to cities that allow the needs of cities to be met, mandates to be funded, and that maintain our state's economic vitality and competitiveness;
- Recognition that a 'one size fits all' system that limits cities to the property tax as the major non-state aid revenue source does not fit all and to permit access to other tax and revenue sources that are not currently accessible as well as oppose reductions or limitations on the use of various license, development, or other general fees to pay for related services;

I-B Levy Limits

Metro Cities strongly opposes levy limits. Levy limits undermine local budgeting processes, planned growth, and the relationship between locally elected officials and their residents

by allowing the state to decide the appropriate level of local taxation and services, despite varying local conditions and circumstances.

I-C Restrictions on Local Government Budgets

Metro Cities opposes the imposition of artificial mechanisms such as valuation freezes, payroll freezes, reverse referenda, super majority requirements for levy, or other limitations to the local government budget and taxing process.

I-D Local Government Aid (LGA)

The LGA program, originally enacted in 1971, was created with the goals of providing property tax relief, and ensuring a sufficient level of revenues for local government needs. Metro Cities supports Local Government Aid (LGA), the only form of general purpose state aid to Minnesota cities, as a means of ensuring that all cities are able to provide basic public services without over-burdening the property tax.

In response to the state's budget deficits, LGA has been continually reduced. These reductions have fallen disproportionately on metropolitan area communities. Overall, reductions to local government aids and credits have been greater on a percentage basis than reductions made to other areas of the state budget. The level of reductions and unallotments and the unreliability of funding from year to year undermine the goals of the LGA program. Metro Cities strongly opposes the continued reductions of Local Government Aid for the purpose of balancing state budget deficits.

Metro Cities supports the restoration of LGA, adequate funding of the LGA program and the continuation of LGA to those cities whose public service needs and costs exceed their ability to pay.

I-E Local Government Aid Reform

Metro Cities supports reforming the LGA program and distribution formula to address geographic disparities, the issue of volatility, and the needs of metro area cities not addressed through the current formula and distribution.

As a result of modifications and reductions to LGA, aids to metro area cities have been reduced on a per capita basis by almost 50%. Metro Cities supported the formula modifications and LGA increase in 2008. However, the LGA formula continues to be geographically disparate and volatile, and the level of funding inadequate to support the goals of the LGA program.

Metro Cities supported the establishment of the LGA study group, passed by the 2008 Legislature, to conduct an analysis of the LGA program that includes an examination of existing geographic disparities in the distribution of Local Government Aid, an analysis of current need and capacity factors and consideration of alternative factors, an analysis of

the formula used to calculate aid for small cities, volatility in the local government aid distribution and the impact of including the unique needs of rapidly growing cities on the LGA formula. Metro Cities supported the extension of the study group to December, 2012. Metro Cities further supports having the study group consider the LGA program in the context of the overall state and local fiscal relationship.

I-F State Property Tax Relief Programs

Metro Cities supports state funded property tax relief programs that are paid directly to homestead property taxpayers such as the circuit breaker and enhanced targeting for special circumstances. Metro Cities supports the update of the Department of Revenue's "Voss" database to link income and property values, and the consideration of income relative to property taxes paid in determining eligibility for state property tax relief programs.

Metro Cities supports an analysis of the State's property tax relief programs to determine their effectiveness and equity in providing property tax relief to individuals and families across the state.

I-G Market Value Homestead Credit

Metro Cities supports the Market Value Homestead Credit Program, a state aid to individual homestead property taxpayers, as a direct credit to the taxpayer, rather than a reimbursement to local units of government. The current MVHC reimbursement structure undermines accountability in a number of ways, most directly by enabling the state to reduce or even eliminate the reimbursement to local units of government while preserving the benefit of the credit to the homeowner.

In response to the state's budget deficit, MVHC payments to local governments have been continually reduced and unallotted, resulting in an unreliability in the reimbursement, and a shift of the state's property tax relief program onto cities. Metro Cities opposes state funding reductions to the current Market Value Homestead Credit Program for the purpose of balancing state budget deficits, as these reductions shift the burden for funding a state mandated program onto local governments.

If the state reduces funding for the program, there should be a corresponding reduction in the credit received by the taxpayer.

I-H Property Valuation Limits/Limited Market Value

Metro Cities strongly opposes the use of artificial limits in valuing property at market for taxation purposes, since such limitations shift tax burdens to other classes of property and create disparities between properties of equal value.

I-I Fiscal Disparity Fund Distribution

Metro Cities supported the passage of 2010 legislation to conduct an analysis of the Fiscal Disparities Program. The study will be conducted by the Commissioner of Revenue and is due February 1, 2012. The study shall analyze the benefits of economic growth across the region, the program's impact on tax rates across the region, the impact of homestead property tax burdens across jurisdictions, and the relationship between the impacts of the program and overburden on jurisdictions with properties that provide regional benefits. Metro Cities supports the continuation of the fiscal disparities program unless an appropriate replacement is developed. Metro Cities opposes the use of fiscal disparities to fund social or physical metropolitan programs since it results in a metropolitan-wide property tax increase hidden from the public.

I-J Constitutional Tax and Expenditure Limits

Metro Cities strongly opposes including tax and expenditure limits in the state constitution. This would eliminate any flexibility on the part of the Legislature or local governments to respond to unanticipated critical needs, emergencies, or fluctuating economic situations. When services such as education, public safety and health care require increased funding beyond the overall limit, experiences in at least one other state indicate that other publicly funded services receive less than adequate resources. Constitutional limits result in a reduced base during times of economic downturn and the inability to recover to previous service levels when economic prosperity returns.

I-K State Property Tax

The 2001 Property Tax Reform Act shifted general education funding to the state, and funded it, in part, with a new state property tax on commercial/industrial and cabin property. The statute governing the state levy was subsequently amended so that the levy is no longer dedicated to education, and the levy is automatically adjusted by the rate of inflation as measured by the implicit price deflator.

Since cities' only source of general funds is the property tax, Metro Cities strongly opposes extension of a state-levied property tax to additional classes of property. Metro Cities supports efforts to have the state provide information on the property tax statement regarding the state property tax.

I-L Class Rate Tax System

Metro Cities opposes elimination of the class rate tax system, or applying future levy increases to market value, since this would further complicate the property tax system.

I-M Personal Property Taxation: Electric Utility

The Minnesota Department of Revenue has revised its regulations for calculating the taxable market value of electric and natural gas utility property. This affects property taxes paid by investor-owned utilities (IOUs) not only to the state, but also to local governments. Provisions in the previous regulations, such as depreciation limits and prescribed weights for the cost and income approaches to value, helped to preserve the taxable value of this property over the many decades it is in service.

IOUs enjoy a guaranteed rate of return on their capital investments, but host cities experience the costs of environmental damage, nuisance and lost economic development as the result of this property. IOUs argued that their property is over-valued and that depreciation limits should be removed. However, changes to the utility property valuation rules will drastically reduce the taxable market value that helps compensate host cities for hosting base load electric generation facilities.

Metro Cities opposes changes to the utility property valuation rules that result in a significant decline in the taxable market value of utility property. Metro Cities supports state appropriated aid to cities to keep them financially whole and to compensate for the economic and environmental costs of hosting base load electric generation facilities, rather than through increases in property class rates or other mechanisms.

I-N Sales Tax on Local Government Purchases

State law currently requires local governments, with the exception of public schools, nursing homes, hospitals and public libraries, to pay sales tax. The law exempts certain local government units from some specific purchases such as ambulance vehicles and equipment, road and bridge maintenance, emergency rescue vehicles, and others. Metro Cities supports a reinstatement of the sales tax exemption for all local government purchases, since such charges represent a double tax upon our citizens.

I-O City Revenue Stability and Fund Balance

Metro Cities opposes state attempts to control or restrict city fund balances. These funds are necessary to maintain fiscal viability, meet unexpected or emergency resource needs, purchase capital goods and infrastructure, provide adequate cash flow and maintain high level bond ratings.

I-P Public Employees' Retirement Association (PERA)

Metro Cities supports employees and cities sharing equally in the cost of necessary contribution increases, the standard for the PERA General Plan, and a 60% employer/40% employee split, the standard for the PERA Police and Fire Plan. Metro Cities also supports state assistance to local governments to cover any additional contribution burdens placed on cities over and above contribution increases required by employees. Cities should

receive sufficient notice of these increases so that they may take them into account for budgeting purposes.

In 2010, pension stabilization legislation was enacted to begin addressing the funding deficiency in the PERA pension plans. The modifications will increase employer contributions by \$16 million annually, but the overall legislative package, including a reduction in the annual retiree adjustment, an increase in vesting to five years, and a reduction in interest rates on refunds will reduce the unfunded liability in the plans by \$300 million annually.

To help ensure the fiscal health of the PERA system, Metro cities supports the legislative changes made in 2010, and opposes benefit improvements for active employees or retirees until the financial health of the PERA General Plan and PERA Police and Fire Plan are restored.

Metro Cities supports modifications to help align PERA contributions and costs, and reduce the need for additional contribution increase, including a modification of PERA eligibility guidelines to account for temporary, seasonal and part time employment situations, the use of pro-rated service credit, and a comprehensive review of exclusions to simplify eligibility guidelines.

Metro Cities will monitor legislative proposals, plan design changes and the joint study of the state's public pension plans and when necessary and appropriate, respond in a manner that supports this policy and provides for the fair treatment of employees and the protection of municipalities' interests.

I-Q Aggregate Mining Fee

In order to provide an incentive for the extraction of local aggregate resources prior to urbanized development, and in order to help offset the negative impacts of aggregate mining on local communities, the state should authorize cities and townships to collect a per ton host community fee from the operators of aggregate mines with the fee proceeds to be deposited in the municipality's general fund.

The 2008 Legislature adopted an Aggregate Resource Preservation Act as an incentive for the extraction of local aggregate resources prior to urbanized development, as well as a modified tax structure that requires 42.5% of the aggregate tax to be distributed to host cities and townships. Metro Cities supports legislative efforts to assist aggregate host cities in offsetting the negative impacts of aggregate mining on local communities. Metro Cities would prefer that cities and townships be allowed to collect a per ton host community fee from the operators of aggregate mines with the fee proceeds to be deposited in the municipality's general fund. The Legislature may wish to consider an examination of the negative impacts of aggregate mining on cities adjacent to host cities.

I-R State Program Revenue Sources

Metro Cities opposes any attempt by the state to finance programs of statewide value and significance with local revenue sources such as municipal utilities or property tax mechanisms. These local revenue sources are created to finance local government services. Statewide programs, such as the Clean Water Legacy Act, serve important state goals and objectives, and should be financed through traditional state revenue sources such as the income or sales tax.

I-S Post Employment Benefits

Metro Cities supported 2008 statutory changes that allow local governments to establish trusts from which to fund post-employment health and life insurance benefits for public employees, with participation by cities on a strictly voluntary basis, in recognition that cities have differing local needs and circumstances. Cities should also retain the ability to determine the level of post employment benefits to be provided to employees.

I-T Health Care Insurance Programs

Metro Cities supports legislative efforts to control health insurance costs, but opposes actions that undermine local flexibility to manage rising insurance costs. Metro Cities encourages a full examination of the rising costs of health care and the impacts on city employers and employees. Metro Cities also supports a study of the fiscal impacts to both cities and retirees of pooling retirees separately from active employees.

I-U State Budget Stability

For the last several years, the State has experienced budget deficits and increased volatility in state revenues. To address state budget shortfalls, the Legislature and Governor have focused their efforts on reductions in expenditures, shifting of costs to other units of government, school payment delays, and drawing down the state budget reserve. Many of these options will not be available to address future state budget shortfalls and the Legislature and Governor must seek solutions that achieve structural budget balance.

In 2007, the Legislature and Governor created the State Budget Trends Study Commission to study the implications of state demographic trends on the state's tax base and revenue collections, as well as trends in spending for state programs. The Commission was charged with examining the state budget with regard to budget stability and flexibility and making recommendations for state tax and budget changes that include changes in the tax base, mix of tax types, state and local finance relationships, entitlements and the budget structure. The Commission identified several major demographic and fiscal trends and recommendations to address achieving balance in state revenues and expenditures and managing state budget volatility.

Metro Cities strongly supports changes to the state's revenue system that enhance and improve stability, flexibility and adequacy in the system. Such changes should focus on changes that reduce the volatility of state revenues and improve the long term balance of state revenues and expenditures. Metro Cities supports a statutory budget reserve ceiling that is adequate to manage risks and fluctuations in the state's tax system and a cash flow reserve account of sufficient size so that the state can avoid short term borrowing to manage cash flow fluctuations.

Metro Cities also supports an examination of the property tax system and the relationships between state and local tax bases, with an emphasis on recent state budget cuts and their impact on property taxes.

I-V Online Travel Companies and Taxes

Metro Cities opposes legislation that allows online travel companies a tax exemption that terminates obligations to pay hotel taxes to state and local governments, or otherwise restricts legal actions by states and localities.

GENERAL LEGISLATION (II)

II-A Mandates, Zoning & Local Authority

Metro Cities opposes statutory changes which erode local control and authority or create mandated additional tasks requiring new or added local costs without a corresponding state appropriation or funding mechanism. Metro Cities believes that zoning issues should be made at the local level. Metro Cities supports legislation that gives local officials greater authority and discretion to approve variances to remain flexible in response to the unique land use needs of their own community. New unfunded mandates potentially cause increased property taxes which impede cities ability to fund traditional service needs. To allow for greater collaboration and flexibility in providing local services, Metro Cities also encourages the removal of barriers or hurdles to cooperation and coordination between cities and other units of government or entities.

II-B City Enterprise Activities

Metro Cities supports cities having the authority to establish city enterprise operations in response to community needs, local preferences, state mandates or to ensure residents' quality of life. Creation of an enterprise operation allows a city to provide the desired service while maintaining financial and management control. The state should refrain from infringing on this ability to provide and control services for the benefit of community residents.

II-C Firearms on City Property

Cities should be allowed to prohibit handguns in city-owned buildings, facilities and parks. This would allow locally elected officials to determine whether to allow permit-holders to bring guns into municipal buildings, liquor stores, city council chambers and city sponsored youth activities. It is not Metro Cities' intention for cities to have the authority to prohibit legal weapons in parking lots, on city streets or city sidewalks.

II-D 911 Telephone Tax

Public safety answering points (PSAPs) must be able to continue to rely on state 911 revenues to pay for upgrades and modifications to local 911 systems, maintenance and operational support, and dispatcher training. State funding should also support the technology and training needed to provide the number and location of wireless and voice over internet protocol (VoIP) calls to 911 on computer screens and transmit that data to police, fire and first responders.

II-E 800 MHz Radio System

Metro Cities supports the work of the Metropolitan Emergency Services Board (previously the Metropolitan Radio Board) in implementing and maintaining the 800 MHz radio system, as long as cities are not forced to modify their current systems or become a part of the 800 MHz Radio System until they so choose. Metro Cities further urges the Legislature to provide cities with the financial means to obtain required infrastructure and subscriber equipment (portable and mobile radios) as well as provide funding for operating costs, since the prime purpose of this system is to allow public safety agencies and other units of government the ability to communicate effectively.

II-F Building Codes

In spite of the serious downturn in the construction economy, thousands of new housing units have been constructed annually in the metro area, and when the economy rebounds, building will resume. Structural and water intrusion problems have surfaced in many houses and commercial buildings built in the last 20 years. These problems have resulted in dissatisfied homeowners and conflicts between the state, builders and cities.

Metro Cities supports an equitable distribution of fees from the newly created Construction Code Fund, with proportional distribution based on the area of enforcement where the fees were received. Metro Cities further supports a joint effort by the state, cities and builders to collectively identify appropriate uses for the fund, including education, analysis of new materials and construction techniques, building code updating, building inspector training, development of performance standards and identification of construction "best practices." Metro Cities does not support legislative solutions that fail to recognize the interrelationships between builders, state building codes and cities.

II-G Administrative Fines

Traditional methods of citation, enforcement and prosecution have met with increasing costs to local units of government. The use of administrative fines is a tool to moderate those costs. Metro Cities supported expansion of the 2009 administrative fine authority to allow cities to issue administrative fines for defined local traffic offenses. While the expanded authority is a welcome enhancement, further compromise language is necessary to enhance the workability of the authority. Metro Cities continues to support cities' authority to use administrative fines for regulatory ordinances, such as building codes, zoning codes, health codes, and public safety and nuisance ordinances. Metro Cities supports the use of city administrative fines, at a minimum, for regulatory matters that are not duplicative of misdemeanor or higher level state traffic and criminal offenses. Metro Cities also endorses a fair hearing process before a disinterested third party.

II-H Residential Care Facilities

Sufficient funding and oversight is needed to ensure that residents living in residential care facilities have appropriate care and supervision, and that neighborhoods are not disproportionately impacted by high concentrations of residential care facilities. Under current law, operators of certain residential care facilities are not required to notify cities when they intend to purchase single-family housing for this purpose. Cities do not have the authority to regulate the locations of group homes and residential care facilities. Cities have reasonable concerns about high concentrations of these facilities in residential neighborhoods, and additional traffic and service deliveries surrounding these facilities when they are grouped closely together. Municipalities recognize and support the services residential care facilities provide. However, cities also have an interest in preserving balance between group homes and other uses in residential neighborhoods.

Providers applying to operate residential care facilities should be required to notify the city when applying for licensure so as to be informed of local ordinance requirements as a part of the application process. Licensing agencies should be required to notify the city of properties receiving licensure to be operated as residential care facilities. Cities should have statutory authority to require licensed agencies and licensed providers that operate residential care facilities to notify the city of properties being operated as residential care facilities. The Legislature should also require the establishment of non-concentration standards not unlike those available to the core cities for residential care facilities to prevent clustering and require the appropriate county agencies to enforce these rules.

II-I Annexation

The 2006 Legislature created the Municipal Boundary Adjustment Task Force to study and make recommendations on what, if any, changes should be made to the law governing municipal boundary adjustments. The task force was charged with developing recommendations regarding best practices annexation training for city and township officials to better communicate and jointly plan potential annexations. The report from the Municipal Boundary Adjustment Task Force to study and make recommendations on what, if any, changes should be made to the law governing municipal boundary adjustments was published in February of 2009. While the task force was able to define the differences between cities and townships on the issue of annexation, no significant advancements were made in creating best practices. Metro Cities supports continued legislative investigations into developing recommendations regarding best practices annexation training for city and township officials to better communicate and jointly plan potential annexations. Further, Metro Cities supports substantive changes to the state's annexation law that will lead to better land-use planning, energy conservation, greater environmental protection, fairer tax bases, and fewer conflicts between townships and cities. Metro Cities also supports technical annexation changes that have been agreed to by cities and townships.

II-J Housing Ordinance Enforcement

In 2008, the Minnesota State Supreme Court ruled in *Morris v. Sax* that certain provisions of the city of Morris' rental housing code were invalid because there were subjects dealt with under the state building code and the city was attempting to regulate these areas "differently from the state building code." Minnesota Statutes section 16B.6s subdivision 1 states:

"The state building code applies statewide and supersedes the building code of any municipality. A municipality must not by ordinance or through development agreement require building code provisions regulating components or systems of any residential structure that are different from any provision of the state building code."

Metro Cities supports the ability of cities to enforce all housing codes passed by a local municipality to maintain its housing stock.

II – K Statewide Funding Sources for Local Issues with Regional Impact

In recognition of the fact that many issues faced by cities with significant local costs have impacts that reach beyond municipal boundaries, Metro Cities supports the availability of statewide funding sources to address local issues that have regional or statewide significance including, but not limited to, the implementation of a metropolitan area groundwater monitoring network, emerald ash borer eradication and the cleanup of storm-water retention ponds. Metro Cities opposes the requirement of enacting ordinances more restrictive than state law in exchange for access to these funds.

II – L Synthetic Marijuana Regulation

In the absence of statewide regulation of synthetic marijuana some cities have begun investigating the ability to ban the product through the passage and enforcement of a local ordinance. Metro Cities believes the state should enforce a statewide ban on synthetic marijuana and should regulate it as a schedule 1 drug.

HOUSING & ECONOMIC DEVELOPMENT (III)

Introduction

While the provision of housing is predominantly a private sector, market-driven activity, all levels of government – federal, state and local – have a role to play in facilitating the production and preservation of affordable housing in Minnesota.

Metro Cities' housing policies recognize and support the intergovernmental nature of this issue – including participation from federal, state, regional and local governments. Cities are responsible for much of the ground-level housing policy in Minnesota – including land-use planning, building code enforcement, and often times the packaging of financial incentives. However, the State and Metropolitan Council must also play a major role by empowering local units of government and providing a variety of funding programs and tools.

III-A City Role in Housing

In the state of Minnesota, the provision of housing is predominantly a private sector, market-driven activity. However, all cities facilitate the development of housing via responsibilities in the areas of land-use planning, zoning ordinances and subdivision regulations. Many cities take on a significant administrative burden in order to play an additional role by providing financial incentives and regulatory relief, participating in state and regional housing programs and supporting either local or countywide Housing and Redevelopment Authorities. Cities are also responsible for ensuring the health and safety of local residents and the structural soundness and livability of the local housing stock via building permits and inspections.

Metro Cities strongly opposes any effort to reduce, alter or interfere with cities' authority to carry out these functions in a locally determined manner.

III-B City Role in Affordable and Life Cycle Housing

Metro Cities' supports both affordable housing and housing that is appropriate for people at all stages of life. A variety of housing opportunities are important to the economic and social well being of individual communities and the region. Cities can facilitate the production and preservation of affordable and lifecycle housing by:

- Applying for funding from applicable grant and loan programs;
- Working with developers and local residents to blend affordable housing into new and existing neighborhoods;

- Expediting review processes;
- Working to reduce locally imposed development costs; and
- Using available regulatory mechanisms to shape housing communities.

III-C Inclusionary Housing

Metro Cities supports the location of affordable housing in residential and mixed-use neighborhoods throughout a city. However, Metro Cities does not support passage of a mandatory inclusionary housing law that would require a certain percentage of units in all new housing developments to be affordable to households at a particular income level because these units can't be produced without a deep developer subsidy or cross-subsidization from the other houses in the development.

While Metro Cities believes there are cost savings to be achieved through regulatory reform, density bonuses, and fee waivers, Metro Cities does not believe a mandatory inclusionary housing approach can achieve the desired levels of affordability solely through these steps. The Metropolitan Council, in creating its affordable housing targets, must recognize both the opportunities and financial limitations of cities. The Council should partner with cities to facilitate the creation of affordable housing through direct financial assistance and/or advocating for additional resources through the Minnesota Housing Finance Agency.

III- D Metropolitan Council Housing Targets

In advance of the 2008 Comprehensive Plan deadline and in response to projected growth in the Metro Area, the Metropolitan Council created a methodology to determine how many affordable housing units would be needed and where those units should go. From that process, each metro area city was assigned an affordable housing "target". Further, Met Council Comprehensive Plan guidance instructs cities to guide sufficient land to accommodate the "targets".

Metro Cities supports the creation of a variety of housing opportunities for people. However, providing affordable and lifecycle housing is a shared responsibility between the private sector and government at all levels, including the federal government, state government and Metropolitan Council. Land economics, construction costs and infrastructure needs create barriers to the creation of affordable housing that cities cannot overcome without assistance.

Therefore, Metro Cities supports a Metropolitan Council affordable housing policy that recognizes the following tenets:

- The Council's housing policies characterize individual city housing numbers as targets or a range of needs in the community.

- Cities need significant financial assistance from the federal and state government, as well as the Metropolitan Council, in order to make progress toward creating additional affordable housing;
- Public transit infrastructure and the provision of affordable housing are connected. The allocation of affordable housing goals should reflect the actual level of resources available for transit infrastructure and operations. The Council should provide and advocate for resources for public transit infrastructure in order to enhance opportunities for affordable housing;
- Absent significant resources to assist cities, the Met Council will not hold cities responsible if the goals can't be met, and the Met Council will reassess biennially the targets or goals to recognize the deficiency;
- The formula, and the methodology used to create it, should be routinely evaluated to determine if market conditions have changed or if underlying conditions should prompt readjustment of the formula;
- The formula should continue to reflect the balance and breadth of existing affordable housing stocks; and
- The Council should engage in a "post" project analysis in order to measure the effectiveness of that project.

III-E State Role in Affordable Housing

Primarily through the programs of the Minnesota Housing Finance Agency (MHFA) the state establishes general direction and prioritization of housing issues. Further MHFA should collaborate with the Department of Employment and Economic Development (DEED) in order to connect affordable housing and economic development goals. The state financially supports a variety of housing types including homeless shelters, transitional housing, supportive housing, senior housing, and family housing. The state must continue to be an active partner in addressing lifecycle and affordable housing issues.

Metro Cities supports:

- Increase funding, including state general funds and, possibly, alternate sources of revenue, for programs that support lifecycle, affordable housing, foreclosure mitigation, senior, transitional and emergency housing. The state should consider establishing a non-competitive program to create a pipeline to match city-subsidized affordable housing projects;
- Support housing programs that assist housing development throughout the low-to-moderate income range;

- As a means of reconciling affordable housing with community development goals, Metro Cities supports housing programs designed to develop market rate housing in census block grants with high concentrations of poverty, where the private market might not otherwise invest;
- Continue the policy of using MHFA's investment earnings for housing programs;
- Metro Cities will monitor the debate regarding bonding allocation and tax credit programs to ensure city input into state legislation involving distribution of tax credits and tax exempt bonding;
- Provide exemptions from, or reductions to sales, use and transaction taxes applied to the development and production of affordable housing;
- Consider providing state tax credits to incent cross-subsidized affordable units in a market rate development project. This incentive could be used in conjunction with city, regional, or other state incentives; and
- Consider the use of state bond proceeds and other appropriations for land banking and land trusts.

III-F Federal Role in Affordable Housing

Metro Cities encourages the federal government to maintain and increase current levels of funding for affordable housing. Federal investment in affordable housing will increase the supply of affordable and life cycle housing as well as increase the inter-jurisdictional collaboration between the two levels of government. Federal funding plays a critical role in aiding states and local governments in their efforts to maintain and increase affordable housing throughout the state. Metro Cities strongly encourages the following:

- To preserve and increase funding for the Community Development Block Grant Program and the federal HOME program, which are catalysts for creating more affordable housing;
- To create and implement a more streamlined procedural method for local units of government to participate and access federal funding and services dealing with grants, loans, and tax incentive programs for economic and community development efforts;
- To preserve resources to sustain existing public housing throughout the Metro Area;
- To commit resources to Section 8 funding. It is a flexible, cost effective, and successful program that has helped nearly two million families find housing through promotion of self-sufficiency and stability; and

- To support federal funding to provide short-term assistance for HRAs in order to facilitate the sale of tax-exempt bonds.

III-G Vacant and Boarded Properties

There has been an epidemic of mortgage foreclosures in the state, and the number of foreclosures continues to increase as more homeowners cannot afford to pay their existing mortgages, and as many homeowners find themselves “underwater” in their mortgages, with the result that some homeowners are choosing to walk away from their homes rather than paying more than the home’s value. As the economy continues to be challenged, and recovery is expected to be slow, foreclosure levels are expected to continue to rise over the next couple of years.

While mortgage foreclosures are responsible for a significant portion of vacant and boarded properties, they are not the only cause. Abandoned residential and commercial properties can be devastating to communities when the presence of vacant buildings results in reduced property values and increased crime. The additional public safety and code enforcement costs of managing vacant properties are a financial strain on cities.

Metro Cities supports solutions to vacant and boarded properties that recognize three things: (1) Prevention is more cost effective than a cure. (2) The causes of this problem are many and varied, thus the solutions must be as well. (3) It is not simply a “city” problem so cities must not be expected to bear the bulk of the burden of mitigation.

Further, Metro Cities supports some specific proposals:

- Improvement of the redemption process to provide increased notification to renters, strengthen the ability of homeowners to retain their properties, and reduce the amount of time a property is vacant;
- Expedite the tax forfeiture process;
- Improve the cost assignment process to ensure that cities can recoup their costs of managing vacant properties;
- Improve ability of cities to recoup the increased public safety and enforcement costs related to vacant properties;
- Increase financial tools for neighborhood recovery efforts, including tax increment financing;
- Identification of the various causes of vacant and boarded properties;

- Provide tools that allow cities to acquire vacant and boarded properties before deterioration and vandalism result in unsalvageable structures, including increases eminent domain flexibility; and
- Registration of vacant and boarded properties, if this is deemed to be an effective approach to dealing with the problem.

III-H Economic Development and Redevelopment

The economic viability of the Metro Area is enhanced by a broad array of economic development tools that create infrastructure, recycle previously developed property, provide incentives for business development and support technological advances. It should be the goal of the State to champion development by providing enough sustainable funding to assure competitiveness in a global marketplace. The State of Minnesota should recognize cities as the primary unit of government responsible for the implementation of economic development, redevelopment policies and land use controls. State assistance to cities for development is required in two broad areas: (1) Economic Development – direct business assistance; and (2) Redevelopment/Development – real estate development. They are not mutually exclusive—some projects require a boost on both counts.

III-H (1) Economic Development

For purposes of this section, economic development is defined as a form of development that contains direct business assistance with the goal of sustainable job creation, job retention or to nurture new or retain existing industry in the state. The measure of return on investment of public business subsidies should include the impact (positive or negative) of “spin-off development” or business development that is ancillary and supportive of the primary business. Metro Cities supports;

- Continued competitive funding for the Minnesota Investment Fund;
- Continued funding for the Urban Initiative Program and other state programs to support minority business start-ups;
- Continued support for the Bioscience partnerships between cities, companies and University of Minnesota;
- Development of green opportunities for green job development and related innovation and entrepreneurship; and
- Economic tools that facilitate job growth without relying solely on the growth of property tax base;
- The Regional Competitiveness Project, a collaboration of the Regional Council of Mayors and the Business and Workforce investment Boards (DEED) with the goal of

implementing a regional economic and workforce development competitiveness strategy for short and long-term economic growth

- The Itasca Project, an employer led project to drive regional efforts to keep the Twin Cities economy and quality of life competitive with other regions; and
- The Metro Business Plan initiative, a pilot project designed to highlight the emergence of metropolitan areas as the dominant source of economic and cultural power in modern America.

III-H (2) Redevelopment

Redevelopment involves the development of land that requires “predevelopment.” The goal of redevelopment is to facilitate the development of “pre-used” land, thereby leveling the playing field between green field and brown field sites so that a private sector entity can rationally choose to locate on land that has already been used. The benefits of redevelopment include a decrease in Vehicle Miles Traveled (VMTs), more efficient use of new or existing public infrastructure (including public transit), ameliorated city costs due to public safety and code enforcement, and other public goods that result when land is reused rather than abandoned and compact development is encouraged.

Metro Cities supports:

- Increased funding and flexibility in the Metropolitan Council’s Livable Communities Programs. Metro Cities strongly opposes funding reductions, transfers of Livable Communities Program funds to other program areas and constraints on eligibility and program requirements. Metro Cities supports allowing a maximum levy amount for this program, as provided for under Minnesota Statutes;
- Increased, flexible and sustained funding for the Contamination Cleanup and Investigation Grant Program, administered by DEED;
- New financing and regulatory tools to nurture Transit Oriented Development, including funding for Transit Improvement Areas (TIAS) as defined in state statute, as well as increased flexibility in the use of TIF for this purpose;
- Increased and sustained general fund and state bond funds for the Redevelopment Grant Program, administered by DEED, dedicated to Metropolitan Area projects.
- The evaluation of SAC fees to determine if they hinder redevelopment;
- Allowing for cities to “bank” SAC credits to use elsewhere within city;
- Expansion of existing tools or development of new funding mechanisms to correct unstable soils; and

- Extension of the sunset of the state income tax credit for preservation of historic properties.

III-I Tax Increment Financing

Tax Increment Financing (TIF) has been and continues to be the primary tool available for local communities to assist economic development, redevelopment and housing. Over time, several statutory changes have made this critical tool increasingly difficult to use, while recent property tax reform has resulted in a decreased state financial stake in city TIF decisions. At the same time that TIF has become more restrictive and difficult to use, federal and state development and redevelopment resources have been steadily shrinking. The 2006 eminent domain changes will make redevelopment significantly more expensive in some cases, and impossible in others. The cumulative impact of TIF restrictions, shrinking federal and state redevelopment resources, and changes to eminent domain laws will restrict a city's ability to address problem properties and will accelerate the decline of developed cities in the Metropolitan Area. With huge state and federal budget deficits, the only source of revenue available to accomplish the scope of redevelopment necessary is the value created by the redevelopment itself, or the "increment." Without the use of the increment development will either not occur or is unlikely to be optimal.

Metro Cities urges the Legislature to:

- Extend the sunsets for the TIF provisions in the 2010 "Jobs" bill to fully realize the construction potential as the economy moves toward recovery, and as the lending market becomes more compatible with commencing construction projects;
- Not adopt any statutory language that would further constrain or directly or indirectly reduce the effectiveness of TIF;
- Incorporate the Soils Correction District criteria into the Redevelopment District criteria so that a Redevelopment District can be comprised of blighted and contaminated parcels in addition to railroad property;
- Expand the flexibility of TIF to support a broader range of redevelopment projects;
- Increase the ability to pool increments from other districts to support projects;
- Continue to monitor the impacts of tax reform on TIF districts and if warranted provide cities with additional authority to pay for possible TIF shortfalls.
- Allow for the creation of transit zones and transit related TIF districts in order to shape development around transit stations but not for construction or maintenance of the public transit itself;

- Allow TIF eligibility expansion to innovative technological products, recognizing that not only physical items create economic value;
- Support changes to TIF law that will facilitate the development of “regional projects:”
- Shift TIF redevelopment policy away from a focus on “blight” and “substandard” to “functionally obsolete” or a focus on long range planning for a particular community, reduction in green house gases or other criteria more relevant to current needs.
- Encourage DEED to do an extensive cost-benefit analysis related to redevelopment, including an analysis of the various funding mechanisms, and an analysis of where the cost burden falls with each of the options compared the to the distribution of the benefits of the redevelopment project.
- Support TIF for neighborhood recovery efforts in the wake of the foreclosure crisis;
- Consider creating an inter-disciplinary TIF team to review local exception TIF proposals, using established criteria, and make recommendations to the legislature on their passage; and
- Metro Cities encourages the State Auditor to continue to work toward a more efficient and streamlined reporting process.

III-J Eminent Domain

Eminent domain law changes made by the 2006 Legislature resulted in a significant philosophical and legal shift in Minnesota. Whereas prior to 2006, Minnesota law provided extensive deference to local governments, statutory changes enacted in 2006 provide significantly greater deference to property owners. Eminent domain actions for traditional public uses such as streets, parks or sewers will cost more. And except for the most extreme cases of blight or contamination, eminent domain for redevelopment purposes will be nearly impossible at any cost.

The proper operation and long term economic vitality of our cities is dependent on the ability of a city, its citizens and its businesses to continually reinvest and reinvent. Reinvestment and reinvention strategies can occasionally conflict with the priorities of individual residents or business owners. Eminent domain is a critical tool in the reinvestment and reinvention process and without it; our cities will be allowed to deteriorate to unprecedented levels before the public will be able to react. Metro Cities strongly encourages the Governor and Legislature to revisit the 2006 eminent domain changes to allow local governments to redevelopment problems before those conditions become financially impossible to address. Specifically, the Legislature should:

- Clarify contamination standards;

- Develop different standards for redevelopment to include obsolete structures or to reflect the deterioration conditions that currently exist in the Metro Area;
- Allow for the assembly of multiple parcels for redevelopment projects;
- Provide for the ability to acquire land from “holdouts” who will now view a publicly funded project as an opportunity for personal gain at taxpayer expense;
- Modify the public purpose definition under Chapter 117 to allow cities to more expediently address properties that are vacant or abandoned in areas with high levels of foreclosures, so as to address neighborhood stabilization and recovery
- Review the new compensation and relocation provisions to determine whether they are reasonable and if they are fair to individuals and the public; and
- Allow for modifications to the effective date language in the 2006 legislation in order to accommodate delays in project schedules that are beyond the control of the acquiring authority.

III-K This Old House/This Old Shop

Metro Cities supports the reenactment of the “This Old House” law, which allowed owners of older homestead property to defer an increase in their tax capacity resulting from repairs or improvements to the home. In particular, “This Old House”, or a similar program, should be reauthorized as an incentive for re-occupying and homesteading foreclosed or vacant homes.

Metro Cities also supports passage of similar legislation for owners of older commercial/industrial property that make improvements that increase the property’s market value by at least 12%.

III-L Business Subsidy Policy

Without a thorough study, the Legislature should not make any substantive changes to the Business Subsidy Act during the next legislative session, but should look to technical changes that would stream line both state and local processes and procedures. The legislature should distinguish between development subsidies and redevelopment activities. In addition, in order to ensure cohesive and comprehensive regulations, the legislature should limit regulation of business subsidies to the Business Subsidy Act.

Metro Cities supports additional “Jobs” legislation that includes tools to help facilitate further economic development and job creation.

III-M Internet Technology

Where many traditional economic development tools have focused on managing the costs and availability of traditional infrastructure—roads, rail, utilities, etc.—the new economy is increasingly dependent on reliable, redundant, cost effective, high bandwidth telecommunications capabilities. While the United States was once a leader among “wired” economies, its position has slipped dramatically as other countries have facilitated investments in fiber-optic deployment (fiber to the premises), commitments to true high speed internet capacity (100 mb to 1 gb) and improved networks (Internet 2). Recognizing that there is a policy debate regarding the role of government versus private telecommunications companies in implementing the next generation of internet capability, bringing about such capabilities is increasingly important to insure that U.S. companies in general and Minnesota companies in particular can compete effectively in the global economy.

Metro Cities endorses comprehensive and regional strategies to stimulate the implementation of high speed, reliable and cost effective internet service that is available throughout the state. Further, Metro Cities supports a change to allow a city, or group of cities, to own and operate a telephone switch by a simple majority vote in a referendum.

III-N City Role in Environmental Protection and Sustainable Development

Historically, cities have played a major role in environmental protection, particularly in water quality. Through the construction and operation of wastewater treatment and storm water management systems, cities are a leader in protecting the surface water of the state. In recent years, increased emphasis has been placed on protecting ground water and removing impairments from storm water. In addition, there is increased emphasis on city participation in controlling our carbon footprint and in promoting green development.

Metro Cities supports public and private environmental protection efforts to reduce greenhouse gas emissions and to further protect surface and ground water. Metro Cities also supports “green” design and construction techniques to the extent that those techniques have been thoroughly tested and are truly environmentally beneficial, economically sustainable, and represent sound building practices. Metro Cities supports additional, feasible environmental protection with adequate funding and incentives to comply.

Green jobs represent employment and entrepreneurial opportunities that are part of the green economy, as defined in Minnesota statute 116.437J1, including the four industry sectors of green products, renewable energy, green services and environmental conservation. Minnesota’s green jobs policies, strategies and investments need to lead to high quality jobs with good wages and benefits, meeting current wage and labor laws.

III-O Impaired Waters

Metro Cities supports continued development of the metropolitan area in a manner that is responsive to the market, but is cognizant of the need to protect the water resources of the state and metro area. Metro Cities supports the goals of the Clean Water Act and efforts at both the federal and state level to implement it. Metro Cities supports continued funding of the framework passed in the 2009 Legacy legislation for clean water to improve the region's ability to respond to market demands for development and redevelopment, including dedicated funding for:

- Surface water impairment assessments;
- TMDL development;
- Storm water construction grants; and
- Wastewater construction grants.

Metropolitan Agencies (IV)

IV-A Purpose of Metropolitan Governance

The statutorily-defined Twin Cities metropolitan region is made up of 193 cities and townships covering over 3,000 square miles in seven counties. The effective and efficient delivery of certain public services and the continued economic growth of this region is enhanced by the existence of a regional entity to provide coordination and facilitate cooperation.

Therefore, Metro Cities supports the continued existence of a metropolitan governance system for the purpose of:

- Facilitating long-term region-wide planning with the cooperation and consideration of the affected local units of government; and
- Planning for and providing those public services that are needed by the region, but cannot be effectively and efficiently provided by local governments or the state.
- With or without the Metropolitan Council as it exists today, the region needs some entity to perform these functions. However, the Twin Cities' metropolitan Governance structure should not be granted, nor should it assume, general local government or state agency powers.

IV-B Roles and Responsibilities of the Metropolitan Council

The primary responsibilities of the Metropolitan Council are to:

- Plan for the orderly and economical development of the metropolitan area by preparing a comprehensive development guide that includes long-range comprehensive policy plans for the transportation/aviation, wastewater treatment and recreational open space systems.
- Review local comprehensive plans for compatibility with the plans of neighboring communities, consistency with Metropolitan Council policies and conformity with metropolitan system plans.
- Provide specific regional services and administer select regional grant programs as assigned by state or federal law.
- Provide technical assistance, research and information to local units of government.

Overall, it is the Metropolitan Council's role, through the regional development guide and its accompanying policy plans, to set broad regional goals and then provide cities with

technical assistance and incentives to achieve those goals. Local governments are ultimately responsible for zoning, land use planning and development decisions within their borders.

Any additional responsibilities taken on by, or authority granted to the Metropolitan Council should be limited to a specific statutory assignment, or grant.

- Metro Cities supports a comprehensive analysis of the Metropolitan Council's current authority and governance structure, activities, services and geographical jurisdiction. The analysis should include participation by local officials.

IV-C Selection of Metropolitan Council Members

Elected?

Members of the Metropolitan Council should be selected via an open process that includes an opportunity for local governments and other stakeholders to provide meaningful input. Council members should understand and be responsive to the districts they represent while also serving the best interests of the region. Metropolitan Council members should serve fixed, staggered terms.

IV-D Funding Regional Services

The Metropolitan Council should continue to fund its regional services and activities through a combination of user fees, property taxes, and state and federal grants.

- The Metropolitan Council should set user fees via an open process that includes public notices and public hearings. User fees should be uniform by type of user and set at a level that supports effective and efficient public services based on commonly accepted industry standards, and allows for sufficient reserves to ensure long-term service and fee stability. Metro Cities supports the use of user fees and property taxes to fund regional projects so long as the benefit conferred on the region is proportional to the fee or tax, and the fee or tax is comparable to the benefit cities receive in return.
- Metro Cities supports user fees for regional projects so long as the fees are not used to coerce a particular response from cities.
- Fee proceeds should be used to fund regional services or programs for which they are collected.

IV-E Regional Systems

Regional systems are currently defined in statute as transportation (with aviation), wastewater treatment and recreational open space. The purpose of these regional systems and the Metropolitan Council's authority for them is clearly outlined in state statute. In order to alter the focus or expand the reach of any of these systems, the Metropolitan Council must seek a statutory change.

The system plans/statements prepared by the Metropolitan Council for these regional systems should be specific in terms of the size, location and timing of regional investments in order to allow for consideration in local comprehensive planning. System plans should clearly state the criteria by which local plans will be judged for consistency and the criteria that will be used to find that a local plan is more likely than not to have a substantial impact on or contain a substantial departure from metropolitan system plans.

Additional regional systems should only be established if there is a compelling metropolitan problem or concern that can best be addressed through the designation. Common characteristics of the four existing regional systems include public ownership of the system and its components and an established regional or state funding source. These characteristics should be present in any new regional system that might be established. Water supply does not meet these criteria.

IV-F Review of Local Comprehensive Plans

In reviewing local comprehensive plans and plan amendments, the Metropolitan Council should:

- Recognize that its role is to review and comment, unless it is found that the local plan is more likely than not to have a substantial impact on or contain a substantial departure from one of the four system plans;
- Be aware of the statutory time constraints imposed by the Legislature on plan amendments and development applications;
- Provide for immediate effectuation of plan amendments that have no potential for substantial impact on systems plans;
- Require the information needed for the Metropolitan Council to complete its review, but not prescribe additional content or format beyond that which is required by the Metropolitan Land Use Planning Act (LUPA);
- When a city's local comprehensive plan is deemed incompatible with the Met Council's systems plans, Metro Cities supports a formal appeals process that includes a peer review and encourages cities and the Met Council to work in a cooperative and timely fashion toward the resolution of outstanding issues. Metro Cities opposes the imposition of sanctions or monetary penalties when a city's local comprehensive plan is deemed incompatible with the Met Council's systems plans or the plan fails to meet a statutory deadline when the city has made legitimate efforts to meet Met Council requirements.
- Concerning 'flexible' residential development and achieving consistency with the Metropolitan Council's system plans and policies, Metro Cities supports the

Metropolitan Council working with affected cities and other organizations such as the Pollution Control Agency, Department of Natural Resources, and other relevant stakeholders to identify common ground as well as potential conflicts between respective goals for flexible development.

IV-G Local Zoning Authority

Local governments are responsible for zoning and local officials should have full authority to approve variances to remain flexible in response to the unique land use needs of their own community. Local zoning decisions, which are the implementation of cities' comprehensive plans, should not be conditioned upon the approval of the Metropolitan Council or any other governmental agency. Metro Cities strongly opposes the creation of any appeals boards with the authority to supersede city zoning decisions.

IV-H Regional Growth

The most recent regional population forecasts projects a population of 3,608,000 people by 2030. The number represents a nearly 37% increase in the population since the 2000 census.

Metro Cities recognizes cities' responsibility in planning for sustainable growth patterns that integrate transportation, housing, parks, open space and economic development will result in a region better equipped to manage population growth, to provide a high quality of life for a growing and increasingly diverse metropolitan area population and improved environmental health.

In developing local comprehensive plans to fit within a regional framework, adequate state and regional financial resources and incentives, and maximum flexibility around local planning decisions, are imperative. The regional framework should assist cities in managing growth while being responsive to the individual qualities, characteristics and needs of metropolitan cities, and should encourage sub-regional cooperation and coordination.

In order to accommodate this growth in a manner that preserves the region's high quality of life:

- Natural resource protection will have to be balanced with growth and development/reinvestment;
- Significant new resources will have to be provided for transportation and transit;
- New households will have to be incorporated into the core cities, first and second-ring suburbs, and developing cities through both development and redevelopment.

- In order for regional and local planning to result in the successful implementation of regional policies:
- The State of Minnesota must contribute additional financial resources, particularly in the areas of transportation and transit, reinvestment, affordable housing development, and the preservation of parks and open space. If funding for regional infrastructure is not adequate, cities should not be responsible for meeting the growth forecast set forth by the Metropolitan Council.
- The Metropolitan Council must work to pursue levels of state and federal transportation funding that are adequate to meet identified transportation and transit needs in the metropolitan area.
- The Metropolitan Council must recognize the limitations of its authority and continue to work with cities in a collaborative, incentives-based manner, and
- Metropolitan counties, including the collar counties and school districts, must be brought more thoroughly into the discussion due to the critical importance of facilities and services such as county roads and public schools in accommodating forecasted growth.
- Greater recognition must be given to the fact that the "true" metropolitan region extends beyond the traditional seven-county area and to the need to work collaboratively with the twelve adjacent counties in Minnesota and Wisconsin, and the cities within those counties. The region faces environmental, transportation, and land-use issues that cannot be solved by the seven-county metro area alone. Metro Cities supports an analysis to determine the impacts of Metropolitan Council's growth management policies and infrastructure investments on the growth and development of the collar counties, and the impacts of growth in the collar counties on the metropolitan area.

IV-I Comprehensive Planning Schedule

Cities are required to submit comprehensive plan updates to the Metropolitan Council every 10 years, the most recent of which was due in 2008.

Any future changes to the schedule for local comprehensive planning should be accompanied by the statutory establishment of a complementary schedule for regional planning. This schedule should:

- (1) protect cities from being forced into a state of perpetual planning in response to regional actions; and;
- (2) ensure sufficient time for cities to understand and incorporate regional policies into their local planning efforts.

Metro Cities recognizes that there is merit in aligning comprehensive plan timelines with the release of census data. However, the comprehensive plan process is expensive, time consuming and labor intensive for cities, and the timing for the submission of comprehensive plans should not be altered solely to better align with census data. If sufficient valid reasons exist for the schedule for the next round of comprehensive plans to be changed or expedited, cities should be provided with financial resources to assist them in preparing the next round of plans. Metro Cities encourages the Council to review its comprehensive planning process to make sure that the process is streamlined and efficient, so as to assist in alleviating excessive cost burdens or duplicative or unnecessary planning requirements by municipalities in the comprehensive planning process.

Metro Cities supports a 10-year time frame for comprehensive plan submissions.

IV-J Natural Resource Protection

Metro Cities supports the Metropolitan Council's efforts to compile and maintain an inventory and assessment of regionally significant natural resources for the purpose of providing local communities with additional information and technical assistance. The state has a significant role to play in the protection of natural resources. However, any additional steps taken by the state or the Metropolitan Council regarding the protection of natural resources must recognize that:

- The protection of natural resources is significant to a multi-county area that is home to more than 50 percent of the state's population and a travel destination for many more. Given the limited availability of resources and the artificial nature of the metropolitan area's borders, neither the region nor individual metropolitan communities would be well served by assuming primary responsibility for financing and protecting these resources. Metro Cities urges the state and/or the Metropolitan Council to provide financial assistance for the preservation of regionally significant natural resources.
- The completion of local Natural Resource Inventories and Assessments (NRI/A) is not a regional system nor is it a required component of local comprehensive plans under the Metropolitan Land Use Planning Act.
- The protection of natural resources will have to be balanced with the need to accommodate growth and development, reinvest in established communities, encourage more affordable housing and provide transportation and transit connections.
- Decisions about the zoning or land-use designations either within or outside a public park, nature preserve or other protected area are, and should remain, the responsibility of local units of government

IV-K Inflow and Infiltration (I/I)

The Metropolitan Council's Water Resources Management Plan established an I/I surcharge in 2007 on cities that are determined to be contributing unacceptable amounts of storm water to the MCES wastewater treatment system. Since the inception of the surcharge program, 46 cities have been identified as excessive I/I contributors. This number is subject to change, depending on rain events, and any city in the metropolitan area could be affected.

While Metro Cities recognizes the importance of controlling I/I because it affects the size, and therefore the cost, of wastewater treatment systems and because excessive I/I in one city can affect development capacity of another city that lies down pipe, we are concerned about the potential for cities to incur increasingly exorbitant costs, and decreasing benefits, in their on-going efforts to mitigate excessive I/I.

Metro Cities supports the recommendations of the 2010 I/I Demand Charge Task Force for a second phase, on-going surcharge program to address I/I mitigation in the region. Metro Cities further supports adjustments to the flow methodology used to measure excess I/I that allow for the normalizing of precipitation variability. Metro Cities also encourages the Council to work with cities on community-specific issues that fall outside the scope of the task force report and recommendations.

Metro Cities continues to monitor the surcharge program, and encourages the Metropolitan Council to support state financial assistance for Metro Area I/I mitigation through future Clean Water Legacy Act appropriations or similar legislation.

Metro Cities supports continued state capital assistance to provide grants to metro area cities for the purpose of mitigating inflow and infiltration problems into municipal wastewater collection systems.

IV-L Water Supply

The 2005 Legislature authorized the Metropolitan Council to carry out planning activities to address the water supply needs of the Metro Area, and to establish a Water Supply Advisory Committee. Its work includes analyzing technical water supply/use data, the development of a master metro area water supply plan, recommendations for clarifying roles of local, regional and state governments and streamlining and consolidating approval processes, and recommendations for funding future planning and capital investments.

The advisory committee completed work on a Master Water Supply Plan in March 2010. The plan is a framework for assisting and guiding communities in their water supply planning, without usurping local decision making processes. As the plan is implemented, many cities will conduct their own analyses for use in water supply planning. Local studies should be given equal weight in regional water supply planning.

In addition to the Metropolitan Council, there are currently at least five state agencies with water related jurisdiction. There are also several federal agencies involved in water issues. Metro Cities supports the Metropolitan Council activities associated with clarifying local, regional and state water supply roles. Metro Cities encourages the Metropolitan Council to consider the inter-relationships of wastewater treatment, storm water management and water supply. Metro Cities also supports on-going analytical work that will help streamline and consolidate the myriad and often conflicting water supply permitting processes. Any state and regional regulations and processes should be explicit in the Water Supply Plan. Further, regional monitoring and data collection benefits should be borne as shared expenses between the regional and local units of government. Metro Cities further supports efforts to identify capital funding sources to assist with municipal water supply projects.

The 2010 Legislature expanded the membership of the Advisory Committee to include four officials from the collar counties, and extended the Advisory Committee to December, 2012. The extension of the committee, which includes five metro area municipal officials, will allow the committee to continue to play a strong role in the development and direction of water supply planning activities as the Master Plan is further developed and refined with additional information and data as they become available.

Metro Cities opposes the insertion of the Metropolitan Council as another regulator in the water supply arena. Metro Cities further opposes the elevation of water supply to "Regional System" status, or the assumption of Met Council control and management of municipal water supply infrastructure. At this time, we oppose any regional taxes or fees for water supply planning.

IV-M Service Availability Charge (SAC)

Metro Cities supports a SAC program that emphasizes equity, simplification and lower rates. The Met Council adopted changes to its SAC program that were implemented in January, 2010. Under the new changes, when a redeveloping property's new use requires lower wastewater capacity than what was used in the prior seven years, SAC credits are limited to the amount needed on the site for the new use. A property developing at the same or lesser wastewater demand will not incur SAC nor get credits.

Metro Cities supported modifications to SAC rules adopted by the Metropolitan Council in 2008 that allow for a voluntary transfer of SAC credits from one metro city to another and from one site to another within a city, for projects that, without the credits, would mean that a business would move its operations out of state, under specific conditions. Metro Cities supported this change with the understanding that these transfers will be limited to economic development projects with statewide significance and as such are likely to occur only in rare circumstances.

Because of the economic recession, SAC revenues are in a steep decline. As a result, the Metropolitan Council adopted changes, phased in over three years, to the SAC program

capacity methodology in 2009, and sought SAC “shift” legislation in 2010 to allow the Council flexibility to temporarily reduce the SAC transfer, and shift the amount to the Municipal Wastewater Charge when financially necessary. While Metro Cities recognizes the Council’s need for flexibility to maintain the solvency of the regional wastewater system, we advocated for amendments to assure the new law would not be overly permissive and would allow for a comprehensive analysis of the SAC program. The amendments included a sunset of the legislation, a ‘shift back’ mechanism to the Municipal Wastewater Charge when the SAC fund is solvent, and a precise trigger that puts the process for any reduction in place. All were included in the final legislation that passed into law.

In the summer of 2009, Metro Cities recommended the establishment of a task force to comprehensively examine the SAC financing structure and provide recommendations on SAC financing for the long term. The Metropolitan Council established a SAC Task Force in December, 2009. The task force is recommending a “growth pays for growth” approach for the SAC program, as well as changes to the commercial criteria on which SAC is based, with the aim of assuring fairness and equity in the SAC program. Metro Cities supports this approach.

IV-N Funding Regional Parks & Open Space

In the seven-county metropolitan area, regional parks essentially serve the role of state parks. Therefore, the state should continue to provide capital funding for the acquisition, development and improvement of these parks. State funding should equal 40 percent of the operating budget for regional parks.

IV-O Livable Communities

The Livable Communities Act (LCA) is operated by the Metropolitan Council and provides a voluntary, incentive-based approach to affordable housing development, brown field clean up and mixed-use, transit-friendly development and redevelopment. Metro Cities strongly supports the continuation of this approach, which has been widely accepted and is fully utilized by local communities. Since its inception in 1995, the LCA program has generated billions of dollars of private and public investment, created thousands of jobs and added thousands of affordable housing units in the region.

Metro Cities supports increased funding and flexible eligibility requirements in the livable communities demonstration account in order to assist communities with development that may not be exclusively market driven or market proven in their particular location and in order to support important development and redevelopment goals. Metro Cities opposes changes to this program that constrain flexibility around program requirements and criteria.

Metro Cities supports statutory modifications in the Livable Communities Demonstration Account Program to reflect the linkages among the LCDA and municipal objectives and

goals and Met Council systems objectives and goals. Metro Cities also supports statutory changes to assure that all metropolitan area cities are eligible to participate in the LCDA program.

Metro Cities strongly opposes funding reductions to the Livable Communities Program and the transfer or use of these funds for other program areas.

Use of interest earnings from LCA funds should be limited to covering the costs of administering the program. Remaining interest earnings not used for program administration should be considered part of the LCA funds and used to fund grant requests from the established LCA accounts, according to established funding criteria.

IV-P Density

Metro Cities supports a reasonable Met Council density policy that bases density projections on actual development patterns, is flexible, and accommodates cities at various development stages. Any Met Council density policy must take into account the impacts of market trends on city development and redevelopment activities.

TRANSPORTATION (V)

V-A Transportation and Transit Funding

Metro Cities supported passage of the 2008 Transportation Finance bill. This legislation allows for necessary resources for MnDOT, the county road system and the MSA road system, and will help make up for the lack of state resources over the last twenty years. Metro Cities was proud to be part of the effort to secure this base level funding.

However, the resources contained in the transportation finance bill represent only half of the need in our counties, cities and state. Metro Cities recognizes the need for additional transportation funding statewide, and will continue to advocate for additional resources to maintain our transportation infrastructure. In addition, cities still lack the authority to use additional tools for city street improvements; such resources continue to be restricted to property taxes and special assessments. It is imperative that alternative authority be granted to municipalities for this purpose to relieve the burden on the property tax system.

V-B Regional Transit System

The Twin Cities Metropolitan Area needs a multi-modal regional transit system that serves both commuters and the transit dependent. The transit system should be composed of a mix of HOV lanes, Bus Rapid Transit, express and regular route bus service, exclusive transit ways, light rail transit and commuter rail corridors designed to connect residential, employment, retail and entertainment centers. The system should be regularly monitored and adjusted to ensure that routes of service correspond to the region's changing travel patterns.

Metro Cities strongly supported the ¼ cent sales tax which was passed by the 2008 Legislature. This tax will be levied in the Metropolitan Area and dedicated to transit. The sales tax represents a commitment to investment in our region's transit ways. It will be important to direct these revenues purposefully, and to avoid subsidizing areas of transit funding that are the responsibility of the Legislature and Metropolitan Council. Metro Cities is opposed to legislative or Metropolitan Council directives that constrain the ability of metropolitan transit providers to provide a full range of transit services, including reverse commute routes, suburb-to-suburb routes, transit hub feeder services or new, experimental services that may show a low rate of operating cost recovery from the fare box.

V-C Transit Operating Subsidies

The Twin Cities metropolitan area is served by a regional transit system that is expanding to include rail transit and dedicated bus ways. Any operating subsidies necessary to support this system should come from a regional or statewide funding source. The property taxpayers of individual cities and counties should not be singled out to fund the

operation of specific transit lines or routes of service within this regional system. The Metropolitan Council must find a stable and growing revenue source to fund the operating budget for Metro Transit. MVST revenue projections have not been reliable and as a result the Met Council is continuing to operate at a funding deficit. The ¼ cent sales tax will be used, in part, to fund operating costs on designated transit ways in the Metropolitan Area. It is critical that this tax not be allocated in ways that allow the Legislature or Met Council to abrogate their responsibilities for funding operating costs for the metropolitan transit system.

V-D Street Improvement Districts

Metro Cities supports the authority of local units of government to establish street improvement districts. Street improvement districts allow for cities in developed and developing areas to fund new construction as well as reconstruction and maintenance efforts.

The street improvement district is designed to allow cities, through the use of a fair and objective fee structure, to create a district or districts within the city where fees will be raised but must also be spent. Street improvement districts would also aid cities under 5,000, giving them an alternative to the property tax system and special assessments.

Metro Cities also supports the further investigation of implementation of the Center for Transportation Studies' research on value capture. The research identifies additional tools for the legislature to explore offering to cities as options to finance transportation improvements.

V-E Highway Turnbacks & Funding

Metro Cities supports jurisdictional reassignment or turnback of roads on a phased basis using functional classifications and other appropriate criteria subject to a corresponding mechanism for adequate funding of roadway improvements and continued maintenance. Metro Cities does not support the wholesale turnback of county roads without the total cost being reimbursed to the city in a timely manner.

Cities do not have the financial capacity, other than significant property tax increases, to absorb the additional roadway responsibilities without new funding sources. The existing municipal turnback fund is not adequate based on contemplated turnbacks. The 2008 transportation finance bill will add approximately \$6 million to the Metro Turnback Fund, bringing the fund up to \$20 million, which falls short of the \$100 million needed.

Metro Cities supports additional funding for municipalities that are assuming the role of maintenance and upkeep on city streets that maintain a level of traffic consistent with state highways. Cities should be compensated for providing a service that traditionally has been borne by the state. The state has abrogated its responsibility for maintaining major roads

throughout the state by requiring, through omission, that cities bear the burden of maintenance on major state roads.

V-F "3C" Transportation Planning Process: Elected Officials' Role

Metro Cities supports continuation of the Transportation Advisory Board (TAB), with a majority of locally elected officials as members and participating in the process. The TAB was developed to meet federal requirements, designating the Metropolitan Council as the organization that is responsible for a continuous, comprehensive and cooperative (3C) transportation planning process to allocate federal funds among metropolitan area projects. This process requirement was reinforced by the 1991 Intermodal Surface Transportation Efficiency Act (ISTEA), the 1998 Transportation Efficiency Act for the 21st Century (TEA21) and the 2005 Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU).

V-G Photo Enforcement of Traffic Laws

Cities should be allowed to enforce traffic laws and promote public safety on Minnesota's streets and highways through the use of photo enforcement technology.

V-H Airport Noise Mitigation

Metro Cities supports noise abatement programs and expenditures designed to minimize the impacts of Metropolitan Airports Commission (MAC) operated facilities on neighboring communities. The MAC should determine the design and geographic reach of these programs only after a thorough public input process that considers the priorities and concerns of impacted cities and their residents. The MAC and the state should seek long-term solutions to fund the full mitigation package as adopted in 1996 for all homes in the 64-60 DNL impact area. Noise abatement efforts should be paid for by fees and charges collected from airport users, as well as state and federal funds. Furthermore, unless mitigation funding is provided, Metro Cities opposes any legislation that requires a property owner to disclose those properties that lie within 64-60 DNL noise contours.

Acknowledging that the communities closest to MSP and reliever airports are significantly impacted by noise, traffic, and other numerous expansion-related issues,

Metro Cities supports the broad goal of providing MSP-impacted communities greater representation on the MAC. Metro Cities wants to encourage continued communication between the MAC commissioners and the cities they represent. Balancing the needs of MAC, the business community and airport host cities and their residents requires open communication, planning and coordination. Cities must be viewed as partners with the MAC in resolving the differences that arise out of airport projects and the development of adjacent parcels. Regular contact between the MAC and cities throughout the project proposal process will enhance communication and problem solving.

V-I Cities Under 5,000 Population

Cities under 5,000 in population do not directly receive any non-property tax funds for collector and arterial streets. Current CSAH distributions to metropolitan counties are inadequate to provide for the needs of smaller cities in the metropolitan area. Criteria, such as the number of average daily trips, should be established in a small city local road improvement program for funding qualification and a distribution method devised. Possible funding sources include the five-percent set-aside account in the Highway User Tax Distribution Fund, modification to county municipal accounts, street improvement districts, and/or state general funds.

V-J County State Aid Highway (CSAH) Distribution Formula

Even with the additional resources provided by the Legislature through the transportation finance bill, significant needs remain in the metro area CSAH system. The additional revenue for the CSAH system will result in more projects being completed faster, however, greater pressure is being placed on municipalities to participate in cost sharing activities, encumbering an already over-burdened local funding system. When the alternative is not building or maintaining roads, cities bear not only the costs of their local systems but also pay upward of fifty percent of county road projects. Metro Cities supports special or additional funding for cities that have burdens of additional cost participation in county road projects.

Although only 10% of the CSAH roads are in the metro area, they account for nearly 50% of the vehicle miles traveled. The new CSAH formula passed by the Legislature will better account for needs in the Metropolitan Area, and the new formula is a first step in providing additional resources for the Metropolitan Area.

V-K Municipal Input/Consent for Trunk Highways and County Roads

Minnesota Statutes direct the Minnesota Department of Transportation (MnDOT) to submit detailed plans with city cost estimates at a point one and a half to two years prior to bid letting, at which time public hearings are held for citizen/business/municipal input. If MnDOT does not concur with requested changes, it may appeal. Currently, that process would take a maximum of three and a half months and the results of the appeals board are binding on both the city and MnDOT.

Metro Cities opposes any changes to the current statute that would allow MnDOT to disregard the appeals board ruling for state trunk highways. The result of such a change would significantly minimize MnDOT's desire or need to negotiate in good faith with a city for appropriate project access and alignment, and it would make the public hearing and appeals process meaningless.

Metro Cities opposes elimination of the county road municipal consent and appeal process for the same reasons we oppose changing the process as it applies to MnDOT trunk highway projects.

V-L Plat Authority

Metro Cities supports current law granting counties review and comment authority for access and drainage issues for city plats abutting county roads. Metro Cities opposes any statutory change that would grant the county veto power or that would shorten the 120-day review and permit process time.

V-M City Speed Limit Control

Metro Cities supports a reduction in the state-wide default speed limit from 30 to 25 mph on local residential roads. Metro Cities supports design standards that result in slower speeds on local roads. In the event of a uniform speed limit reduction, Metro Cities supports increased state funding for education and enforcement.

V-N Speed Limits Surrounding City Parks and Schools

At cities' or counties' discretion, Metro Cities supports a year round reduction of speed limits within 500 feet of any city or county parks as well as schools.

V-O MnDOT Maintenance Budget

With the passage of the transportation finance bill, much of MNDOT's maintenance budget has been restored. However, it is likely that local units of government will continue be asked to maintain state-owned infrastructure. Metro Cities' supports MnDOT alleviating cities of the State's responsibilities with the additional resources provided to MnDOT this year through the Transportation Finance bill. We also support funding that allows the State to maintain its own infrastructure.

V-P Transit Taxing District

Metro Cities supports a stable revenue source to fund both the capital and operating costs for transit at the Metropolitan Council. The transit taxing district, which funds the capital cost of transit service in the Metropolitan Area through the property tax system, is inequitable. Because the boundaries of the transit taxing district do not correspond with any rational service line, cities in the taxing district or out of the taxing district are contributing unequally to the transit service in the Metropolitan Area. This inequity should be corrected. However, Metro Cities does not support the expansion of the transit taxing district without a corresponding increase in the service. To do so would add another burden to property tax payers without a corresponding benefit.

V-Q Complete Streets

Metro Cities supports options in state design guidelines for streets that would give cities greater flexibility to:

- safely accommodate all modes of travel
- address storm water needs
- ensure livability in the appropriate context for each city.

Metro Cities opposes state imposed mandates that would increase street infrastructure improvement costs in locations and instances where providing access for alternative modes including cycling and walking are deemed unnecessary or inappropriate as determined by local jurisdictions.

COMMITTEE ROSTERS (VI)

Housing & Economic Development

Anne Norris (Chair), City Manager, Crystal

Gene Abbott, Councilmember, Savage
Bonnie Balach, Consultant, Minneapolis
Karl Batalden, Housing Spec./Assoc. Planning, Woodbury
Cecile Bedor, Planning & Econ Development, St. Paul
Mitch Berg, Administrator, Bayport
Gino Businaro, Councilmember, Chaska
Ultan Duggan, Councilmember, Mendota Heights
Rick Getschow, City Manager, Hopkins
Amber Greves, Councilmember, Minnetonka
Bryan Hartman, Program Manager, Bloomington
Brian Heck, Admr.-Clerk, Shorewood
Lee Helgen, Councilmember, St. Paul
Jon Hohenstein, Comm. Dev. Dir., Eagan
Schawn Johnson, Asst. to the City Mgr., New Brighton
Dean Johnston, Mayor, Lake Elmo
Steve Lampi, Mayor, Brooklyn Park
R. Michael Leek, Comm. Dev. Dir., Shakopee
Patty Lilledahl, Dir. of business Development & Finance, St. Paul
Lorrie Louder, Dir. Of Bus & IGR, St. Paul Port Authority
Bruce Nordquist, Comm. Dev. Dir., Apple Valley
Tammy Omdal, Deputy City Manager/CFO, Burnsville
Samantha Orduno, Administrator, Dayton
Jennifer Pelletier, Planning Commission, Lake Elmo
Terence Quigley, Councilmember, Shoreview
Melissa Reed, Gov't Relations Rep., Minneapolis
Mark Sather, City Manager, White Bear Lake
Robert Schreier, Dir. of Commun. Dev., Brooklyn Park
Mary Sherry, Councilmember, Burnsville
Bob Streetar, Comm. Dev. Dir., Oakdale
Wendy Underwood, Gov't Rel Rep., St. Paul
Tony Wagner, Councilmember, Minnetonka
Craig Waldron, Administrator, Oakdale
Brad Wiersum, Councilmember, Minnetonka
Pierre Willette, Government Relations Rep., Minneapolis
Julie Wischnack, Comm. Dev. Dir., Minnetonka

Metropolitan Agencies

Chuck Haas (Chair), Councilmember, Hugo
Susan Arntz, Administrator, Waconia
David Beaudet, Mayor, Oak Park Heights
Bob Bruton, Councilmember, North St. Paul
Holly Dahl, Mayor, Lakeville
Ultan Duggan, Councilmember, Mendota Heights
Sarah Erickson, Gov't Relations Rep., St. Paul
Cheryl Fischer, Mayor, Minnetrista
Elizabeth Glidden, Councilmember, Minneapolis
Tom Goodwin, Councilmember, Apple Valley
Brian Heck, Admr.-Clerk, Shorewood
Schawn Johnson, Asst. to the City Manager, New Brighton
Dean Johnston, Mayor, Lake Elmo
Dan Kealey, Councilmember, Burnsville
Matt Kline, Water Operator, Lakeland
Thomas Link, Comm. Dev. Dir., Inver Grove Heights
Lorrie Louder, Dir. Of Business & IGR Affairs, St. Paul Port Authority
Tim McNeil, Councilmember, Dayton
Tammy Omdal, Deputy City Manager/CFO, Burnsville
Judd Schetnan, Dir. Of Gov't Affairs, Metropolitan Council
Terry Schneider, Mayor, Minnetonka
Anne Smith, Councilmember, Lake Elmo
Ady Wickstrom, Councilmember, Shoreview
Pierre Willette, Govt. Relations Rep., Minneapolis

Municipal Revenue & Taxation

Marcia Glick (Chair), City Manager, Robbinsdale
Clark Arneson, City Manager, Blaine
Patrick Born, Chief Financial Officer, Minneapolis
Tom Burt, City Manager, Golden Valley
Scott Cordes, Budget Manager, St. Paul
Charlie Crichton, Councilmember, Burnsville
Holly Dahl, Mayor, Lakeville
Jim Dickinson, Administrator, Andover
Lori Economy-Scholler, Chief Financial Officer, Bloomington
Danna Elling Schultz, Councilmember, Hastings
Jerilyn Erickson, Finance Director, Prior Lake
Sarah Erickson, Gov't Relations Rep., St. Paul
Jerry Faust, Mayor, St. Anthony Village

Susan Iverson, Finance Dir./Treas., Arden Hills
Marvin Johnson, Mayor, Independence
Jim Keinath, Administrator, Circle Pines
Merrill King, Finance Director, Minnetonka
Tom Lawell, Administrator, Apple Valley
Julie Linnihan, Finance Dir., Dayton
Dean Lotter, City Manager, New Brighton
Kristi Luger, City Manager, Excelsior
Mary McComber, Councilmember, Oak Park Heights
Steve Mielke, Administrator, Lakeville
Tammy Omdal, Deputy City Manager/CFO, Burnsville
Samantha Orduno, Administrator, Dayton
Calvin Portner, Admin. Services Director, Plymouth
Don Rambow, Finance Dir., White Bear Lake
Gene Ranieri, IGR Director, Minneapolis
Melissa Reed, Gov't Relations Rep., Minneapolis
Robin Roland, Finance Dir., Cottage Grove
Ryan Schroeder, Administrator, Cottage Grove
Erin Stwora, Assistant to City Administrator, Dayton
Dick Woodruff, Councilmember, Shorewood
Wally Wysopal, City Manager, North St. Paul

Transportation & General Government

Mary McComber (Chair), Councilmember, Oak Park Heights

Dick Allendorf, Councilmember, Minnetonka
Doug Anderson (Chair), Mayor, Dayton
Susan Arntz, Administrator, Waconia
Frank Boyles, City Manager, Prior Lake
Bob Bruton, Councilmember, North St. Paul
Scott Cordes, Financial Services, St. Paul
Steve DeLapp, Councilmember, Lake Elmo
Ultan Duggan, Councilmember, Mendota Heights
Steve Elkins, Councilmember, Bloomington
Danna Elling Schultz, Councilmember, Hastings
Sarah Erickson, Gov't. Rel. Rep., St. Paul
Warren Erickson, Councilmember, Prior Lake
Mike Funk, Administrator, Minnestrista
Mary Hamann-Roland, Mayor, Apple Valley
Bill Hargis, Mayor, Woodbury
Tom Harmening, City Manager, St. Louis Park
Greg Hoag, Public Works Dir., Arden Hills
Steve Lampi, Mayor, Brooklyn Park
R. Michael Leek, Comm. Develop. Dir, Shakopee

Linda Loomis, Mayor, Golden Valley
Dean Lotter, City Manager, New Brighton
Scott Lund, Mayor, Fridley
Mark McNeill, Administrator, Shakopee
Mike Mornson, City Manager, St. Anthony Village
Bud Osmundson, Dir. of Public Works/City Engineer, Burnsville
Will Rossbach, Councilmember, Maplewood
Russ Stark, Councilmember, St. Paul
Dick Swanson, Councilmember, Blaine
Jon Wertjes, Director of Transportation Services, Minneapolis
Ady Wickstrom, Councilmember, Shoreview
Pierre Willette, Gov't Relations Rep., Minneapolis

CC Work Session

Item #: 2.3.

Date: 11/23/2010

By: Amy Dietl
Administrative Services

Information

Title:

Review Proposals for *Ramsey Resident* Advertising

Background:

On August 25, 2009, Council approved the proposal provided by Scott Robinson with Youth First Marketing to sell advertising in the *Ramsey Resident* newsletter to help offset the cost of production. In addition to approving the proposal, Council directed staff to revisit this topic after the first year of producing the newsletter with advertisements.

One year has passed since the first edition of the *Ramsey Resident* was published with advertisements; therefore, staff would like to present four different proposals for advertising in the newsletter.

The first option is to continue service with Scott Robinson, dba Wheels of Thunder under a revised agreement, which is attached.

Staff also solicited proposals from ECM Publishers, Inc., Prime Advertising, and Tidbits and these proposals are attached for Council review.

Council Action:

Based on discussion.

Attachments

Scott Robinson dba Wheels of Thunder

Scott Robinson Spreadsheet

ECM Publishers, Inc.

Prime Advertising

Tidbits

Form Review

Inbox

Heidi Nelson

Kurt Ulrich

Form Started By: Amy Dietl

Final Approval Date: 11/18/2010

Reviewed By

Heidi Nelson

Kurt Ulrich

Date

11/18/2010 02:11 PM

11/18/2010 03:36 PM

Started On: 11/16/2010 03:29 PM

AGREEMENT
BETWEEN CITY OF RAMSEY
AND
SCOTT ROBINSON AND JOHN AMUNDSON, dba
WHEELS OF THUNDER

Dated: December ____, 2010

This Agreement is made and entered into between the City of Ramsey, a Minnesota municipal corporation (the "City") and Youth First Marketing LLC, a Minnesota limited liability company ("Youth First.") and Scott Robinson and John Amundson, dba Wheels of Thunder.

WHEREAS the City and Youth First Marketing LLC, a Minnesota limited liability company ("Youth First") entered into a contract dated October ____, 2009 (the "09 Contract"). The purpose of the 09 Contract was for Youth First to provide sales services for the selling of print advertising in the City's newsletter known as the Ramsey Resident; and

WHEREAS, Youth First is no longer able to provide the sale services as contemplated in the 09 Contract; and

WHEREAS, Youth First, pursuant to the terms of the 09 Contract, is delinquent in its payments to the City in the amount of \$ _____ as of November 30, 2010; and

WHEREAS, Wheels of Thunder desires to and is capable of providing the necessary sales services required by the City as described in the terms and conditions stated below; and

WHEREAS, Wheels of Thunder is willing to assume all obligations and liabilities of Wheels of Thunder pursuant to the terms and conditions of the 09 Contract.; and

WHEREAS, the City requires sales services to be provided for the selling of print advertising in the City's newsletter known as the Ramsey Resident.

NOW, THEREFORE, in consideration of the mutual promises and agreements contained herein the parties agree as follows:

1. TERM

1.1 Term.

This Agreement shall be in effect from the date of execution by the parties, and shall continue until terminated as provided herein.

2. WHEELS OF THUNDER'S OBLIGATIONS

2.1 General Description. Wheels of Thunder shall provide the following services generally described as:

Sell advertising space for publication in the City's bi-monthly publication known as the Ramsey Resident.

- 2.2 Wheels of Thunder shall compile all ads, complete the necessary copy and graphics and then forward the fully completed ad to the City. The City will be responsible for cutting and pasting the individual advertisements into the Ramsey Resident.
- 2.3 Wheels of Thunder will advertise the Ramsey Resident advertising space for sale on its web site, including the relevant price list.
- 2.4 Wheels of Thunder through its staff will represent the City and the Ramsey Resident in a professional, business-like manner at all times.
- 2.5 Wheels of Thunder shall provide the City with a current advertising rate schedule and keep the same current during the term of this Agreement listing the advertising rate charged for ad placement in the Ramsey Resident. The City may in its discretion amend the said rate schedule.

3. CITY OBLIGATIONS.

- 3.1 The City will display Wheels of Thunder on its web site and provide a link to Wheels of Thunder's web site for Ramsey Resident advertisement sales.
- 3.2 The City through its staff will, at all times, refer to Wheels of Thunder in a professional, business-like manner.

4. CONSIDERATION

- 4.1 For its sales services Wheels of Thunder shall receive fifty percent (50%) of all advertising revenue received by it for advertisements it sells in the Ramsey Resident.
- 4.2 Wheels of Thunder will require each of its advertising customers to make their advertising payment payable directly to the City.
- 4.3 All payments for sales services will be paid by the City within 30 days of the date the City receives the payment from the respective advertisers.

5. COMPLIANCE WITH LAWS/STANDARDS

- 5.1 General. Wheels of Thunder shall abide by all Federal, State or local laws, statutes, ordinances, rules and regulations now in effect or hereinafter adopted pertaining to this Agreement
- 5.2 Licenses. Wheels of Thunder shall procure, at its own expense, all licenses, permits or other rights required for the provision of services contemplated by this Agreement.

5.3 Minnesota Law to Govern. This Agreement shall be governed by the construed in accordance with the substantive and procedural laws of the State of Minnesota. All proceedings related to this Agreement shall be venued in the State of Minnesota.

6. INDEPEDNDENT CONTRACTOR STATUS

Wheels of Thunder is an independent contractor and nothing herein contained shall be construed to create the relationship of employer and employee between City and Wheels of Thunder. Wheels of Thunder shall at all times be free to exercise initiative, judgment and discretion as to how to best perform or provide the sales services. Wheels of Thunder acknowledges and agrees that it employees are not entitled to receive any of the benefits received by City employees and said employees are not eligible for workers' or unemployment compensation benefits. Wheels of Thunder also acknowledges and agrees that no withholding or deduction for State or Federal income taxes, FICA, FUTA, or otherwise, will be made from the payments due Wheels of Thunder and that it is Wheels of Thunder's sole obligation to comply with the applicable provisions of all Federal and State tax laws.

7. INDEMNIFICATION

Any and all claims that arise or may arise against Wheels of Thunder, its agents, servants or employees as a consequence of any act or omission on the part of Wheels of Thunder or its agents, servants, employees while engaged in the performance of the Agreement shall in no way be the obligation or responsibility of the City. Wheels of Thunder shall indemnify, hold harmless and defend the City, its officers and employees against any and all liability, loss, costs, damages, expenses, claims or actions, including attorneys' fees which the City, its officers or employees may hereafter sustain, incur or be required to pay, arising out of or by reason of any negligent or willful act or omission of Wheels of Thunder, its agents, servants or employees, in the execution, performance, or failure to adequately perform Wheels of Thunder's obligations pursuant to this Agreement.

8. INSURANCE

8.1 General Terms. In order to protect itself and to protect the City under the indemnity provisions set forth above Wheels of Thunder shall, at Wheels of Thunder's expense, procure and maintain policies of insurance covering the term of this Agreement, as set forth below. Such policies of insurance shall apply to the extent of, but not as a limitation upon or in satisfaction of, the indemnity provisions herein. All retentions and deductibles under such policies of insurance shall be paid by Wheels of Thunder. Each such policy of insurance shall contain a clause providing that such policy shall not be cancelled by the issuing insurance company without at least 10 days written notice to the City of intent to cancel.

8.2 Coverage. The policies of insurance to be obtained by Wheels of Thunder pursuant to this section shall be purchased from a licensed carrier and shall include the following:

A) General Liability

A single or combined limit, occurrence-based comprehensive general liability insurance policy which shall include a broad form comprehensive liability endorsement and an Agreemental endorsement, which shall include the following coverages at a minimum:

See attached Certificate of Liability Insurance, which provides for required coverage attached as Exhibit A.

B) Automobile Liability

A single or combined limit automobile liability insurance policy for all owned, non-owned and hired vehicles, if any, used in the provision of services under this Agreement, which shall include the following coverages at a minimum:

See attached Certificate of Liability Insurance, which provides for required coverage attached as Exhibit A.

C) Workers' Compensation

See attached Certificate of Liability Insurance, which provides for required coverage attached as Exhibit A.

8.3 Failure to Provide Proof of Insurance. The City may withhold payments or immediately terminate this Agreement for failure of Wheels of Thunder to furnish proof of insurance coverage or to comply with the insurance requirements as stated above.

8.4 Nonwaiver. Nothing in this Agreement shall constitute a waiver by the City of any statutory limits or exceptions on liability.

9. TERMINATION

9.1 With or Without Cause. This Agreement may be terminated with or without cause, by either party upon thirty (30) days written notice.

9.2 Notice of Termination. Notice of Termination shall be made by certified mail or personal delivery to the authorized agent of the party. Notice of Termination is deemed effective upon delivery to the address of the party.

9.3 Effect of Termination. Termination of this Agreement shall not discharge any liability, responsibility or right of any party which arises from the performance of or failure to adequately perform the terms of this Agreement prior to the effective date of termination.

10. AGREEMENT RIGHTS/REMEDIES

10.1 Rights Cumulative. All remedies available to either party under the terms of this Agreement or by law are cumulative and may be exercised concurrently or

separately, and the exercise of any one remedy shall not be deemed an election of such remedy to the exclusion of other remedies.

10.2 Waiver. Waiver for any default shall not be deemed to be a waiver of any subsequent default. Waiver of breach of any provision of this Agreement shall not be construed to be modification for the terms of this Agreement unless stated to be such in writing and signed by authorized representatives of the City and Wheels of Thunder.

11. ASSUMPTION

Wheels of Thunder hereby assumes and agrees to pay all sums now or hereafter owed to the City in accordance with all the terms and conditions of the 09 Contract. Said payments will be made by Wheels of Thunder waiving its consideration defined in Section 4 herein until all amounts due to the City have been paid in full.

12. MODIFICATIONS

Any alterations, variations, modifications, or waivers of the provisions of this Agreement shall only be valid when they have been reduced to writing, and signed by authorized representatives of the City and Wheels of Thunder.

13. MERGER

13.1 Final Agreement. This Agreement is the final expression of the agreement of the parties and the complete and exclusive statement of the terms agreed upon, and shall supersede all prior negotiations, understandings or agreements. There are not representations, warranties, or stipulations, either oral or written, not herein contained.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date indicated below.

SCOTT ROBINSON AND JOHN AMUNDSON, DBA WHEELS OF THUNDER

CITY OF RAMSEY

Scott Robinson

By: _____
Its Mayor

John Amundson

By: _____
Its City Administrator

Dated: _____

Dated: _____

ASSIGNMENT

Youth First Marketing, LLC hereby assigns to Scott Robinson and John Amundson, dba Wheels of Thunder all of its rights, title, interest and obligations in and to that certain Agreement dated October ____, 2009 by and between the City of Ramsey and Youth First Marketing, LLC.

Youth First Marketing LLC, a Minnesota limited liability company

By: _____
Scott Robinson, Its President

DRAFT

Edition	Ad Size	# Sold	Price	Total	Allocation of Money Collected	Amount Paid to City	Difference	Printing Costs
Nov/Dec 2009	1/8 page	7	\$299	\$2,093				
no invoices	1/4 page	5	\$485	\$2,425				
	1/2 page	0	\$850	0				
	full page	2	\$1,375	\$2,750				
				<u>\$7,268</u>	\$3634 <i>City of Ramsey (50%)</i>	\$3,181	(\$453.00)	\$4,912.19
					\$3379.62 <i>YFM (50% minus 7%)</i>			
					\$254.38 <i>Youth First Comm. of Promise (7%)</i>			
Jan/Feb 2010	1/8 page	12	\$299	\$3,219				
missing 1 invoice	1/4 page	7	\$485	\$3,020				
	1/2 page	1	\$850	\$850				
	full page	1	\$1,375	\$1,250				
				<u>\$8,339</u>	\$4169.50 <i>City of Ramsey (50%)</i>	\$3,150	(\$1,019.50)	\$5,009.81
					\$3877.63 <i>YFM (50% minus 7%)</i>			
					\$291.87 <i>Youth First Comm. of Promise (7%)</i>			
March/April 2010	1/8 page	9	\$299	\$2,419				
	1/4 page	9	\$485	\$4,170				
	1/2 page	0	\$850	\$0				
	full page	0	\$1,375	\$0				
				<u>\$6,589</u>	\$3,294.50 <i>City of Ramsey (50%)</i>	\$2,700	(\$594.50)	\$4,693.53
					\$3,063.88 <i>YFM (50% minus 7%)</i>			
					\$230.62 <i>Youth First Comm. of Promise (7%)</i>			
May/June 2010	1/8 page	9	\$299	\$2,518				
missing 2 invoices	1/4 page	5	\$485	\$2,315				
	1/2 page	0	\$850	\$0				
	full page	0	\$1,375	\$0				
				<u>\$4,833</u>	\$2,416.50 <i>City of Ramsey (50%)</i>	\$2,585	\$168.50	\$4,690.44
					\$2,247.34 <i>YFM (50% minus 7%)</i>			
					\$169.16 <i>Youth First Comm. of Promise (7%)</i>			

July/Aug 2010	1/8 page	9	\$299	\$2,394					
	1/4 page	6	\$485	\$2,775					
	1/2 page	0	\$850	\$0					
	full page	0	\$1,375	\$0					
				<u>\$5,169</u>	} \$2584.50	City of Ramsey (50%)	not paid yet	(\$2,584.50)	\$5,754.97
									\$2,403.58 YFM (50% minus 7%)
									\$180.92 Youth First Comm. of Promise (7%)

Sept/Oct 2010	1/8 page	6	\$299	\$1,894.00					
	1/4 page	6	\$485	\$2,825.00					
	1/2 page	0	\$850	\$0.00					
	full page	0	\$1,375	\$0.00					
				<u>\$4,719</u>	} \$2359.50	City of Ramsey (50%)	not paid yet	(\$2,359.50)	\$4,594.62
									\$2,194.36 YFM (50% minus 7%)
									\$165.14 Youth First Comm. of Promise (7%)

Nov/Dec 2010	1/8 page	6	\$299	\$1,595.00					
	1/4 page	5	\$485	\$2,375.00					
	1/2 page	0	\$850	\$0.00					
	full page	0	\$1,375	\$0.00					
				<u>\$3,970</u>	} \$1,985	City of Ramsey (50%)	not paid yet	(\$1,985.00)	
									\$1,846.05 YFM (50% minus 7%)
									\$138.95 Youth First Comm. of Promise (7%)

Total Owed by YFM (\$8,827.50)

Amy Dietl

From: Brian Ploeger [brian.ploeger@ecm-inc.com]
Sent: Wednesday, November 17, 2010 11:29 AM
To: Amy Dietl
Subject: Ramsey newsletter letter of interest

Letter of interest for City of Ramsey newsletter

ECM Publishers, Inc. would like to express our interest in partnering with the City of Ramsey to sell advertising, print and distribute the City's newsletter. We are a locally-owned multi-media company with our corporate office in Coon Rapids. We own 26 community newspaper and shopper publications throughout Minnesota, a large printing plant in Princeton and distribution facilities in Coon Rapids, Burnsville and New Richmond, Wisconsin. You may be familiar with our local publications the Anoka County Union and Anoka County Shopper. We pride ourselves on our commitment to local news, quality printing, on-time distribution and our involvement in the communities we serve.

We feel we can provide opportunities for the City to generate advertising revenue to support your newsletter and provide quality printing and distribution options. We currently deliver to the majority of households in Ramsey and are confident we can provide the City with cost-effective solutions to produce a quality newsletter.

We have always valued our relationship with the City of Ramsey and look forward to discussing specifics on this new opportunity. We are confident we can work together to develop solutions to fit the City's newsletter requirements.

Brian Ploeger

Sales Manager



Proposal for The City of Ramsey Newsletter

Friday, October 29, 2010

Prime Advertising & Design's marketing and design team is excited to offer the following proposal for the City of Ramsey Newsletter Project.

Our goal is to provide a turn-key, money-saving solution for the City of Ramsey and make it easier to provide your residents and businesses a comprehensive and informative newsletter and to help promote the economic growth of the current business community and attract new businesses. By having Prime design, print and mail your newsletter, your staff will have time to focus on other projects.

Prime Advertising & Design will custom graphic design and print your new full-color Newsletter. The format will be a magazine style that is 8.25" x 10.75" finished size. The City of Ramsey will have full editorial control of City information and Prime's marketing consultants will have the opportunity to secure and manage all advertising space. The ad space will include 1/8 page and 1/4 page ads which will be discreetly placed at the lower part of the pages to provide a reader-friendly format.

Prime's Responsibilities:

Advertising Sales:

Our Team of Marketing Consultants will work with local businesses to on advertising opportunities and design. The City of Ramsey will receive a donation of \$50 for every ad placed.

Accounting and Receivables:

Our Accounting Department will handle all accounting and receivable functions of the project.

Graphic Design of Newsletter Layout:

A Professional Graphic Designer will be assigned to your project.

Full-Color Format, (4) -11" x 17", Trims and Folds to 8.25" x 10.75"

Printing & Design:

Quarterly 16 - Page Newsletter Printed on 70# Matte Text White – 4/4 Full-Color, Two Sides, with Bleeds, Folds to 8.25" x 10.75", Collated, Saddle Stitched

(Advertising on 4 pages with a combination of 1/4 and 1/8 page ads)

City information to fill 70% of the newsletter space, advertising to fill the remaining 30%

Printing Cost for 9,000 Qty..... \$2,932.60

Graphic Design of each Newsletter: \$1,200.00*

*City to provide all articles & content electronically in Microsoft Word format



Approximate Mailing Costs:

Mail prep services, delivered to Post Office Qty 8,605:..... \$ 312.50
POSTAGE is approximately 8,605 X .142:.....\$1,221.91
Total Cost to City for Mailing & Postage Services:.....\$1,534.41

Printing, Design, & Mailing Cost for each issue:

Printing (based on 9,000 qty):..... \$2,932.60
Design: \$1,200.00
Mailing:..... \$1,534.41

Total Cost: \$5,667.01

Final copy provided in PDF format and as a Digital Edition that is usable by the City for posting on the City website and on MyPrimeGuide.com in the Ramsey City section.

Pricing for printing and mailing costs are subject to change. All pricing will be reviewed quarterly.

Quarterly vs. Bi-Monthly Costs:

Approximate Annual Total Cost (quarterly):..... \$22,668.04
Approximate Annual Total Cost (bi-monthly): \$34,002.06

*Prices do not include donation of advertising costs.

Potential Advertising Revenue (Minimum & Maximum):

30% advertising space will allow for 17 - 1/4 page advertisements or 34 - 1/8 page advertisements

Based on a complete sellout of advertising space at \$50.00 donation per ad, the maximum donation would equal \$1,700.00, the minimum would be \$850.00.

17 1/4 ads @ \$449 = City Revenue Portion = \$ 850.00
34 1/8 ads @ \$299 = City Revenue Portion = \$1,700.00

Approved by: _____ Date: _____



Falcon Prince Publishing



City of Ramsey Administrator

City of Ramsey Council

Re: Interest in Advertising Sales and management for City of Ramsey Newsletter.

Dear City Administrator and City Council

It was brought to my attention by councilman McGlone that you may be looking to contract a service for generating advertising sales for the "City of Ramsey Resident". This is a letter to express my interest in providing that service.

Community newsletters unlike other print media have withstood the onslaught of immediate online information. I believe it is because they provide that physical and emotional connection to a resident's community that cannot be found in the instantaneous world of the internet.

What residents obtain from community newsletters is unique only to them as residents and fulfills their ongoing community informational needs. This dynamic provides a very describable and saleable consumer venue to offer to businesses for their marketing needs.

I have spoken to and met with the staff involved with your newsletter and feel it presents and excellent additional product line for my advertising sales business. I am quite confident that I will be able to generate revenue enough not only to support your paper but expect short term growth could even sustain a profit for the city. My motivation comes from a long background in print media sales so I am excited about being able to present this to businesses as an effective way to reach the citizen consumers in your city.

- Following is a brief view of my company and its qualifications

Falcon Prince Publishing

Established in 1996 under Falcon Prince Inc.

14 years in publishing the paper Tidbits® of the North Metro, subscribed to and licensed under Tidbits® Media Inc. Montgomery, Alabama.

Well recognized by many Anoka County and northern Twin City businesses for knowledgeable and dependable expertise in advertising sales, consulting, and design. Long standing member of the Anoka Area Chamber of Commerce, and Metro North Chamber of Commerce.

References: Peter Turuok-director Anoka Area Chamber "763-421-7130 // Lori Higgins director Metro North Chamber 763-783-3553 / Rick, Pre- press Northstar Media AKA Star Press, Cambridge Minnesota. 763 - 689-1182 / Tim Bingaman - Circulation Verification Council 1-800-262-6392

- Existing systems for production, communications, client tracking, billing & follow-up.

Software

Adobe Indesign Suite
MS Office Suite, Publisher
Quickbooks Pro.

Online services subscribed to

Constant Contact
Ad builder
Issuu
Send Out Cards

Available Subcontracted Services used

Beyond Design
J Elwell Design
C Haubich Design
Print Central
Bromley Printing

- Initial methodology for generating ad sales through FP Publishing.

Review and contact current and past newsletter advertisers.

Determine business types for optimum target model in and out of city of Ramsey area
Utilize current and past customer data from Falcon Prince Publishing to match target model.

Further research target model businesses through available search sources

Mass E mail to data base of new product offering.

Develop and link to newsletter information page in current web site www.realbits.com

- Overview of current design and goals.

Optimize ad to editorial ratio to reach net income goals.

Addition of more product line for consideration

Restaurant Page
Home Services Page
Spiritual Services Page
City of Ramsey web site links to participating advertiser websites
Business card page
Inserts.

Editorial additions for discussion

Added value by offering advertisers either business bio's Resident help editorial section. (Health Tips, Recipes, Home repair tips
Ramsey and Anoka County Historical Notes
Resident announcements (birth, wedding etc

- Schedule for starting and workup period.

Available for immediate start in preparation for the first 2011 issue deadline of Dec. 8th.

2 week workup period for developing promo material, contacting current and past advertisers and researching data sources for new.

2 weeks final sales

1 week final ad design and proof for deadline.

I hope this information about my services and qualifications meets your satisfaction and look forward to your affirmative reply.

Respectfully,
Dean Prince

Falcon Prince Inc.
3053 Rodeo Drive
Blaine, Mn. 55449
763-792-1125
dean@realbits.com

Tidbits of the North Metro
1633 Co Hwy 10
Spring Lake Park, Mn. 55449
www.realbits.com

CC Work Session

Item #: 5. 1.

Date: 11/23/2010

By: Jo Thieling
Administrative Services

Information

Title:

Future Work Session Topics

Background:

Attached is a list of Future Topics for Work session.

Council Action:

No action necessary.

Attachments

Work Session Calendar

Form Review

Inbox	Reviewed By	Date
Jo Thieling (Originator)	Jo Thieling	11/18/2010 09:45 AM
Heidi Nelson	Jo Thieling	11/18/2010 09:45 AM
Kurt Ulrich	Jo Thieling	11/18/2010 09:46 AM
Form Started By: Jo Thieling		Started On: 11/18/2010 09:37 AM
Final Approval Date: 11/18/2010		

Work Session Calendar 2010/2011

Month	Date	Topics for Discussion
November		1) Performance Standards for Housing Maintenance
November	30	1) CIP 2) 2011 Budget Review
<u>December</u>	7	
<u>December</u>	14	
<u>December</u>	21	No Meeting
<u>December</u>	28	No Meeting
<u>January/Feb</u> <u>March</u>		1) Review City Hunting Regulations (sometime in 1 st quarter 2011) 2) Update Public Nuisance Ordinance (Jim Way) 3) Consider Financing Options for Road Reconstruction Policy
<u>On List –</u> <u>No Date</u> <u>2010/2011</u>		1) Outside Storage in Industrial Areas (AM) 2) Community Center Planning (HN) 3) Discuss Joint Community Effort Regarding County Road Standards (Councilmember Wise) 4) Review Dangerous Dog Ordinance and Signage w/re to Dog Park 5) Excessive Use Ordinance – Councilmember Dehen 6) Parks Analysis/Possible Policy Change for Rechanneling Park Dedication Funding, etc. 7) Discuss Sister-City Relationship 8) Public Works Space Needs Analysis (BO)
		<u>Future HRA Items for Discussion</u> Discuss TIF & Development 167 th /Highway #47 – October 2010