

EDA Members:

Dan Roe,
President
Lisa Laliberte,
Vice President
Wayne Groff,
Treasurer
Robert Willmus
Jason Etten



**Economic Development
Authority
Meeting Agenda
Monday, April 22, 2019
6:00pm
City Council Chambers**

Address:

2660 Civic Center Dr.
Roseville, MN 55113

Phone:

651-792-7000

Website:

www.growroseville.com

1. 6:00 P.M. Roll Call
Voting & Seating Order: Willmus, Laliberte, Groff, Etten, and Roe
2. Pledge Of Allegiance
3. Approve Agenda
4. 6:01 P.M. Public Comment
5. Business Items (Action Items)
 - 5.A. 6:03 PM Consideration Of Resolutions Authorizing A Deferred Loan For Tax Base Revitalization Account (TBRA) Funds And Support For Ramsey County HOME Funds For Roseville Edison II, LLC Affecting Property Located At 3080 Old Highway 8

Documents:

[5A REPORT AND ATTACHMENTS.PDF](#)
 - 5.B. 6:10 PM Update On Colder Products Company New Headquarters, Acceptance Of Environmental Response Funds From Ramsey County And Consider Request For Additional Tax Increment Financing Funds

Documents:

[5B REPORT AND ATTACHMENTS.PDF](#)
6. 6:30 P.M. Adjourn



REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: 4/22/2019

Item No.: 5.a

Department Approval

Executive Director Approval

Janice Gundlach

Randy Trueman

Item Description: Consideration of Resolutions Authorizing a Deferred Loan for Tax Base Revitalization Account (TBRA) Funds and Support for Ramsey County HOME Funds for Roseville Edison II, LLC Affecting Property Located at 3080 Old Highway 8

1
2 **BACKGROUND**

3 On July 17, 2018 the Roseville Economic Development Authority (REDA) adopted a Resolution
4 supporting application for Met Council Tax Base Revitalization Account (TBRA) funds (Attachment
5 A) for the Edison Apartment project located at 3080 Old Highway 8 NW. The development was
6 awarded grant funds of \$633,000 to assist with environmental clean-up of the site. Sands Development,
7 the developer, has requested the grant funds be structured as a 30 year deferred loan with a 0% interest
8 rate for the affordable apartment building (Attachment B) and may elect to take grant funds for the
9 market rate building. The loan would allow Sands Development to minimize the tax consequences for
10 the tax credit financing structure of the second affordable housing development. When the loan comes
11 due and is paid back the funds would be returned to the Met Council.

12
13 In addition, the project has applied for Ramsey County HOME funds for the second affordable housing
14 building and is requesting a resolution supporting the application (Attachment C).

15
16 Edison Apartments is a life style multifamily rental housing development of approximately 250 units in
17 multiple buildings. The first building began construction fall of 2018. Assuming funds for the second
18 building can be secured this year, the remaining buildings will be phased in over this year and in 2020
19 (Attachment D).

20
21 **STAFF RECOMMENDATION**

22 Staff is providing the following items for the REDA to consider:

- 23 1. Adopt a Resolution entering into 30 year deferred loan with 0% interest rate for TBRA grant
24 funds.
25 2. Adopt a Resolution supporting a Ramsey County HOME funds application.
26

27 **REQUESTED REDA ACTION**

28 Staff is providing the following items for the REDA to consider:

- 29 1. Adopt a Resolution entering into 30 year deferred loan with 0% interest rate for TBRA grant
30 funds.
31 2. Adopt a Resolution supporting a Ramsey County HOME funds application.

32 Prepared by: Jeanne Kelsey, Housing and Economic Development Program Manager, 651-792-7086

- Attachment A: Resolution No. 26 Authorizing the Application for TBRA Funds
- B: Resolution Authorizing to Enter into TBRA Deferred Loan and Documents
- C: Resolution supporting Ramsey County HOME Funds
- D: Edison Proposed Site Plan

**EXTRACT OF MINUTES OF MEETING OF THE
ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY**

* * * * *

Pursuant to due call and notice thereof, a regular meeting of the Board of Commissioners (the “Board”) of the Roseville Economic Development Authority (the “Authority”) was duly held on the 17th day of July, 2018, at 6:00 p.m.

The following members were present: Willmus, Etten, McGehee, Laliberte, and Roe

and the following were absent: None

Commissioner Etten introduced the following resolution and moved its adoption:

Resolution No. 26

**RESOLUTION IDENTIFYING THE NEED FOR TAX BASE REVITALIZATION
ACCOUNT GRANT FUNDING AND AUTHORIZING APPLICATION FOR GRANT
FUNDS FOR EDISON APARTMENTS, LLC**

WHEREAS the Roseville Economic Development Authority (the “Authority”) is eligible to apply for Tax Base Revitalization Account (“TBRA”) funds on behalf of cities participating in the Livable Communities Act’s Housing Incentives Program for 2018 as determined by the Metropolitan Council; and

WHEREAS only a limited amount of grant funding is available through the TBRA during each funding cycle, and the Metropolitan Council has determined that it is appropriate to allocate such funds only to eligible projects where the funds assist with environmental investigation and cleanup activities that meet TBRA priorities; and

WHEREAS the Authority acknowledges that grants funded through the TBRA are intended to fund environmental investigation and cleanup of brownfield properties in order to increase tax base and foster the creation of jobs in the Twin Cities metropolitan area; and

WHEREAS Edison Apartments, LLC (the “Developer”) has requested TBRA grant assistance for a portion of the costs of environmental remediation in connection with the construction of a multifamily rental housing facility (the “Project”) in the City of Roseville, and the Authority has determined that such Project meets the purposes and criteria of the TBRA; and

WHEREAS the Authority has the institutional, managerial and financial capability to ensure adequate administration of the Project; and

WHEREAS if TBRA grant funding is received, the Authority will comply with all

applicable laws and regulations provided in the TBRA grant agreement for the Project in its administration of the TBRA grant; and

WHEREAS the Authority agrees to act as legal sponsor for the Project described in the TBRA grant application to be submitted on or before November 1, 2018; and

NOW THEREFORE BE IT RESOLVED THAT the Roseville Economic Development Authority authorizes and directs its Executive Director to submit an application for a TBRA grant from the Metropolitan Council for the components of the Project identified in the application, and, if the TBRA grant is awarded, to execute such agreements as may be necessary to implement the Project on behalf of the City of Roseville, where the Project is located.

Adopted by the Board of the Authority this 17th day of July, 2018.

Certificate

I, the undersigned, being duly appointed Executive Director of the Roseville Economic Development Authority, hereby certify that I have carefully compared the attached and foregoing resolution with the original thereof on file in my office and further certify that the same is a full, true, and complete copy of a resolution which was duly adopted by the Board of Commissioners of said Authority at a duly called and regularly held meeting thereof on July 17, 2018.

I further certify that Commissioner Etten introduced said resolution and moved its adoption, which motion was duly seconded by Commissioner Roe, and that upon roll call vote being taken thereon, the following Commissioners voted in favor thereof:

Willmus, Etten, and Roe

and the following voted against the same: McGehee, Laliberte

whereupon said resolution was declared duly passed and adopted.

Witness my hand as the Executive Director of the Authority this 17th day of July, 2018



Executive Director, Patrick Trudgeon
Roseville Economic Development Authority

**EXTRACT OF MINUTES OF MEETING OF THE
ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY**

* * * * *

Pursuant to due call and notice thereof, a special meeting of the Board of Commissioners (the “Board”) of the Roseville Economic Development Authority (the “Authority”) was duly held on the 22nd day of April, 2019, at 6:00 p.m.

The following members were present:

and the following were absent:

Member introduced the following resolution and moved its adoption:

RESOLUTION No.

**RESOLUTION APPROVING EXECUTION AND DELIVERY OF
DOCUMENTS IN CONNECTION WITH A TAX BASE REVITALIZATION ACCOUNT
GRANT FROM THE METROPOLITAN COUNCIL**

WHEREAS, the Roseville Economic Development Authority (the “Authority”) has previously applied for and received a Tax Base Revitalization Account grant (the “Grant”) from the Metropolitan Council’s (the “Council”) Livable Communities Act Housing Incentives Program to support the development of a multifamily rental housing facility (the “Project”) to be constructed by Roseville Edison II, LLC, a Minnesota limited liability company or an affiliate thereof (the “Developer”) in the City of Roseville, Minnesota (the “City”); and

WHEREAS, the Authority and the Council have entered into a Grant Agreement committing the Authority’s use of the proceeds of the Grant to assist the Developer with the costs of environmental investigation and soil remediation/cleaning blackfill (the “Grant-Eligible Costs”); and

WHEREAS, in order to facilitate the Developer’s use of low income tax credits for affordable multifamily rental housing for the Project (the “Workforce Housing”), the Developer has requested that all or a portion of the Grant by the Authority to the Developer be structured as a loan; and

WHEREAS, the Authority agrees to loan all or a portion of the proceeds of the Grant in an amount not to exceed \$633,000 (the “Workforce Housing Loan”) to the Developer to provide financing for Grant-Eligible Activities related specifically to the Workforce Housing, pursuant to a Loan Agreement (the “Loan Agreement”) proposed to be entered into between the Authority and the Developer; and

45 WHEREAS, to secure the repayment of the Workforce Housing Loan, the Developer will execute
46 and deliver to the Authority a Promissory Note (the “Note”) in an original aggregate
47 principal amount not to exceed \$633,000, and a Leasehold Mortgage (the “Mortgage”
48 and together with the Note and the Loan Agreement, the “Loan Documents”); and
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50 WHEREAS, there has been presented to the Board of Commissioners of the Authority the form of
51 the Loan Documents and the Authority finds that the approval and execution of the
52 Loan Documents and providing the Workforce Housing Loan to the Developer are in
53 the best interest of the City and its residents;
54

55 NOW THEREFORE BE IT RESOLVED as follows:
56

- 57 1. The Loan Documents as presented to the Board are hereby in all respects approved,
58 subject to modifications that do not alter the substance of the transaction and that are
59 approved by the President and Executive Director, and further subject to a final
60 determination of the amount of the Workforce Housing Loan to be provided to the
61 Developer, provided that execution of the Loan Agreement by such officials shall be
62 conclusive evidence of approval.
63
- 64 2. The President and Executive Director are hereby authorized to execute on behalf of the
65 Authority the Loan Agreement and any other documents requiring execution by the
66 Authority in order to carry out the transaction described in the Loan Documents.
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- 68 3. Authority staff and consultants are authorized to take any actions necessary to carry out
69 the intent of this resolution.
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72
73 The motion for the adoption of the foregoing resolution was duly seconded by Member

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75 , and upon a vote being taken thereon, the following voted in favor thereof:

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77 and the following voted against the same: none.
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79 WHEREUPON said resolution was declared duly passed and adopted.
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Certificate

I, the undersigned, being duly appointed Executive Director of the Roseville Economic Development Authority, hereby certify that I have carefully compared the attached and foregoing resolution with the original thereof on file in my office and further certify that the same is a full, true, and complete copy of a resolution which was duly adopted by the Board of Commissioners of said Authority at a duly called and specially held meeting thereof on April 22, 2019.

I further certify that Commissioner _____ introduced said resolution and moved its adoption, which motion was duly seconded by Commissioner _____, and that upon roll call vote being taken thereon, the following Commissioners voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

Witness my hand as the Executive Director of the Authority this 22nd day of April, 2019

Executive Director
Roseville Economic Development Authority

LOAN AGREEMENT

This Loan Agreement (“Agreement”) is made this ___ day of _____, 2019, between Roseville Edison II, LLC, a Minnesota limited liability company (“Borrower”) and the Roseville Economic Development Authority (“Lender”), a public body corporate and politic under the laws of Minnesota.

RECITALS

A. The Lender and the Metropolitan Council (the “Council”) have entered into a Metropolitan Livable Communities Act Grant Agreement approved by the Council on January 9, 2019 (the “Grant Agreement”), committing grant funds from the Council’s Tax Base Revitalization Account (the “Grant”) to the Lender, to be used by the Lender to assist the Borrower with the costs of environmental investigation and soil remediation/clean backfill (the “Project Costs”) on certain property located in the City of Roseville described in Exhibit A (the “Property”).

B. In order to facilitate the use of low income tax credits for affordable multifamily rental housing on the Property (the “Affordable Housing”), the Borrower has requested that the Grant by the Lender to the Borrower be structured as a loan.

C. Lender agrees to loan to Borrower the proceeds of the Grant to finance a portion of the Project Costs on the Property, pursuant to the terms and conditions of this Agreement.

D. In consideration for the loan contemplated by this Agreement, Borrower is executing and delivering to Lender this Agreement.

ACCORDINGLY, to induce Lender to make the Loan (as defined hereinafter) to Borrower, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The Loan Amount. Subject to and upon the terms and conditions of this Agreement and the Grant Agreement, Lender agrees to loan to Borrower the sum of _____ Dollars (\$_____) (the “Loan”). The Loan shall be evidenced by a promissory note (“Note”) payable by Borrower to Lender and substantially in the form of Exhibit B attached to this Agreement, which shall be dated as of the date of closing on the Loan (the “Loan Closing Date”). Proceeds of the Loan shall be disbursed in accordance with Section 3 hereof.

2. Repayment of Loan. The Loan shall be repaid with interest as follows:

(a) No interest shall accrue on the Note.

(b) The entire amount of principal and accrued interest on the Loan shall be due and payable on _____, 2059. The Borrower may prepay the Loan, in whole or in part, on any date, subject to the terms provided in the Note.

3. Disbursement of Loan Proceeds.

(a) The proceeds of the Loan shall be disbursed by the Lender to the Borrower in accordance with the terms and conditions of the Grant Agreement and with Section 3.3(c) of the Contract for Private Development between the Lender and Edison Apartments, LLC dated as of July 17, 2018 (the "Contract"). Notwithstanding anything to the contrary herein, any excess of the Project Costs over the principal amount of the Loan shall be the sole responsibility of the Borrower.

(b) Disbursement of the proceeds of the Loan will be made subject to the conditions precedent that on or prior to the Loan Closing Date:

(i) The Lender has received from Borrower, without expense to Lender, executed copies of this Agreement and the Note, and Borrower further having caused to be executed and delivered to Lender a mortgage in substantially the form set forth hereto at Exhibit C (the "Mortgage");

(ii) The Borrower has presented the Lender with evidence that the Loan funds are being allocated solely to the Affordable Housing on the Property; and

(iii) No Event of Default under this Agreement or the Contract as to the Grant Agreement shall have occurred and be continuing.

4. No Business Subsidy. The parties agree and acknowledge that the Loan is not a business subsidy as defined in Minnesota Statutes, Section 116J.993, because the assistance is for housing.

5. Representations and Warranties. Borrower represents and warrants to Lender that:

(a) Borrower is duly authorized and empowered to execute, deliver, and perform this Agreement and to borrow money from Lender.

(b) The execution and delivery of this Agreement, and the performance by Borrower of its obligations hereunder, do not and will not violate or conflict with any provision of law and do not and will not violate or conflict with, or cause any default or event of default to occur under, any agreement binding upon Borrower.

(c) The execution and delivery of this Agreement has been duly approved by all necessary action of Borrower, and this Agreement has in fact been duly executed and delivered by Borrower and constitutes its lawful and binding obligation, legally enforceable against it.

(d) Borrower warrants that it shall keep and maintain books, records, and other documents relating directly to the receipt and disbursements of Loan proceeds and that any duly authorized representative of Lender shall, at all reasonable times, have access to and the right to inspect, copy, audit, and examine all such books, records, and other documents

of Borrower pertaining to the Loan disbursements until the completion of all closeout procedures and the final settlement and conclusion of all issues arising out of this Loan.

(e) Borrower warrants that it has fully complied with all applicable state and federal laws pertaining to its business and will continue to comply throughout the terms of this Agreement. If at any time Borrower receives notice of noncompliance from any governmental entity, Borrower agrees to take any necessary action to comply with the state or federal law in question.

(f) Borrower warrants that it will use the proceeds of the Loan made by Lender solely for the Project Costs.

(g) Borrower warrants that it will not create, permit to be created, or allow to exist any liens, charges, or encumbrances prior to the obligation created by this Loan Agreement, except as otherwise authorized in writing by Lender.

6. Event of Default by Borrower. The following shall be Events of Default under this Agreement:

(a) failure to pay any principal or interest on the Loan when due;

(b) any material representation or warranty made by Borrower herein or in any document, instrument, or certificate given in connection with this Agreement, the Note, or the Mortgage (the "Loan Documents") which is materially false when made;

(c) Borrower fails to pay its debts as they become due, makes an assignment for the benefit of its creditors, admits in writing its inability to pay its debts as they become due, files a petition under any chapter of the Federal Bankruptcy Code or any similar law, state or federal, now or hereafter existing, becomes "insolvent" as that term is generally defined under the Federal Bankruptcy Code, files an answer admitting insolvency or inability to pay its debts as they become due in any involuntary bankruptcy case commenced against it, or fails to obtain a dismissal of such case within thirty (30) days after its commencement or convert the case from one chapter of the Federal Bankruptcy Code to another chapter, or be the subject of an order for relief in such bankruptcy case, or be adjudged a bankrupt or insolvent, or has a custodian, trustee, or receiver appointed for, or has any court take jurisdiction of its property, or any part thereof, in any proceeding for the purpose of reorganization, arrangement, dissolution, or liquidation, and such custodian, trustee, or receiver is not discharged, or such jurisdiction is not relinquished, vacated, or stayed within thirty (30) days of the appointment;

(d) a garnishment summons or writ of attachment is issued against or served upon Lender for the attachment of any property of Borrower in Lender's possession or any indebtedness owing to Borrower, unless appropriate papers are filed by Borrower contesting the same within thirty (30) days after the date of such service or such shorter period of time as may be reasonable in the circumstances;

(e) Borrower breaches or fails to perform any other term or condition of this Agreement not specifically described as an Event of Default in this Agreement and such breach or failure continues for a period of thirty (30) days after Lender has given written notice to Borrower specifying such default or breach, unless Lender agrees in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lender will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Borrower within the applicable period and is being diligently pursued until the Default is corrected, but no such extension shall be given for an Event of Default that can be cured by the payment of money (i.e., payment of taxes, insurance premiums, or other amounts required to be paid hereunder);

(f) Borrower fails to perform any requirement under the Grant Agreement; or

(g) any breach by Borrower of any other agreement between Borrower and Lender and/or the City of Roseville.

Notwithstanding anything to the contrary in the Loan Documents, the investor member of the Borrower (“Investor”) shall have the right, but not the obligation, to cure any default of Borrower, and Lender agrees to accept cures tendered by Investor as follows: (i) with respect to any monetary default, Lender shall notify Investor in writing of such monetary default, and Investor shall have ten (10) days after the receipt of such notice of such monetary default to cure such monetary default; and (ii) with respect to any non-monetary default, Lender shall notify Investor in writing of such non-monetary default, and Investor shall have thirty (30) days after the receipt of such notice of such non-monetary default to cure such non-monetary default; provided, however, that if such non-monetary default cannot be cured within such thirty- (30-) day cure period, then Lender shall permit additional time to cure such non-monetary default as long as Investor is diligently pursuing such cure.

Notwithstanding anything to the contrary contained in the Loan Documents, the following transfers of interests in Borrower (or in the interests of the members of Borrower) shall be expressly permitted under the Loan Documents, and shall not be deemed an Event of Default or trigger any due on sale or other similar provisions in the Loan Documents: (a) the sale, transfer, conveyance or pledge of the Investor’s or of any special member of the Borrower’s (“Special Member”) interest in Borrower; (b) the sale, transfer, conveyance or pledge of any interests within the Investor or Special Member; (c) the removal of the manager of Borrower for cause under the terms of the Borrower’s then current operating agreement and the admission of a new or additional substitute manager; and (d) any amendment to the operating agreement evidencing the transfers described above.

7. Lender's Remedies upon Borrower's Default. Upon an Event of Default by Borrower and after provision by Lender of written notice, Lender shall have the right to exercise any or all of the following remedies (and any other rights and remedies available to it):

(a) declare the principal amount of the Loan and any accrued interest thereon to

be immediately due and payable upon providing written notice to Borrower;

- (b) suspend its performance under this Loan Agreement;
- (c) take any action provided for at law to enforce compliance by Borrower with the terms of this Agreement and the Note;
- (d) exercise its rights under the Mortgage.

In addition to any other amounts due on the Loan, and without waiving any other right of Lender under any this Agreement or any other instrument securing the Loan applicable documents, Borrower shall pay to Lender a late fee of \$250 for any payment not received in full by Lender within 30 calendar days of the date on which it is due. Furthermore, interest will continue to accrue on any amount due until the date on which it is paid to Lender, and all such interest will be due and payable at the same time as the amount on which it has accrued.

8. Lender's Costs of Enforcement of Agreement. If an Event of Default has occurred as provided herein, then upon demand by Lender, Borrower shall pay or reimburse Lender for all expenses, including all reasonable attorneys' fees and expenses incurred by Lender in connection with the enforcement of this Agreement and the Note, or in connection with the protection or enforcement of the interests and collateral security of Lender in any litigation or bankruptcy or insolvency proceeding or in any action or proceeding relating in any way to the transactions contemplated by this Agreement.

9. Indemnification.

(a) Except for any claims, lawsuits, or damages arising or related to the gross negligence or willful misconduct of the Lender, Borrower shall and does hereby agree to indemnify against and to hold Lender, and its officers, agents, and employees, harmless of and from any and all liability, loss, or damage that it may incur under or by reason of this Agreement, and of and from any and all claims and demands whatsoever that may be asserted against Lender by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants, or agreements contained herein.

(b) Should Lender, or its officers, agents, or employees incur any such liability or be required to defend against any claims or demands pursuant to this Section, or should a judgment be entered against Lender, the amount thereof, including costs, expenses, and attorneys' fees, shall bear interest thereon at the rate then in effect on the Note, shall be secured hereby, shall be added to the Loan, and Borrower shall reimburse Lender for the same immediately upon demand, and upon the failure of Borrower to do so, Lender may declare the Loan immediately due and payable.

(c) This indemnification and hold harmless provision shall survive the execution, delivery, and performance of this Agreement and the creation and payment of any indebtedness to Lender. Borrower waives notice of the acceptance of this Agreement by Lender.

(d) Nothing in this Agreement shall constitute a waiver of or limitation on any immunity from or limitation on liability to which Borrower is entitled under law.

10. Miscellaneous.

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

(b) Assignment. This Agreement shall be binding upon Borrower and its successors and assigns and shall inure to the benefit of Lender and its successors and assigns. All rights and powers specifically conferred upon Lender may be transferred or delegated by Lender to any of its successors and assigns. Borrower's rights and obligations under this Agreement may be assigned only when such assignment is approved in writing by Lender, except as provided in Section 6 hereof.

(c) Governing Law. This Agreement is made and shall be governed in all respects by the laws of the state of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

(d) Severability. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications that can be given effect, and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby.

(e) Notice. All notices required hereunder shall be given by depositing in the U.S. mail, postage prepaid, certified mail, return receipt requested, to the following addresses (or such other addresses as either party may notify the other):

To Lender: Roseville Economic Development Authority
2660 Civic Center Drive
Roseville, MN 55113
Attn: Executive Director

To Borrower: Roseville Edison II, LLC
366 South Tenth Avenue
Waite Park, MN 56387
Attn: President

With a copy to: [Investor TBD]
 [Address to be inserted]

(f) Termination. Subject to extensions agreed to by the Lender and Borrower and

approved by the Council, if the Loan is not disbursed pursuant to this Agreement and the Grant Agreement by December 31, 2021, this Agreement shall terminate and neither party shall have any further obligation to the other, except that if the Loan is not disbursed because Borrower has failed to use its best efforts to comply with the conditions set forth in Section 3 of this Agreement then Borrower shall pay to Lender all reasonable attorneys' fees, costs, and expenses incurred by Lender in connection with this Agreement and the Note.

(g) Entire Agreement. This Agreement, together with the Exhibits hereto, which are incorporated by reference, constitutes the complete and exclusive statement of all mutual understandings between the parties with respect to this Agreement, superseding all prior or contemporaneous proposals, communications, and understandings, whether oral or written, concerning the Loan.

(h) Headings. The headings appearing at the beginning of the several sections contained in this Agreement have been inserted for identification and reference purposes only and shall not be used in the construction and interpretation of this Agreement.

(i) Land Use Restriction. Notwithstanding any provision to the contrary in the Loan Documents, Lender acknowledges and agrees that (a) the Property is or will be subject to a Land Use Restriction Agreement (as defined below); (b) the recordation of the Land Use Restriction Agreement against the Property is permitted under the terms of the Loan Documents; and (c) the lien of any Loan Documents, and the terms and provision thereof, shall be subordinate to the Land Use Restriction Agreement, regardless of the order of recording of either document. "Land Use Restriction Agreement" means the extended low-income housing commitment, regulatory agreement or restrictive covenants executed or to be executed by Borrower setting forth certain terms and conditions under which the Property is to be operated and which shall meet the requirements of Section 42(h)(6)(B) of the Internal Revenue Code of 1986, as amended.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the proper officers thereunto duly authorized on the day and year first written above.

ROSEVILLE ECONOMIC
DEVELOPMENT AUTHORITY

By: _____

Its President

By: _____

Its Executive Director

[SIGNATURE PAGE TO LOAN AGREEMENT – ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY]

ROSEVILLE EDISON II, LLC

By: _____

Title: _____

[SIGNATURE PAGE TO LOAN AGREEMENT – ROSEVILLE EDISON II, LLC]

EXHIBIT A

PROPERTY

That part of the following described property:

That part of the Northwest Quarter of Section 5, Township 29, Range 23, Ramsey County, Minnesota, lying Southeasterly of the center line of Trunk Highway No. 8 and Northwesterly of the Southeasterly line of Highway 8-63 as relocated and lying South of a line parallel with and distant 210.76 feet South of the North line of said Northwest Quarter, and lying Northerly of a line described as follows: Beginning at a point on said center line of Trunk Highway No. 8, distant 1053.34 feet Southwest of its intersection with said North line of Northwest Quarter; thence Southeast at right angles to said center line on Northeast line of land conveyed to Northern States Power Co., 403 feet; thence at right angles Northeast 109.3 feet to a point hereinafter known as point "A"; thence 620.2 feet more or less, to a point on the East line of said Northwest Quarter distant 978.76 feet South of the Northeast corner thereof, together with the right, shared with Clara Jacobs to full use of one of the three crossings across the land conveyed to Northern States Power Co. as reserved and described in deed recorded "904" Deeds 386; and subject to highway easement for Trunk Highway No. 8 and subject to easement for driveway or roadway granted to Clara Jacobs over the Southwesterly 30 feet, except the Northwesterly 40 feet thereof, of tract herein conveyed.

Described as follows: Commencing at the northwest corner of the above described property; thence easterly along the northerly line thereof, a distance of 211.42 feet; thence southerly deflecting to the right 90 degrees 00 minutes 00 seconds, a distance of 98.65 feet; thence southwesterly, deflecting to the right 38 degrees 27 minutes 42 seconds, a distance of 146.16 feet; thence southwesterly deflecting to the left 8 degrees 54 minutes 17 seconds a distance of 243.20 feet; thence southwesterly deflecting to the right 8 degrees 54 minutes 17 seconds, a distance of 127.25 feet to a point hereinafter known as point "A"; thence northwesterly, deflecting to the right 90 degrees 00 minutes 00 seconds, a distance of 224.55 feet to a line which lies 40.00 feet southeasterly of the northwesterly line of the above described property and the point of beginning of the line to be described; thence southeasterly deflecting to the right 180 degrees 00 minutes 00 seconds, a distance of 224.55 feet to said point "A"; thence southeasterly, on the continuation of the last described line, a distance of 31.90 feet; thence Southerly deflecting to the right, 55 degrees 52 minutes 01 seconds, a distance of 189.88 feet; thence southwesterly, deflecting to the right, 34 degrees 07 minutes 59 seconds, a distance of 57.68 feet to a corner on the southerly line of the above described property; thence southerly, on the continuation of the last described line and a southerly line of the above described property, a distance of 109.30 feet to a corner on the southerly line of the above described property; thence northwesterly along said southerly line a distance of 403.00 feet to said line which lies 40.00 feet southeasterly of the northwesterly line of the above described property; thence northeasterly along said line a distance of 324.15 feet to the point of beginning.

Together with the northwesterly 40.00 feet of the first above described property.

EXHIBIT B
PROMISSORY NOTE

[To be inserted]

EXHIBIT C

MORTGAGE

[To be inserted.]

LEASEHOLD MORTGAGE
(\$ _____ TBRA Loan)

THIS MORTGAGE IS EXEMPT FROM MORTGAGE REGISTRATION TAX PURSUANT TO MINN STAT SECTION 287.04 (f) BECAUSE THIS MORTGAGE WAS MADE UNDER THE MORTGAGEE’S LOW AND MODERATE INCOME OR OTHER AFFORDABLE HOUSING PROGRAM THAT PROVIDES FOR LOANS THAT MEET THE INCOME LIMITS AND SALES PRICE LIMITS AS DETERMINED UNDER FEDERAL AND STATE LAW.

THIS LEASEHOLD MORTGAGE is made this ___ day of _____, 2019 by and between **ROSEVILLE EDISON II, LLC**, a Minnesota limited liability company (the “Mortgagor”) in favor of **THE ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY**, a public body corporate and politic and political subdivision of the state of Minnesota (the “Mortgagee”).

WHEREAS, pursuant to that Loan Agreement between the Mortgagor and Mortgagee dated as of _____, 2019 (the “Loan Agreement”), Mortgagor executed that certain Promissory Note dated as of the same date as this Mortgage (the “Note”) in the amount of _____ Dollars (\$ _____) evidencing the loan described in the Loan Agreement (the “Loan”); and

WHEREAS, pursuant to the Loan Agreement and the Note, the entire indebtedness of Mortgagor to Mortgagee of the Loan is due and payable in full on _____, 2059; and

WHEREAS, this Mortgage is given to secure repayment of all amounts due by Mortgagor to Mortgagee under the Loan Agreement and the Note, as well as other amounts due by Mortgagor to Mortgagee under the terms of this Mortgage.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, Mortgagor hereby grants, bargains, sells and conveys to Mortgagee the following real property in Ramsey County, Minnesota (the “Premises”) legally described on Exhibit A attached hereto and incorporated herein to have and to hold the same, together with all the hereditaments and appurtenances thereto belonging or in anywhere appertaining, forever.

PROVIDED NEVERTHELESS that if Mortgagor, or Mortgagor’s successors or permitted assigns, shall (i) pay, or cause to be paid, to Mortgagee the principal amount of the Loan heretofore and hereafter advanced by Mortgagee to Mortgagor under the Note; (ii) pay all taxes and special assessments that are now or may be hereafter levied and assessed on and against the Premises as they shall be due and before they become delinquent; (iii) keep the improvements on the Premises continuously insured as hereinafter provided; (iv) pay the principal and interest

installments on any prior mortgage or mortgages as the same or any part thereof become due; and (v) keep and perform each and every covenant herein, then this Mortgage shall be null and void; otherwise it shall be and remain in full force and effect.

MORTGAGOR WARRANTS AND COVENANTS to and with Mortgagee as follows:

1. Mortgagor is lawfully seized of a leasehold interest in the Premises and has good right to sell and convey the same. The Premises are free from all liens and encumbrances, except any prior mortgage or mortgages of record and other matters listed in the Mortgagor's title policy. Mortgagor shall warrant and defend the title of the Premises against all lawful claims except such prior mortgage or mortgages of record. The foregoing covenants and warranties shall survive foreclosure of this Mortgage and shall run with the land.
2. Mortgagor shall comply with and perform all of the Mortgagor's obligations under any mortgage or mortgages on the Premises which have priority over this Mortgage, including the Mortgagor's obligation to pay the principal, interest and all other indebtedness as same become due.
3. Mortgagor shall procure at Mortgagor's own expense fire and extended coverage insurance on the improvements on the Premises, payable in case of loss to Mortgagee, its successors and assigns, as its interest may appear, such insurance to be written by a reliable insurance company approved by Mortgagee in an amount at least equal to the full insurable value of such improvements.
4. Mortgagor shall pay all taxes and special assessments now and hereafter levied and assessed on the Premises before the same become delinquent.
5. Mortgagor shall keep the Premises in good repair, shall not remove the improvements from the Premises, and shall not commit waste or permit impairment or deterioration of the Premises.
6. Mortgagor shall comply with and perform all of the Mortgagor's obligations under the Loan Agreement, this Mortgage and the Note.
7. In the case of failure of Mortgagor to pay such taxes or special assessments or to keep said improvements insured as provided herein, or to pay the principal or interest (if any) on the prior mortgage or mortgages on the Premises, Mortgagee may at its option, after ten (10) days' written notice to Mortgagor, pay and discharge such taxes and assessments, effect such insurance on said improvements and pay the premiums thereon and pay the principal and interest (if any) that become due and remain unpaid on the prior mortgage or mortgages on the Premises, and the sum or sums that may be so paid by Mortgagee shall bear interest from the time of such payment at the rate of 8% per annum or the highest rate allowed by law, whichever is lower, and shall be deemed and is hereby declared to be an additional lien upon the Premises in the amount that shall be so paid, with interest thereon, as aforesaid, and shall be added to and be collectable as part of and in the same manner as the original debt which this Mortgage is given to secure.

8. Except as otherwise permitted pursuant to the Loan Agreement, the Mortgagor shall not sell, assign, convey or otherwise transfer (whether by deed, contract for deed, lease or otherwise) of the Premises, except for leases for one year or less; provided, however, that Mortgagor may mortgage, assign as security, or grant security interests in the Premises upon Mortgagee's written consent.

9. The following shall be Events of Default by Mortgagor; provided, however, that Mortgagee shall have given the Mortgagor notice of such Event of Default hereunder and at least thirty (30) days within which to cure such Event of Default, and that if such Event of Default cannot reasonably be cured within such thirty (30) days, Mortgagor shall have such additional time as may be reasonably necessary if Mortgagor commences to cure such Event of Default within such thirty (30) day period and thereafter diligently prosecutes such cure to completion:

- a) The failure to pay the indebtedness hereby secured, as it becomes due;
- b) The failure to pay, when due, the taxes or special assessments on the Premises;
- c) The failure to keep the improvements on the Premises insured as herein provided;
- d) The failure to keep and perform any of the covenants and agreements herein contained to be kept and performed by Mortgagor;
- e) Except as otherwise permitted in the Loan Agreement, the sale, assignment, conveyance or other transfer (whether by deed, contract for deed, lease or otherwise) of the Premises, except for leases for one year or less, not approved in advance by Mortgagee; or
- f) The failure to comply with and perform all of the requirements of the TBRA Grant Agreement (as defined below) related to the Premises, which failure results in the Mortgagee being obligated to indemnify or repay all or any portion of the TBRA grant funds to the Metropolitan Council.

Upon the occurrence of any Event of Default, Mortgagor hereby authorizes and empowers Mortgagee to declare the entire indebtedness hereby secured to be immediately due and payable, at Mortgagee's option, and to enforce the payment thereof and to foreclose this Mortgage by judicial proceedings or by sale of the Premises at public auction and convey the same to the purchaser in fee simple, pursuant to the statutes of the State of Minnesota, and out of the monies arising from said sale to retain (i) the principal which shall then be due on the indebtedness secured hereby, and interest, if any, accrued thereon, (ii) an amount equal to all taxes and special assessments paid by Mortgagee upon the Premises, or then levied and unpaid, (iii) any sum paid by Mortgagee for principal or interest on any prior mortgage or mortgages on the Premises, (iv) an amount equal to any insurance premiums paid by Mortgagee upon the Premises, (v) any other amounts payable by the Mortgagee to the Metropolitan Council as a result of the failure of the Mortgagor to comply with and

perform all of the requirements of the TBRA Grant Agreement related to the Premises, and (vi) costs and disbursements of such foreclosure, including statutory attorney's fees; and to pay the surplus, if any, to Mortgagor. In the event of any default hereunder the Mortgagor agrees to pay the costs of collection including reasonable attorneys' fees.

10. So long as this Mortgage and the Note evidencing the indebtedness secured hereby are held by Mortgagee, Mortgagor will not execute or file for record any instrument which imposes a restriction upon the sale or occupancy of the Premises on the basis of race, color, religion, or sex.

11. No delay by Mortgagee in exercising any right or remedy provided herein or otherwise afforded by law or equity shall be deemed a waiver of or preclude the exercise of such right or remedy. All such rights and remedies shall be distinct and cumulative and may be exercised singularly or serially (in any order) or concurrently, and as often as the occasion therefore arises.

12. Mortgagee may at any time and from time to time, without notice, release any person liable for the payment of any indebtedness under the Note, extend the time or agree to alter the terms of payment of any indebtedness, release any property securing any indebtedness, consent to the creation of any easement on the Premises, or agree to alter or amend the terms of this Mortgage in any way, all without in any way affecting the liability of any person (other than the person so released, if any) or the validity or priority of this Mortgage (except as it covers property so released, if any).

13. The covenants and agreements contained in this Mortgage shall bind, and the rights conferred hereby shall inure to, the respective, legal representatives, successors and assigns of Mortgagor and Mortgagee. Wherever used, the singular number shall include the plural, and the plural the singular. All covenants and agreements of Mortgagor shall be joint and several.

14. Mortgagee shall furnish to Mortgagor a conformed and fully completed copy of the Note and this Mortgage at the time that this Mortgage is executed or at a reasonable time after this Mortgage is recorded.

15. The Mortgagee, for itself and its successors and assigns, covenants and agrees that it will not commence procedures to foreclose on this Mortgage without the prior written consent of any of the senior lenders or the Minnesota Housing Finance Agency, or its successors and assigns ("MHFA") if there is a mortgage held by MHFA on the Project

16. The Loan is a non-recourse obligation of the Mortgagor. Neither Mortgagor nor any of its members or officers, nor any other party, shall have any personal liability for repayment of the Loan. The sole recourse of Mortgagee for repayment of the Loan shall be the exercise of its rights against the Premises and related security thereunder.

17. Except for willful misrepresentation, misconduct or negligence of the Indemnified Parties (as hereafter defined), and except for any breach by any of the Indemnified Parties of their obligations under the Loan Agreement, this Mortgage or the Note, the Mortgagor agrees

to protect and defend the Mortgagee and the governing body members, officers, agents, servants and employees thereof (the "Indemnified Parties"), now or forever, and further agrees to hold the Indemnified Parties harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from the Loan Agreement, this Mortgage, the Note, or the transactions contemplated hereby or the acquisition, construction, improvement, ownership, and operation of the Premises.

18. Mortgagee has been awarded a \$633,000 TBRA grant from the Metropolitan Council pursuant to a certain TBRA Grant Agreement between Mortgagee and the Metropolitan Council dated January 9, 2019 (the "TBRA Grant Agreement"), and has agreed to loan such funds to finance certain costs of the Mortgagor's development of the Premises. Mortgagee is loaning the funds to Mortgagor pursuant to the Loan Agreement, this Mortgage and the Note subject to the following conditions:

(a) Loan funds can be used to finance only the costs of environmental investigation and soil remediation and clean backfill on the Premises, and

(b) Loan funds may only be drawn down upon the Mortgagee's receipt of documentation demonstrating that the work for which the funds are being requested has been completed.

The Mortgagor shall comply with the foregoing and all other requirements of the TBRA Grant Agreement related to the Premises and if it fails to do so and the Mortgagee is obligated to repay all or any portion of the TBRA grant funds to the Metropolitan Council, the Mortgagor shall be liable to and shall pay to the Mortgagee the amount required to be repaid. The Mortgagor shall provide the Mortgagee all reports, certificates, information and documents which are necessary for the Mortgagee to comply with its obligations under the TBRA Grant Agreement.

19. Mortgagor will permit Mortgagee and its agents to enter and to authorize others to enter upon any or all of the Premises, or inspect Mortgagor's records regarding the Premises at reasonable times, to perform or observe any covenants, conditions, or terms which Mortgagor shall fail to perform, meet or comply with and which Mortgagee is authorized to perform under the terms of this Mortgage, or for any other purpose in connection with the protection or preservation of Mortgagee's security, without thereby becoming liable to Mortgagor or any person in possession under Mortgagor.

20. Mortgagee acknowledges that Mortgagor has entered into and delivered or intends to enter into and deliver concurrently with the execution and delivery of this Mortgage, a first lien Construction Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Financing Statement ("Senior Mortgage") in favor of [TBD priority lender(s)] ("Senior Lender") securing indebtedness evidenced by that certain Promissory Note Secured by Leasehold Mortgage ("Senior Note") payable to Senior Lender. Mortgagee agrees to subordinate the lien of this Mortgage to the Senior Mortgage and Senior Mortgage loan documents, and that this Mortgage is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Senior Mortgage as more fully set forth in that certain Master Subordination Agreement and Estoppel Certificate of even date herewith

between the Mortgagor, Senior Lender, and the Mortgagee.

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage the day and year first above written.

MORTGAGOR

ROSEVILLE EDISON II, LLC

By: _____
 Its _____

STATE OF MINNESOTA)
) ss.
 COUNTY OF _____)

The foregoing instrument was acknowledged before me this __ day of _____, 2019 by _____, the _____ of Roseville Edison II, LLC, a Minnesota limited liability company, on behalf of the limited liability company.

SIGNATURE OF PERSON TAKING
 ACKNOWLEDGEMENT (TITLE OR RANK)

THIS INSTRUMENT WAS DRAFTED BY: Kennedy & Graven, Chartered 200 South Sixth Street Minneapolis, MN 55402 Phone: (612) 337-9300
--

EXHIBIT A**LEGAL DESCRIPTION**

That part of the following described property:

That part of the Northwest Quarter of Section 5, Township 29, Range 23, Ramsey County, Minnesota, lying Southeasterly of the center line of Trunk Highway No. 8 and Northwesterly of the Southeasterly line of Highway 8-63 as relocated and lying South of a line parallel with and distant 210.76 feet South of the North line of said Northwest Quarter, and lying Northerly of a line described as follows: Beginning at a point on said center line of Trunk Highway No. 8, distant 1053.34 feet Southwest of its intersection with said North line of Northwest Quarter; thence Southeast at right angles to said center line on Northeast line of land conveyed to Northern States Power Co., 403 feet; thence at right angles Northeast 109.3 feet to a point hereinafter known as point "A"; thence 620.2 feet more or less, to a point on the East line of said Northwest Quarter distant 978.76 feet South of the Northeast corner thereof, together with the right, shared with Clara Jacobs to full use of one of the three crossings across the land conveyed to Northern States Power Co. as reserved and described in deed recorded "904" Deeds 386; and subject to highway easement for Trunk Highway No. 8 and subject to easement for driveway or roadway granted to Clara Jacobs over the Southwesterly 30 feet, except the Northwesterly 40 feet thereof, of tract herein conveyed.

Described as follows: Commencing at the northwest corner of the above described property; thence easterly along the northerly line thereof, a distance of 211.42 feet; thence southerly deflecting to the right 90 degrees 00 minutes 00 seconds, a distance of 98.65 feet; thence southwesterly, deflecting to the right 38 degrees 27 minutes 42 seconds, a distance of 146.16 feet; thence southwesterly deflecting to the left 8 degrees 54 minutes 17 seconds a distance of 243.20 feet; thence southwesterly deflecting to the right 8 degrees 54 minutes 17 seconds, a distance of 127.25 feet to a point hereinafter known as point "A"; thence northwesterly, deflecting to the right 90 degrees 00 minutes 00 seconds, a distance of 224.55 feet to a line which lies 40.00 feet southeasterly of the northwesterly line of the above described property and the point of beginning of the line to be described; thence southeasterly deflecting to the right 180 degrees 00 minutes 00 seconds, a distance of 224.55 feet to said point "A"; thence southeasterly, on the continuation of the last described line, a distance of 31.90 feet; thence Southerly deflecting to the right, 55 degrees 52 minutes 01 seconds, a distance of 189.88 feet; thence southwesterly, deflecting to the right, 34 degrees 07 minutes 59 seconds, a distance of 57.68 feet to a corner on the southerly line of the above described property; thence southerly, on the continuation of the last described line and a southerly line of the above described property, a distance of 109.30 feet to a corner on the southerly line of the above described property; thence northwesterly along said southerly line a distance of 403.00 feet to said line which lies 40.00 feet southeasterly of the northwesterly line of the above described property; thence northeasterly along said line a distance of 324.15 feet to the point of beginning.

Together with the northwesterly 40.00 feet of the first above described property.

\$ _____
PROMISSORY NOTE
given by

**ROSEVILLE EDISON II, LLC,
a Minnesota limited liability company to**

**THE ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY
a public body corporate and politic
and political subdivision of the State of Minnesota**

Dated: _____, 2019

At: Minneapolis, Minnesota

FOR VALUE RECEIVED, the undersigned, **ROSEVILLE EDISON II, LLC**, a Minnesota limited liability company (the “Borrower”), hereby promises to pay to the order of **THE ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY**, a public body corporate and politic and political subdivision of the State of Minnesota (“Holder”) at the offices of the Holder or such other place as the Holder may, from time to time, designate in writing, the principal sum of _____ and No/100 Dollars (\$ _____) (the “Loan”). This Note shall not bear interest. The entire principal balance of this Note is due and payable on _____, 2059.

This Note is secured by, among other things, a Loan Agreement between Holder and Borrower dated as of _____, 2019 (the “Loan Agreement”) and a Leasehold Mortgage dated the date hereof from Borrower, as Borrower, to the Holder, as Holder (the “Mortgage”), on property leased by Borrower (the “Project”). This Note is issued pursuant to that certain TBRA Grant Agreement between the Metropolitan Council and Holder and defined in the Loan Agreement and Mortgage. All of the agreements, conditions, covenants, provisions and stipulations contained in the Loan Agreement and Mortgage are hereby made a part of this Note to the same extent and with the same force and effect as if they were fully set forth herein. Time is of the essence hereof. In the event of any default in the payment of any principal or other indebtedness due hereunder, or if the Borrower defaults on any of its other obligations under this Note, the Loan Agreement, or the Mortgage, the Holder may, at its right and option, declare immediately due and payable the principal balance of this Note, together with any attorneys’ fees incurred by the Holder in collecting or enforcing payment thereof, whether suit be brought or not, and all other sums due hereunder and payment thereof may be enforced and recovered in whole or in part at any time by one or more of the remedies provided in any document securing this Note, including any Mortgage. The Holder may extend the time of payment of principal of this Note without notice to or consent of any party liable hereon and without releasing such party.

The Borrower hereby waives demand, presentment, notice of nonpayment, protest, notice of protest, notice of dishonor and diligence in collection and agree that without any notice the Holder hereof may take and/or release additional security herefor or the Holder hereof may, from time to time, release any part or parts of security interests from Borrower in favor of Holder with or without consideration and that in any such case the Borrower and any guarantor, surety or endorser shall remain liable to pay the unpaid balance of the indebtedness evidenced hereby as so additionally secured, extended, renewed or modified and notwithstanding any such release.

The remedies of the Holder, as provided herein and in any document securing this Note

shall be cumulative and concurrent and may be pursued singly, successively or together, at the sole discretion of the Holder, and may be exercised as often as occasion therefor shall occur. The Holder may, in its discretion, waive any default hereunder and its consequences and rescind any declaration of acceleration of principal; provided, however, that no action or inaction by the Holder shall be deemed a waiver of any of the Holder's rights or remedies unless the Holder specifically agrees in writing that such action or inaction shall constitute a waiver of its rights or remedies. Any waiver shall only apply to the particular instance for which it was agreed. No delay in exercising and no failure in exercising any right or remedy hereunder or afforded by law shall be a waiver of or preclude the exercise of any right or remedy hereunder or provided by law, whether on such occasion or any future occasion, nor shall such delay be construed as a waiver of any default or acquiescence therein. The exercise or the beginning of the exercise of one right or remedy shall not be deemed a waiver of the right to exercise at the same time or thereafter any other right or remedy.

In the event of any default hereunder the Borrower agrees to pay the costs of collection including reasonable attorneys' fees.

This Note may be prepaid in whole or in part without penalty, except as otherwise stated below.

The obligations of the Borrower hereunder are unconditional irrespective of any defense or any rights of setoff, recoupment or counterclaim it might otherwise have against the Holder or any governmental body or other person.

The indebtedness evidenced by this Note is and shall be subordinate in right of payment to the prior payment in full of the indebtedness evidenced by a Promissory Note ("Promissory Note") of even date herewith in the original aggregate principal amount stated therein issued by Borrower, and payable to [TBD priority lender(s)] ("Senior Lender"), or order, to the extent and in the manner provided in that certain Master Subordination Agreement And Estoppel Certificate ("Subordination Agreement") of even date herewith between the payee of this Note, the Senior Lender, and the Holder. The Mortgage securing this Note is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Senior Lender mortgage securing the Promissory Note as more fully set forth in the Subordination Agreement. The rights and remedies of the payee and each subsequent holder of this Note under the Mortgage securing this Note are subject to the restrictions and limitations set forth in the Subordination Agreement. Each subsequent holder of this Note shall be deemed, by virtue of such holder's acquisition of the Note, to have agreed to perform and observe all of the terms, covenants and conditions to be performed or observed by the Holder under the Subordination Agreement.

No payments may be made under this Note so long as any of the loans senior to the Mortgage securing this Note remain outstanding.

The Loan is a non-recourse obligation of the Borrower. Neither the Borrower nor any of its members or officers, nor any other party, shall have any personal liability for repayment of the Loan. The sole recourse of Holder for repayment of the Loan shall be the exercise of its rights against the Project and related security thereunder.

This Note may not be sold, transferred, assigned or pledged without the prior written approval of the Senior Lender and of the Investor or Special Member (as such terms are defined in the Loan Agreement) of the Borrower.

This Note may not be amended without the express written consent of the Senior Lender or any successor holder of the Senior Lender's mortgage on the Project.

This Note shall be governed by and construed in accordance with the laws of the State of Minnesota.

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

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

[Signature Page Follows]

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed by its authorized representative, all on the date and year first above written.

BORROWER:

ROSEVILLE EDISON II, LLC

By: _____
Its _____

**EXTRACT OF MINUTES OF MEETING OF THE
ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY**

* * * * *

Pursuant to due call and notice thereof, a special meeting of the Board of Commissioners (the “Board”) of the Roseville Economic Development Authority (the “Authority”) was duly held on the 22nd day of April, 2019, at 6:00 p.m.

The following members were present:

and the following were absent:

Commissioner _____ introduced the following resolution and moved its adoption:

Resolution No.

**RESOLUTION IN SUPPORT OF ROSEVILLE EDISON II, LLC’S APPLICATION
FOR RAMSEY COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT
(CDBG)/HOME INVESTMENT PARTNERSHIP FUNDS FOR THE DEVELOPMENT
OF EDISON APARTMENTS**

WHEREAS, Roseville Edison II, LLC (the “Developer”) has proposed the development of a multifamily rental housing facility including 60 units of workforce housing (the “Facility”), to be located at 3090 Old Highway 8 in the City of Roseville (the “City”);

WHEREAS, to finance a portion of the costs to develop the Facility, the Developer has applied for HOME Investment Partnership Program (“HOME”) funds allocated to Ramsey County;

NOW THEREFORE BE IT RESOLVED THAT the Roseville Economic Development Authority hereby supports the request by the Developer for HOME funding through Ramsey County to finance a portion of the costs of the proposed Facility.

Adopted by the Board of the Authority this 22nd day of April, 2019.

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Certificate

I, the undersigned, being duly appointed Executive Director of the Roseville Economic Development Authority, Minnesota, hereby certify that I have carefully compared the attached and foregoing resolution with the original thereof on file in my office and further certify that the same is a full, true, and complete copy of a resolution which was duly adopted by the Board of Commissioners of said Authority at a duly called and specially held meeting thereof on April 22, 2019.

I further certify that Commissioner _____ introduced said resolution and moved its adoption, which motion was duly seconded by Commissioner _____, and that upon roll call vote being taken thereon, the following Commissioners voted in favor thereof:

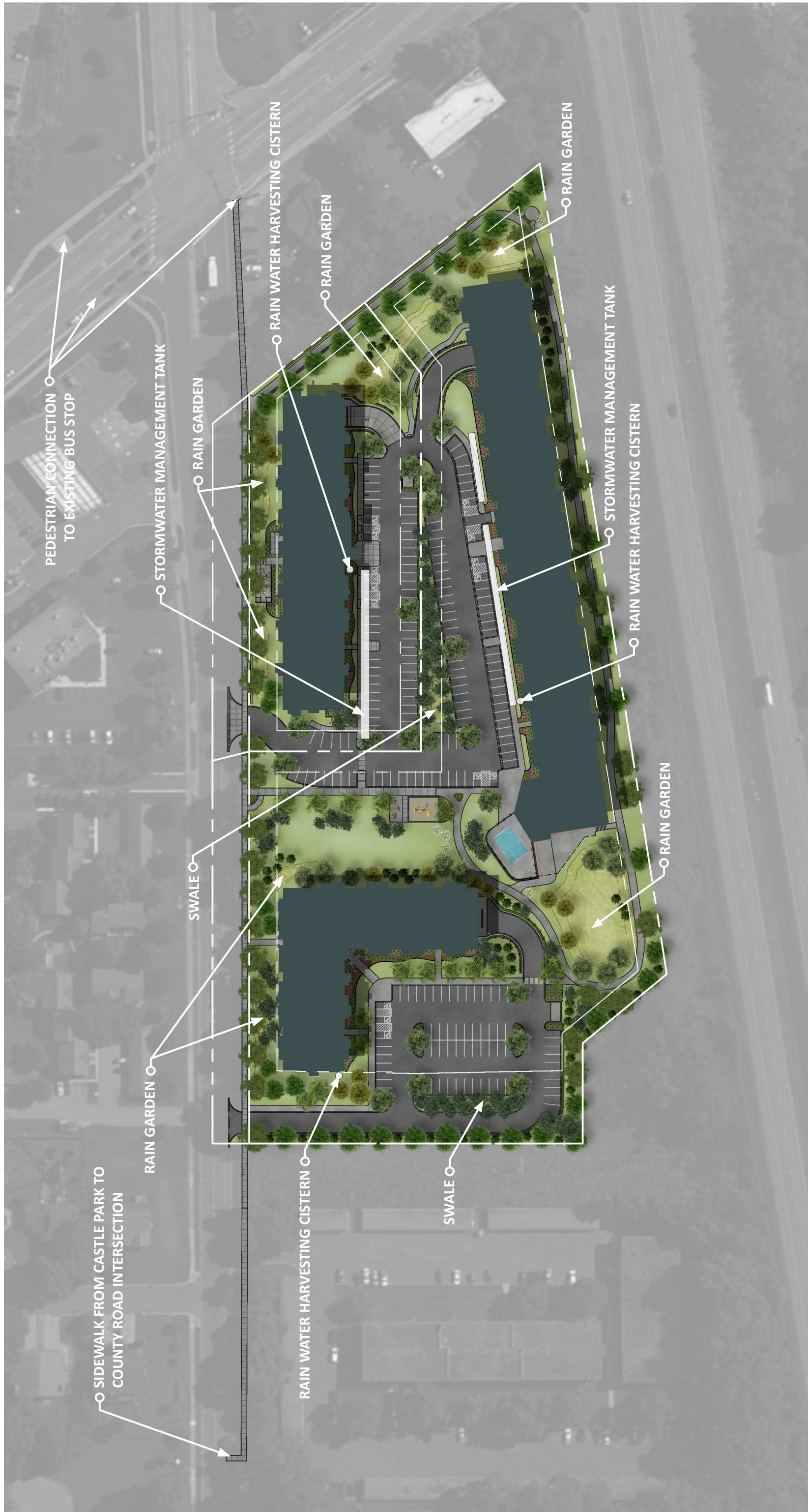
and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

Witness my hand as the Executive Director of the Authority this 22nd day of April, 2019

Executive Director
Roseville Economic Development Authority

NORTH



ROSEVILLE, MINNESOTA
GRANT REQUESTED ACTIVITIES PLAN - EDISON





REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: 4/22/2019

Item No.: 5.b

Department Approval

Executive Director Approval

Item Description: Update on Colder Products Company New Headquarters, Acceptance of Environmental Response Funds from Ramsey County and Consider Request for Additional Tax Increment Financing Funds

BACKGROUND

On February 25, 2019 the Roseville Economic Development Authority (REDA) established Tax Increment Financing (TIF) District #21 for the redevelopment of 2814 Cleveland Ave. for the purposes of a new headquarters for Colder Products Company (CPC) (Attachment A). The redevelopment of the property is aligned with the goals and objectives of the Public Financing and Subsidy Policy the REDA adopted on October 17, 2016, and encourages further reinvestment into the Twin Lakes area (Attachment B).

Project Update

CPC is constructing a 131,000 square foot headquarters facility that primarily consists of office, production, and lab space (Attachment C). The building will consist of four-sided architecture and meet the design guidelines of the Twin Lakes area. CPC has identified a need to remove geotechnical poor soils (peat/organic fill) at depths of 20 feet. When the property was originally developed in 1961 organic fill was used to level the site by filling an existing ponding area. This organic fill is not suitable to be constructed on, so it must be removed. These costs are in addition to soil removals due to environmental contamination on the property (Attachment D). The REDA had committed \$868,000 of pooled HSS TIF from TIF #17a and applied for \$300,000 of Ramsey County Environmental Remediation Funds (ERF) to assist with environmental contamination. None of those funds can be used to offset the costs of the estimated \$400,000 for organic soil removal. Even if it could, the level of assistance already committed for environmental contamination is not sufficient to fund those remediation costs. The following table identifies the environmental remediation and soil correction costs on the property.

ENVIRONMENTAL ITEMS	
20,000 Tons of Contaminated Soil Removal - RAP	\$537,000.00
Organic Soil Removal	\$400,000.00
Phase 1, Phase 2 and RAP Implementation	\$221,081.00
Abatement	\$128,000.00
Passive Soil Vapor Mitigation System	\$181,292.55
CPC Contracted Directly with Braun items (RAP, Asbestos Survey, etc.)	\$40,807.87
ENVIRONMENTAL ITEM TOTALS	\$1,508,181.42

24 Because of these additional, unanticipated costs CPC is requesting an increase to the original requested
25 amount of net present value of \$1.9 million in TIF to \$2.2 million. The additional assistance of
26 \$300,000 can be supported from the increment that is being generated within TIF district #21.

27 In addition, CPC is requesting the \$2.2 million of TIF funding be structured as a one-time cash payment
28 verses the previously agreed to pay-as-you-go arrangement. Their request results from higher than
29 expected construction and materials costs, which has caused CPC's budget to grow substantially.
30 Because they are not taking out a mortgage to construct their new facility, additional cash up-front
31 would allow them to better absorb increased costs.

32 If the REDA would like to consider this request, staff would recommend the full \$2.2 million isn't paid
33 out until the building has a certificate of occupancy and proof of costs submitted for reimbursement.
34 This minimizes risk to the REDA. The cash for this arrangement would have to come from existing
35 Fund Balances and TIF pooling from other projects (Attachment E). Staff suggests the following
36 balances could be considered (estimates to-date):

37

Multi-Family & Housing Program Funds	\$1,673,247
Tax Increment #17 Pooling Balance	\$171,000
Tax Increment #19 Pooling Balance	\$267,000
SAC Fees Estimation	\$88,753
Total	\$2,200,000

38 Staff recognizes this request is not the preferred pay-as-you-go arrangement. However, there are
39 benefits to the REDA in considering this request, primarily through generation of interest on the
40 REDA's original principal balance of \$2.2 million. This is because the City is allowed to recoup its up-
41 front investment through TIF and charge interest. Interest earnings coupled with principal, allows the
42 REDA to create a redevelopment fund balance for future projects of \$4.1 million over the 26 years of
43 the TIF district (Attachment F). The REDA could also elect to pay back only the original \$2.2 million
44 principal amount, and under this scenario the REDA could decertify the TIF district after approximately
45 14 years. This decision of whether to collect interest would not need to occur at this time, but would be
46 brought to the REDA as part of the annual monitoring of the performance of all TIF districts for paying
47 obligations (as most recently presented at the March 18, 2019 REDA meeting). Staff is currently
48 working with Ehlers to complete the more detailed report of the City's TIF districts, as was discussed
49 and directed by the REDA during that March 18th meeting. This will be brought back at future EDA
50 meeting later this summer or fall.

51 After receipt of direction on the additional assistance and assistance structure, the next steps will be to
52 bring forward a Development Agreement outlining the details agreed to by the REDA. In addition, at a
53 Council meeting a public improvement contract will be brought forward for approval in conjunction
54 with a minor Plat request. This will include a quick claim deed that will convert 10 feet of dedicated
55 city-owned right-of-way to an easement along the east side of the property, providing a total of 20 feet
56 for right-of-way purposes to allow for utilities and drainage. These steps are necessary to correct title
57 issues that would otherwise require CPC to completely redesign their site plan, which would only add
58 cost and time to the development schedule.

59

60

61 **STAFF RECOMMENDATION**

62 Provide direction related to the following requests from CPC:

- 63 1. Provide an additional \$300,000 to assist the project with costs associated with site preparations.
64 2. Provide the financial assistance of \$2.2 million upon construction completion and
65 reimbursement of proof of costs instead of pay-as-you-go TIF.

66
67 In order to finalize the award of Ramsey County ERF, the REDA also needs to adopt the attached
68 resolution (Attachment G).

69
70 **REQUESTED EDA ACTION**

71 Provide direction to the following requests from CPC:

- 72 1. Provide an additional \$300,000 to assist the project with costs associated with site preparations.
73 2. Provide the financial assistance of \$2.2 million upon construction completion and reimbursement
74 of proof of costs instead of pay-as-you-go TIF.

75
76 Adopt the attached resolution acknowledging award of Ramsey County ERF (Attachment G).

77
78 Prepared by: Jeanne Kelsey, Housing and Economic Development Program Manager, 651-792-7086

79
80 **Attachments:**

- A: Resolution #34 adopting modification to Development District #1 and establishing TIF District #21
- B: TIF Policy adopted October 17, 2016
- C: Floor plan and elevations of CPC headquarters
- D: Site plan showing soil depths for removal
- E: Memo on Account Balances and Report from Ehlers
- F: TIF #21 amortization schedule
- G: Resolution Approving Ramsey County ERF
- H: 02/25/2019 EDA Minutes

**EXTRACT OF MINUTES OF MEETING
OF THE
ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY**

* * * * *

Pursuant to due call and notice thereof, a special meeting of the Board of Commissioners of the Roseville Economic Development Authority was duly held on the 25th day of February 2019, at 6:00 p.m.

The following members were present: Willmus, Groff, Etten and Roe,

and the following were absent: Laliberte.

Member Willmus introduced the following resolution and moved its adoption:

RESOLUTION No. 34

RESOLUTION ADOPTING A MODIFICATION TO THE DEVELOPMENT PROGRAM FOR REDEVELOPMENT PROJECT NO. 1, ESTABLISHING TAX INCREMENT FINANCING DISTRICT NO. 21 - COLDER PRODUCTS, AND ADOPTING A TAX INCREMENT FINANCING PLAN

WHEREAS, the Board of Commissioners (the "Board") of the Roseville Economic Development Authority (the "EDA") and the City of Roseville (the "City") have proposed the adoption of a Modification to the Development Program (the "Development Program Modification") for Redevelopment Project No. 1 (the "Project"), establishment of Tax Increment Financing District No. 21 - Colder Products (the "District") within the Project, and adoption of a Tax Increment Financing Plan (the "TIF Plan") for the District (the Development Program Modification and the TIF Plan are referred to collectively herein as the "Program and Plan"), all pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.090 to 469.1082, and Sections 469.174 to 469.1794, inclusive, as amended (the "Act"), all as reflected in the Program and Plan and presented for the Board's consideration; and

WHEREAS, the EDA has investigated the facts relating to the Program and Plan and has caused the Program and Plan to be prepared; and

WHEREAS, the EDA has performed all actions required by law to be performed prior to the adoption of the Program and Plan, and has requested that the Council schedule a public hearing on the Program and Plan upon published notice as required by law.

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

1. The EDA hereby finds that the District is in the public interest and is a "redevelopment district" under Section 469.174, Subd. 10 of the Act, and finds that the adoption of the proposed Program and Plan conform in all respects to the requirements of the Act and will help fulfill a need to redevelop an area of the State of Minnesota which is already built up, and that the adoption of the proposed Program and Plan will help provide employment opportunities in the State and preservation and enhancement of the tax base of the City and the State because it will discourage commerce and industry from moving their operations to another state or municipality, and thereby serves a public purpose.
2. The EDA further finds that the Program and Plan will afford maximum opportunity, consistent with the sound needs for the City as a whole, for the development or redevelopment of the Project by private enterprise, and that the intent is to provide only the amount of public assistance necessary to make the private developments financially feasible.
3. The boundaries of the Project are not being expanded.
4. The reasons and facts supporting the findings in this resolution are described in the Program and Plan.
5. The EDA elects to calculate fiscal disparities for the District in accordance with Section 469.177, Subd. 3, clause b of the Act, which means the fiscal disparities contribution will be taken from inside the District.
6. Subject to approval by the City Council following its public hearing thereon, the Program and Plan, as presented to the EDA on this date, are hereby approved, and shall be placed on file in the office of the Executive Director of the EDA.
7. Upon approval of the Program and Plan by the City Council, the EDA's staff, advisors and legal counsel are authorized and directed to proceed with the implementation of the Program and Plan and for this purpose to negotiate, draft, prepare and present to this Board for its consideration all further plans, resolutions, documents and contracts necessary for this purpose. Approval of the Program and Plan does not constitute approval of any project or a Development Agreement with any developer.
8. The Executive Director of the EDA is authorized and directed to forward a copy of the Program and Plan to the Ramsey County Auditor and request that the Auditor certify the original tax capacity of the District as described in the Program and Plan, all in accordance with Section 469.177 of the Act.
9. Upon approval of the Program and Plan by the City Council and the request for certification described in paragraph 8 hereof, the Executive Director of the EDA is authorized and directed to forward a copy of the Program and Plan to the Minnesota Department of Revenue and the Office of the State Auditor pursuant to Section 469.175, Subd. 4a of the Act.

The motion for the adoption of the foregoing resolution was duly seconded by Member Willmus and upon a vote being taken thereon, the following voted in favor thereof: Willmus, Groff, Etten and Roe,

and the following voted against the same: none.


WHEREUPON said resolution was declared duly passed and adopted.

STATE OF MINNESOTA)
) SS
COUNTY OF RAMSEY)

I, the undersigned, being the duly qualified Executive Director of the Roseville Economic Development Authority, do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a special meeting of said Roseville Economic Development Authority held on the 25th day of February, 2019, with the original thereof on file in my office.

WITNESS MY HAND officially as such Executive Director this 26th day of February, 2019.





Patrick Trudgeon, Executive Director



**City of Roseville and
Roseville Economic Development Authority
Public Financing Criteria and Business Subsidy Policy
Adopted October 17, 2016**

INTRODUCTION:

This Policy is adopted for purposes of the business subsidies act, which is Minnesota Statutes, Sections 116J.993 through 116J.995 (the “Statutes”). Terms used in this Policy are intended to have the same meanings as used in Statutes. Subdivision 3 of the Statutes specifies forms of financial assistance that are not considered a business subsidy. This list contains exceptions for several activities, including redevelopment, pollution clean-up, and housing, among others. By providing a business subsidy, the city commits to holding a public hearing, as applicable, and reporting annually to the Department of Employment and Economic Development on job and wage goal progress.

1. PURPOSE AND AUTHORITY

- A. The purpose of this document is to establish criteria for the City of Roseville and the Roseville Economic Development Authority (“EDA”) for granting of business subsidies and public financing for private development within the City. As used in this Policy, the term “City” shall be understood to include the EDA. These criteria shall be used as a guide in processing and reviewing applications requesting business subsidies and/or City public financing.
- B. The City's ability to grant business subsidies is governed by the limitations established in the Statutes. The City may choose to apply its Business Subsidy Criteria to other development activities not covered under this statute. City public financing may or may not be considered a business subsidy as defined by the Statutes.
- C. Unless specifically excluded by the Statutes, business subsidies include grants by state or local government agencies, contributions of personal property, real property, infrastructure, the principal amount of a loan at rates below those commercially available to the recipient of the subsidy, any reduction or deferral of any tax or any fee, tax increment financing (TIF), abatement of property taxes, loans made from City funds, any guarantee of any payment under any loan, lease, or other obligation, or any preferential use of government facilities given to a business.

- D. These criteria are to be used in conjunction with other relevant policies of the City. Compliance with the Business Subsidy Criteria and City Public Financing Guidelines shall not automatically mean compliance with such separate policies.
- E. The City may deviate from the job and wage goals criteria outlined in Section 5 D and E below by documenting in writing the reason(s) for the deviation. The documentation shall be submitted to the Department of Employment and Economic Development with the next annual report.
- F. The City may amend this document at any time. Amendments to these criteria are subject to public hearing requirements contained in the Statutes.

2. CITY'S OBJECTIVE FOR THE USE OF PUBLIC FINANCING

- A. As a matter of adopted policy, the City may consider using public financing which may include tax increment financing (TIF), tax abatement, bonds, and other forms of public financing as appropriate, to assist private development projects. Such assistance must comply with all applicable statutory requirements and accomplish one or more of the following objectives:
 1. Remove blight and/or encourage redevelopment in designated redevelopment/development area(s) per the goals and visions established by the City Council and EDA.
 2. Expand and diversify the local economy and tax base.
 3. Encourage additional unsubsidized private development in the area, either directly or through secondary "spin-off" development.
 4. Offset increased costs for redevelopment over and above the costs that a developer would incur in normal urban and suburban development (determined as part of the But-For analysis).
 5. Facilitate the development process and promote development on sites that could not be developed without this assistance.
 6. Retain local jobs and/or increase the number and diversity of quality jobs
 7. Meet other uses of public policy, as adopted by the City Council from time to time, including but not limited to promotion of quality urban design, quality architectural design, energy conservation, sustainable building practices, and decreasing the capital and operating costs of local government.

3. PUBLIC FINANCING PRINCIPLES

- A. The guidelines and principles set forth in this document pertain to all applications for City public financing regardless of whether they are considered a Business Subsidy as defined by the Statutes. The following general assumptions of development/redevelopment shall serve as a guide for City public financing:

1. All viable requests for City public financing assistance shall be reviewed by staff, and, if staff so designates, a third party financial advisor who will inform the City of its findings and recommendations. This process, known as the “But For” analysis is intended to establish the project would not be feasible but for the City assistance.
2. The City shall establish mechanisms within the development agreement to ensure that adequate checks and balances are incorporated in the distribution of financial assistance where feasible and appropriate, including but not limited to:
 - a. Third party “but for” analysis
 - b. Establishment of “look back provisions”
 - c. Establishment of minimum assessment agreements
3. TIF and abatement will be provided on a pay-as-you-go-basis. Any request for upfront assistance will be evaluated on its own merits and may require security to cover any risks assumed by the City.
4. The City will set up TIF districts in accordance with the maximum number of statutory years allowable. However, this does not mean that the developer will be granted assistance for the full term of the district.
5. The City will elect the fiscal disparities contribution to come from inside applicable TIF district(s) to eliminate any impact to the existing tax payers of the community.
6. Public financing will not be used to support speculative commercial, office or housing projects. In general the developer should be able to provide market data, tenant letters of commitment or finance statements which support the market potential/demand for the proposed project.
7. Public financing will generally not be used to support retail development. The City may consider projects that include a retail component provided they meet a Desired Qualification as identified in Section 4.2.C(8) of this policy.
8. Public financing will not be used in projects that would give a significant competitive financial advantage over similar projects in the area due to the use of public subsidies. Developers should provide information to support that assistance will not create such a competitive advantage. Priority consideration will be given to projects that fill an unmet market need.
9. Public financing will not be used in a project that involves a land and/or property acquisition price in excess of fair market value.
10. The developer will pay all applicable application fees and pay for the City and EDA’s fiscal and legal advisor time as stated in the City’s Public Assistance Application.

11. The City will not consider waiving fees including, but not limited to, building permit fees, park dedication fees, SAC charges, and planning and zoning application fees. The City may consider using SAC credits, to the extent they are available, to off-set a project's SAC expenses.
12. The developer shall proactively attempt to minimize the amount of public assistance needed through the pursuit of grants, innovative solutions in structuring the deal, and other funding mechanisms.
13. All developments are subject to execution and recording of a Minimum Assessment Agreement.

4. PROJECTS WHICH MAY QUALIFY FOR PUBLIC FINANCING ASSISTANCE

- A. All new applications for assistance considered by the City must meet each of the following minimum qualifications. However, it should **not** be presumed that a project meeting these qualifications will automatically be approved for assistance. Meeting the qualifications does not imply or create contractual rights on the part of any potential developer to have its project approved for assistance.

4.1 MINIMUM QUALIFICATIONS/REQUIREMENTS:

- A. In addition to meeting the applicable requirements of State law, the project shall meet one or more of the public financing objectives outlined in Section 2.
- B. The developer must demonstrate to the satisfaction of the City that the project is not financially feasible "but for" the use of tax increment or other public financing.
- C. The project must be consistent with the City's Comprehensive Plan and Zoning Ordinances, Design Guidelines or any other applicable land use documents.
- D. Prior to approval of a financing plan, the developer shall provide any requested market and financial feasibility studies, appraisals, soil boring, private lender commitment, and/or other information the City or its financial consultants may require in order to proceed with an independent evaluation of the proposal.
- E. The developer must provide adequate financial guarantees to ensure the repayment of any public financing and completion of the project. These may include, but are not limited to, assessment agreements, letters of credit, personal deficiency guarantees, guaranteed maximum cost contract, etc.
- F. Any developer requesting assistance must be able to demonstrate past successful general development capability as well as specific capability in the type and size of development proposed. Public financing will not be used when the developer's credentials, in the sole judgment of the City, are inadequate due to past history relating to completion of projects, general reputation, and/or bankruptcy, or other problems or issues considered relevant to the City.

- G. The developer, or its contractual assigns, shall retain ownership of any portion of the project long enough to complete it, to stabilize its occupancy, to establish project management and/or needed mechanisms to ensure successful operation.

4.2 **DESIRED QUALIFICATIONS:**

- A. Projects providing a high ratio of private investment to City public investment will receive priority consideration. Private investment includes developer cash, government and bank loans, conduit bonds, tax credit equity, and land if already owned by the developer.
- B. Proposals that significantly increase the amount of property taxes paid after redevelopment will receive priority consideration.
- C. Proposals that encourage the following will receive priority consideration:
1. Implements the City's vision and values for a City-identified redevelopment area
 2. Provides significant improvement to surrounding land uses, the neighborhood, and/or the City
 3. Attracts or retains a significant employer within the City
 4. Promotes multi-family housing investment that meets the following City goals:
 - a. Extensive rehabilitation of existing multi-family housing stock
 - b. Demonstration of need for the type of multi-family housing proposed through a market study or other reliable market data.
 - c. Multi-family workforce housing proposals that include amenities similar to those found in market rate housing
 - d. Workforce housing proposals that consider innovative and alternative forms of development and do not include high-rise buildings
 5. Provides significant rehabilitation or expansion and/or replacement of existing office or commercial facility
 6. Provides opportunities for corporate campus or medical office development
 7. Provides opportunity for hi-tech, med-tech, R & D facilities/office or major manufacturer
 8. Provides opportunities for small businesses (under 50 employees) that are non, start-up companies
 9. Provides opportunities for small businesses that may enhance the quality of life within neighborhoods
 10. Redevelops a blighted, contaminated and/or challenged site

11. Adds needed road, access and multi-modal improvements
12. Addition of specific project enhancements including, but not limited to, architectural upgrades, pedestrian and transit connections, green building practices and enhanced site planning features.

5. BUSINESS SUBSIDY PUBLIC PURPOSE, JOBS AND WAGE REQUIREMENT

- A. All business subsidies must meet a public purpose with measurable benefit to the City as a whole.
- B. Job retention may only be used as a public purpose in cases where job loss is specific and demonstrable. The City shall document the information used to determine the nature of the job loss.
- C. The creation of tax base shall not be the sole public purpose of a subsidy.
- D. Unless the creation of jobs is removed from a particular project pursuant to the requirements of the Statutes, the creation of jobs is a public purpose for granting a subsidy. Creation of at least **3** Full Time, or Full Time Equivalent (FTE) jobs is a minimum requirement for consideration of assistance. For purposes of this Policy, FTE's must be permanent positions with set hours, and be eligible for benefits.
- E. The wage floor for wages to be paid for the jobs created shall be not less than 300% of the State of MN Minimum Wage. The City will seek to create jobs with higher wages as appropriate for the overall public purpose of the subsidy. Wage goals may also be set to enhance existing jobs through increased wages, which increase must result in wages higher than the minimum under this Section.
- F. After a public hearing, if the creation or retention of jobs is determined not to be a goal, the wage and job goals may be set at zero.

6. SUBSIDY AGREEMENT

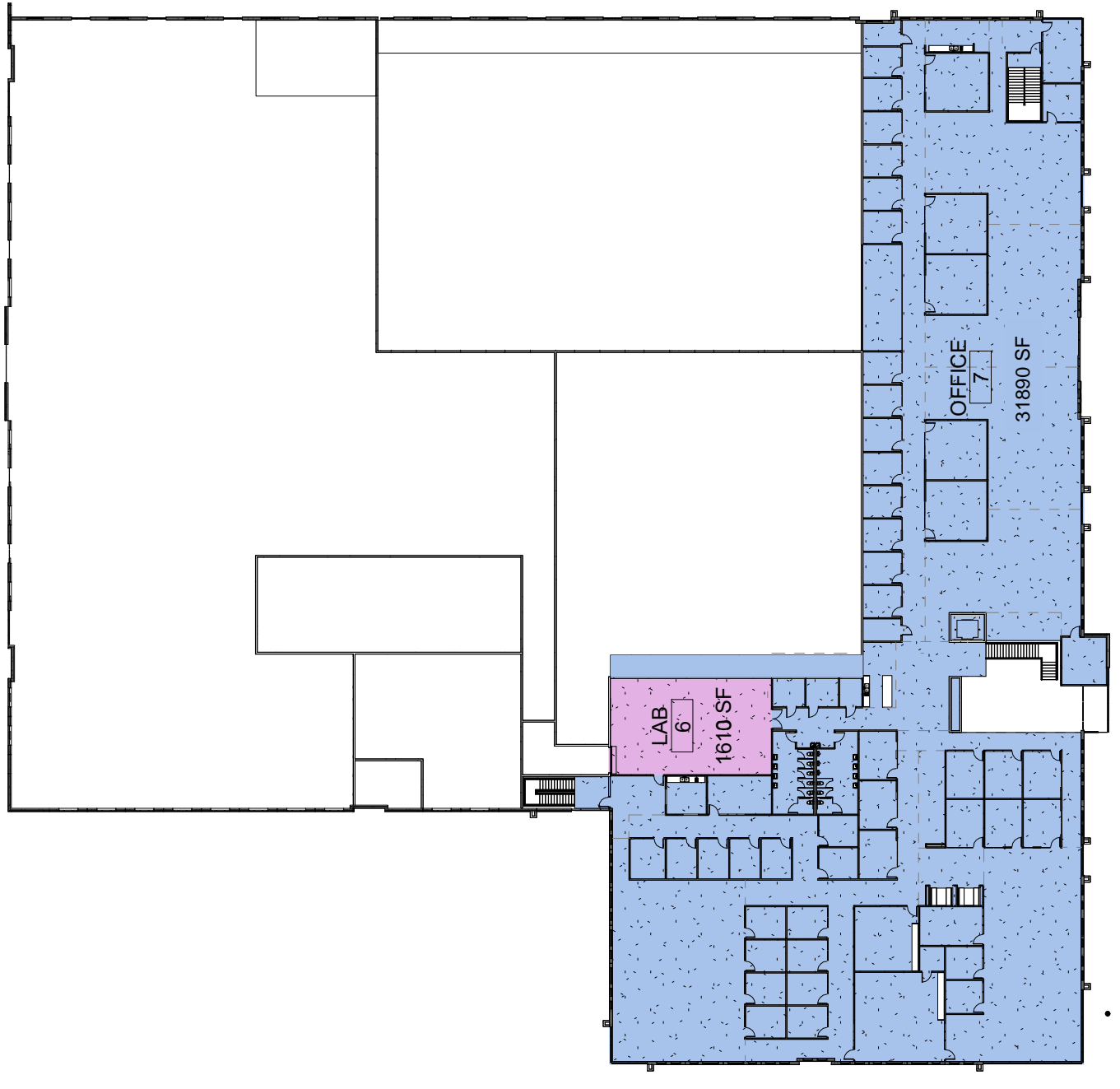
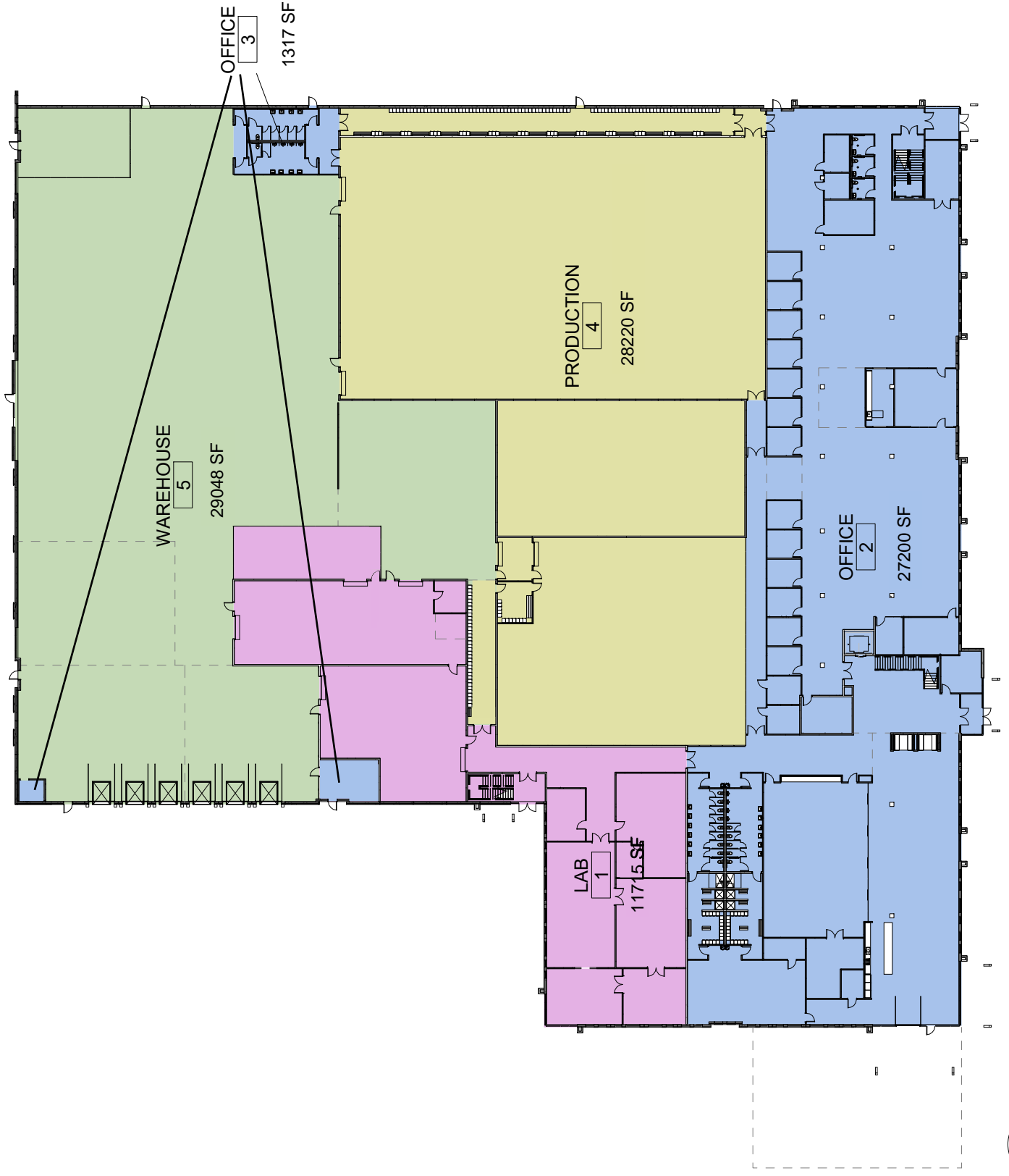
- A. In granting a business subsidy, the City shall enter into a subsidy agreement with the recipient that provides the following information: wage and job goals (if applicable), commitments to provide necessary reporting data, and recourse for failure to meet goals required by the Statutes.
- B. The subsidy agreement may be incorporated into a broader development agreement for a project.
- C. The subsidy agreement will commit the recipient to providing the reporting information required by the Statutes.

7. PUBLIC FINANCING PROJECT EVALUATION PROCESS

- A. The following methods of analysis for all public financing proposals will be used:
1. Consideration of project meeting minimum qualifications
 2. Consideration of project meeting desired qualifications
 3. Project meets “but-for” analysis and/or statutory qualifications
 4. Project is deemed consistent with City’s Goals and Objectives

Please note that the evaluation methodology is intended to provide a balanced review. Each area will be evaluated individually and collectively and in no case should one area outweigh another in terms of importance to determining the level of assistance.

LEVEL 1	
1 LAB	11715 SF
3 OFFICE	1317 SF
2 OFFICE	27200 SF
4 PRODUCTION	28220 SF
5 WAREHOUSE	29048 SF
LEVEL 2	
6 LAB	1610 SF
7 OFFICE	31890 SF
TOTAL GROSS AREA	131000 SF

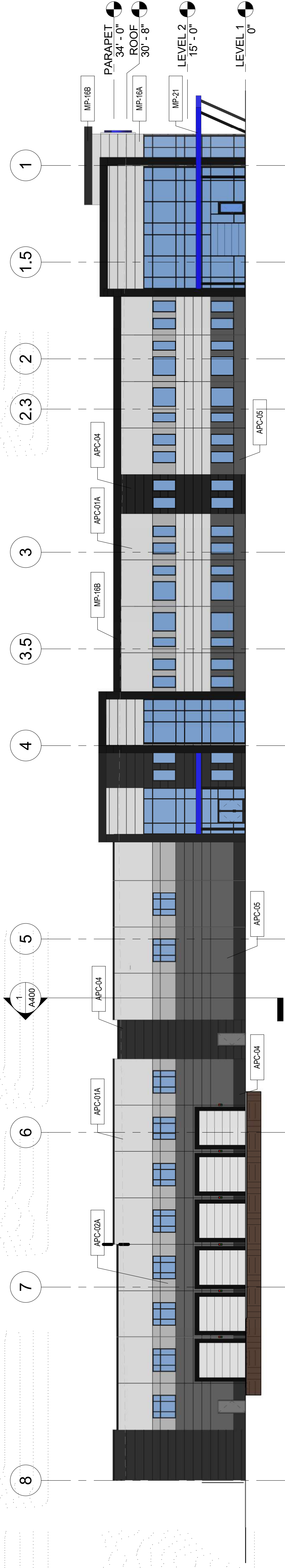


1 LEVEL 1
SCALE: 1" = 50'-0"

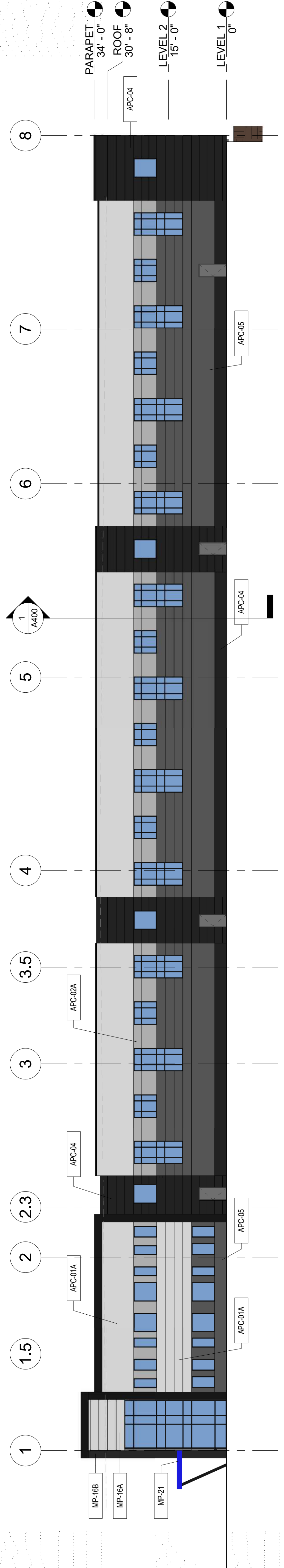
2 LEVEL 2
SCALE: 1" = 50'-0"

MATERIAL ID	DESCRIPTION	Material Comments
APC-01A	Architectural precast concrete - surface finished - abraded sand blast finish - (color 1)	
APC-02A	Architectural precast concrete - surface finished - and etch finish - (color 1)	
APC-04	Architectural precast concrete - surface finished - textured finish	
APC-05	Architectural precast concrete - surface finished - as cast finish	
APC-06	Architectural precast concrete - surface finished - finish matching architect's sample	
GYP-BD-04	Gypsum board - fire rated core - moisture resistant	
MP-16A	Wall panels - metal plate - aluminum - rainscreen principle installation (white)	
MP-16B	Wall panels - metal plate - aluminum - rainscreen principle installation (Charcoal)	
MP-21	Wall panels - insulated metal - exposed-fastener, foamed-insulation core (Royal Blue)	
VR-02	Vapor retarders, interior application - polyethylene, 10 mil	
WD-SHTG-03	WD SHTG-03, Rough carpentry - plywood sheathing - roof sheathing	

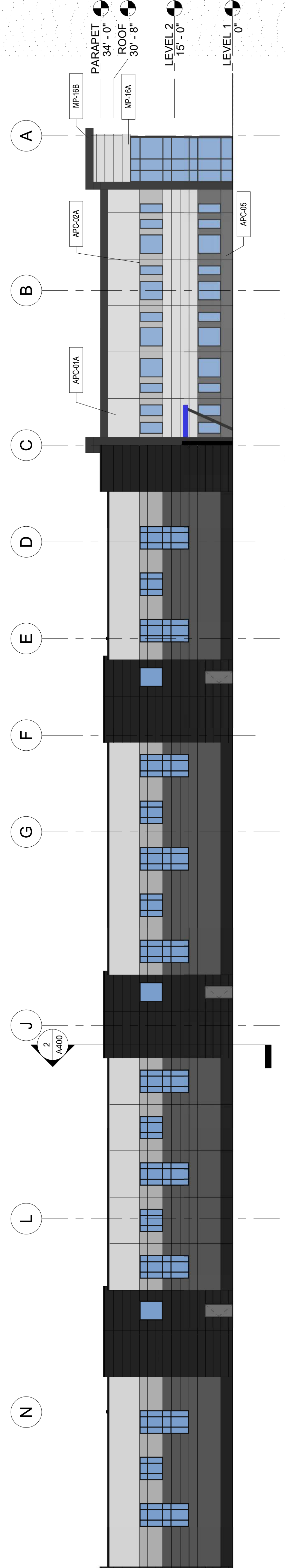
EXTERIOR ELEVATIONS



4 NORTH ELEVATION
A300 1/16" = 1'-0"



3 SOUTH ELEVATION
A300 1/16" = 1'-0"



2 EAST ELEVATION
A300 1/16" = 1'-0"

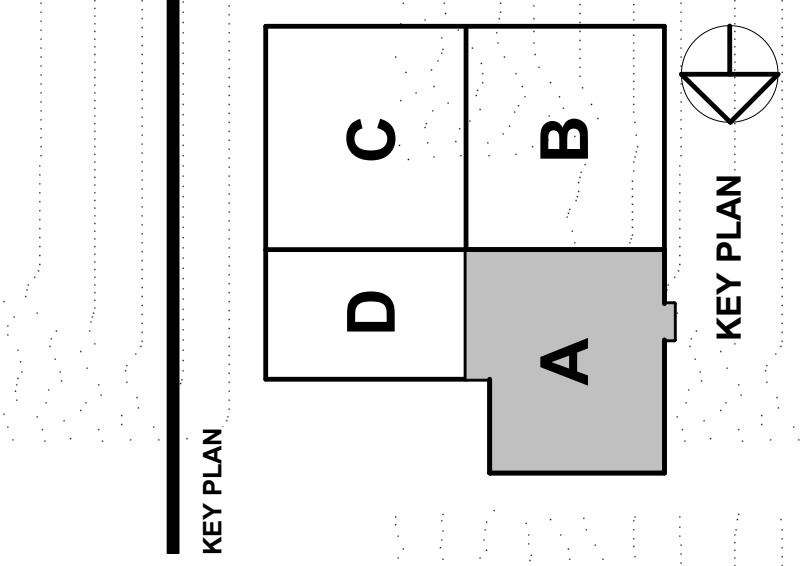


1 WEST ELEVATION
A300 1/16" = 1'-0"

RYAN
RYAN A+E, INC.
533 South Third Street, Suite 100
Minneapolis, MN 55415
612-492-4000 tel
612-492-3000 fax
WWW.RYANCOMPANIES.COM

CPC
CONSULTANTS
5 STAR RATED

EST
LOUCKS



PROJECT INFORMATION
COLDER PRODUCTS COMPANY
ROSEVILLE, MN

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Registered Architect under the laws of the State of Minnesota.

REGISTRATION NO. DATE
Number Date

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DRAWN BY AS
JOB NO. 700481

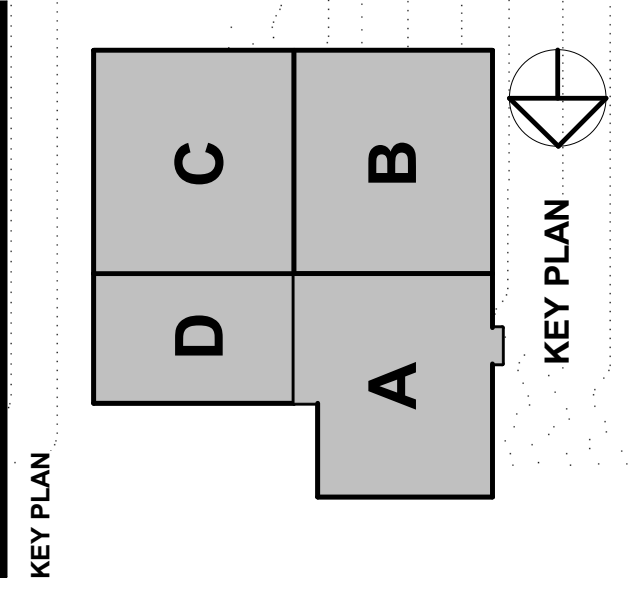
CHECKED BY
DATE 03/15/2019

ISSUE #	DATE	DESCRIPTION
1	02/22/2019	SCHEMATIC DESIGN
2	03/15/2019	SITE PLAN REVIEW

PRELIMINARY
NOT FOR CONSTRUCTION

SITE PLAN REVIEW
03/15/2019
EXTERIOR ELEVATIONS

5b, Attachment C
A300



PROJECT INFORMATION
COLDER PRODUCTS COMPANY

ROSEVILLE, MN

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Registered Architect under the laws of the State of Minnesota.

Name _____

REGISTRATION NO. _____ DATE _____
 Number _____ Date _____

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DRAWN BY _____ CHECKED BY _____
 JH/ _____ EIT _____
 JOB NO. _____ DATE _____
 704481 03/15/2019

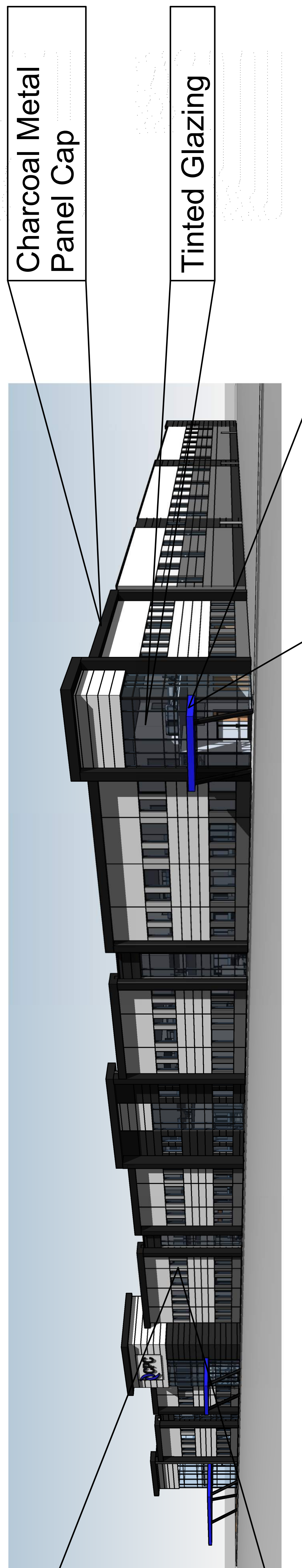
ISSUE #	DATE	DESCRIPTION
2	03/15/2019	SITE PLAN REVIEW

PRELIMINARY
NOT FOR CONSTRUCTION

SITE PLAN REVIEW
 03/15/2019

EXTERIOR PERSPECTIVES

A310



Charcoal Metal Panel Cap

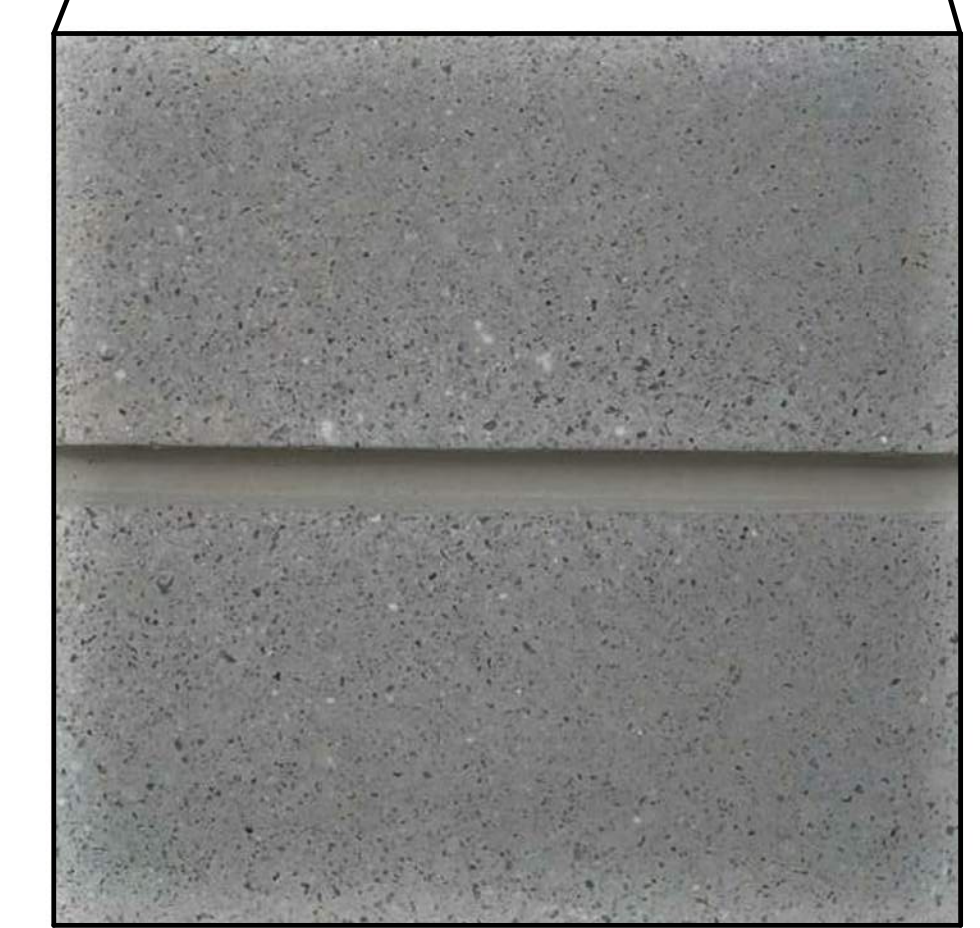
Tinted Glazing

3. PERSPECTIVE FROM SOUTHWEST CORNER
 A310

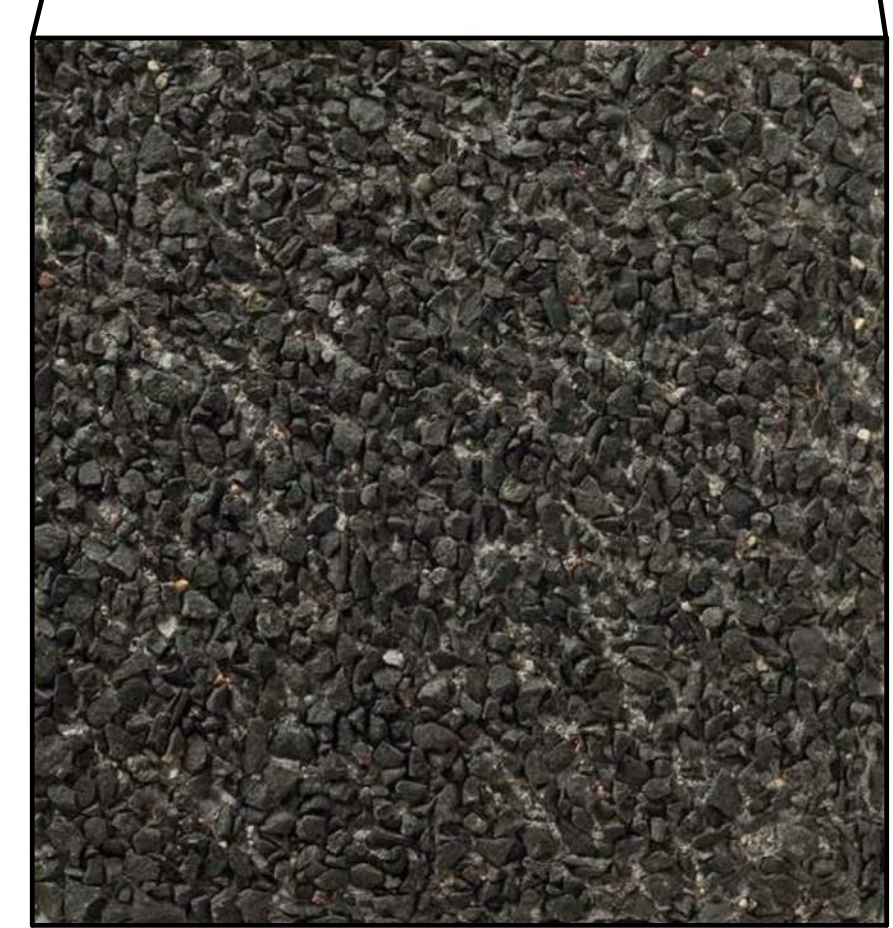


Blue Metal Panel Canopies

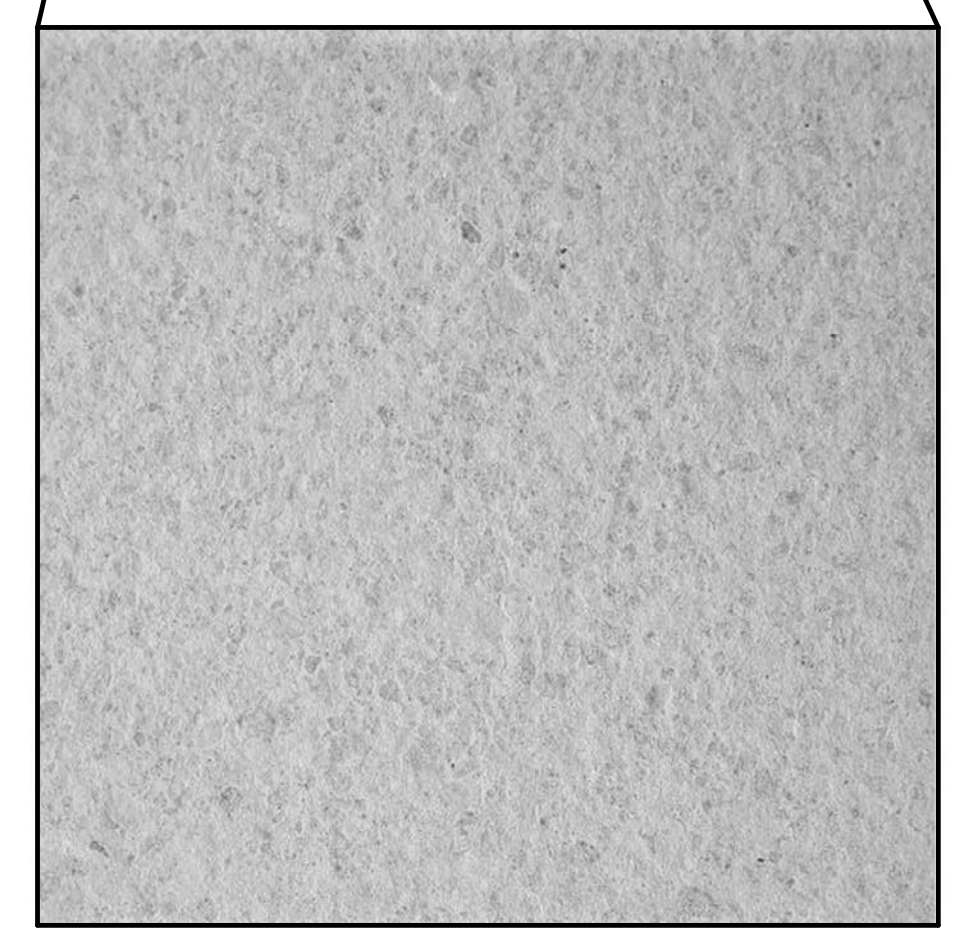
2. PERSPECTIVE FROM SOUTHEAST CORNER
 A310



Acid Etch



Water Washed / Exposed Aggregate



Sandblast

4. PERSPECTIVE FROM NORTHEAST CORNER
 A310



4. PERSPECTIVE FROM NORTHWEST CORNER
 A310 - 12" = 1'-0"



ISSUE #	DATE	DESCRIPTION
1	02/22/2019	SCHEMATIC DESIGN
2	03/15/2019	SITE PLAN REVIEW
3	04/05/2019	RCVD/ ReSubmitted
4	04/16/2019	RCVD/ ReSubmitted

- SITE NOTES**
- ALL PAVING, CONCRETE CURB, GUTTER AND SIDEWALK SHALL BE FURNISHED AND INSTALLED IN ACCORDANCE WITH THE DETAILS SHOWN PER THE DETAIL SHEETS AND STATE/LOCAL JURISDICTION REQUIREMENTS.
 - ACCESSIBLE PARKING AND ACCESSIBLE ROUTES SHALL BE PROVIDED PER CURRENT ADA STANDARDS AND LOCAL/STATE REQUIREMENTS.
 - ALL CURB DIMENSIONS SHOWN ARE TO THE FACE OF CURB UNLESS OTHERWISE NOTED.
 - ALL BUILDING DIMENSIONS ARE TO THE OUTSIDE FACE OF WALL UNLESS OTHERWISE NOTED.
 - TYPICAL FULL SIZED PARKING STALL IS 9' X 18' UNLESS OTHERWISE NOTED.
 - ALL CURB RADIUS SHALL BE 3.0' UNLESS OTHERWISE NOTED.
 - SEE SITE ELECTRICAL PLAN FOR SITE LIGHTING.

SITE DATA

CURRENT ZONING: CML-4 COMMUNITY MIXED USE
 PROPOSED ZONING: CML-4 COMMUNITY MIXED USE
 WARNING DOMES PER MIDDOT DETAIL

PROPERTY AREA: 10.11 +/- AC
 DISTURBED AREA: 9.64 AC (95.4%)
 EXISTING IMPERVIOUS AREA: 9.64 AC (95.4%)
 FUTURE PHASE IMPERVIOUS AREA: 63.468 SF (0.146 AC) (1.4%)
 TOTAL IMPERVIOUS AREA: 332,386 SF OR 7.63 AC (75.5%)

1ST PHASE AUTO PARKING TOTAL: 401 STALLS
 1ST PHASE MOTORCYCLE TOTAL: 4 STALLS
 FUTURE PHASE AUTO PARKING TOTAL: 58 STALLS
 TOTAL AVAILABLE PARKING STALLS: 463 STALLS
 1ST PHASE ADA ACCESSIBLE PARKING REQUIRED: 9 STALLS
 FUTURE PHASE ADA ACCESSIBLE PARKING REQUIRED: 0
 PROVIDED: 0

1ST PHASE PARKING REQUIRED: 60,407 / 275 = 220 STALLS
 OFFICE: 1 SPACE PER 275 SF = 220 STALLS
 WAREHOUSE: 1 SPACE PER EMPLOYEE (LARGEST SHIFT) = 29,048 / 2,000 = 15 STALLS
 TOTAL PHASE 1 STALLS REQUIRED: 29,048 / 2,000 = 15 STALLS
 FUTURE PHASE PARKING REQUIRED: 7,941 / 275 = 29 STALLS
 OFFICE: 1 SPACE PER EMPLOYEE (LARGEST SHIFT) = 29 STALLS
 *LAB & PRODUCTION: 1 SPACE PER EMPLOYEE (LARGEST SHIFT)
 WAREHOUSE: 1 SPACE PER 2,000 SF = 29,652 / 2,000 = 15 STALLS
 ESTIMATED STALLS REQUIRED FOR EXPANSION: 73 STALLS
 PHASE 1 PARKING REQUIRED = 371 STALLS
 ESTIMATED EXPANSION PARKING REQUIRED = 73 STALLS
 TOTAL FULL BUILD PARKING REQUIRED = 444 STALLS

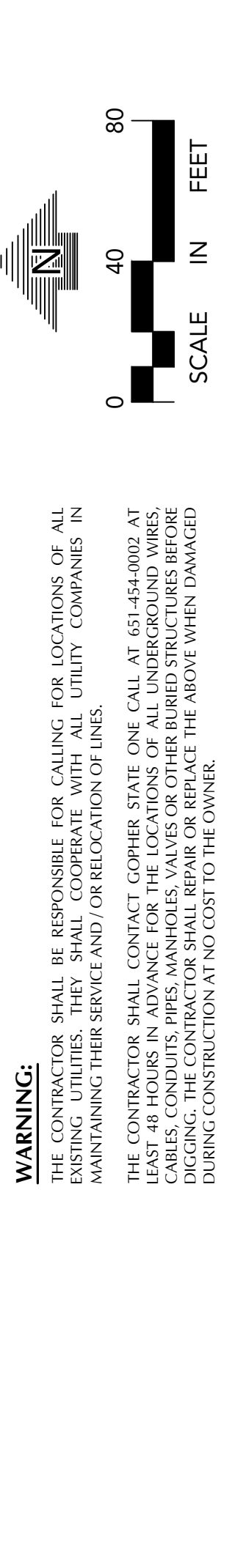
DESCRIPTION	OFF. (SF)		LAB. PARKING		PROD. PARKING		WH. STALLS		TOTAL
	OFF. (SF)	LAB. PARKING	LAB. PARKING	WH. STALLS	PROD. PARKING	WH. STALLS	WH. STALLS		
LEVEL 1	28,517	11,715	28,220	110	29,048	15	29,048	371	
LEVEL 2	31,890	1,610	27	28,220	29,652	15	29,652	73	
1ST PHASE TOTAL	60,407	13,325	2,387	29,652	7,500	15	7,500	50,060	
LEVEL EXPANSION	7,941	29	10,097	33	30,600	133	58,700	29	
EXPANSION TOTAL	7,941	29	10,097	33	30,600	133	58,700	29	
TOTAL BUILD	68,348	24,412	33	30,600	133	58,700	29	151,060	

- GENERAL NOTES**
- MINNESOTA STATE STATUTE REQUIRES NOTIFICATION PER "GOPHER STATE ONE CALL" PRIOR TO COMMENCING ANY GRADING, EXCAVATION OR UNDERGROUND WORK.
 - THE CONTRACTOR SHALL FIELD VERIFY LOCATIONS AND ELEVATIONS OF EXISTING UTILITIES AND TOPOGRAPHIC FEATURES PRIOR TO COMMENCEMENT OF CONSTRUCTION ACTIVITY. THE CONTRACTOR SHALL NOTIFY THE ENGINEER OF ANY DISCREPANCIES OR VARIATIONS FROM THE PLANS.
 - THE CONTRACTOR SHALL TAKE ALL PRECAUTIONS NECESSARY TO AVOID PROPERTY DAMAGE TO ADJACENT PROPERTIES DURING THE CONSTRUCTION PHASE OF THIS PROJECT. THE CONTRACTOR WILL BE HELD RESPONSIBLE FOR ANY DAMAGES TO ADJACENT PROPERTIES OCCURRING DURING THE CONSTRUCTION PHASE OF THIS PROJECT.
 - THE CONTRACTOR WILL BE RESPONSIBLE FOR PROVIDING AND MAINTAINING TRAFFIC CONTROL DEVICES SUCH AS BARRICADES, WARNING SIGNS, DIRECTIONAL SIGNS, FLAGMEN AND LIGHTS TO CONTROL THE MOVEMENT OF TRAFFIC WHERE NECESSARY. PLACEMENT OF THESE DEVICES SHALL BE APPROVED BY THE ENGINEER PRIOR TO PLACEMENT. TRAFFIC CONTROL DEVICES SHALL CONFORM TO THE APPROPRIATE MINNESOTA DEPARTMENT OF TRANSPORTATION STANDARDS.
 - IN ACCORDANCE WITH GENERALLY ACCEPTED CONSTRUCTION PRACTICES, THE CONTRACTOR WILL BE SOLELY AND COMPLETELY RESPONSIBLE FOR CONDITIONS ON THE JOB SITE, INCLUDING SAFETY OF ALL PERSONS AND PROPERTY DURING THE PERFORMANCE OF THE WORK. THIS REQUIREMENT WILL APPLY CONTINUOUSLY, AND NOT BE LIMITED TO NORMAL WORKING HOURS.
 - THE DUTY OF THE ENGINEER OR THE DEVELOPER TO CONDUCT CONSTRUCTION REVIEW OF THE CONTRACTOR'S PERFORMANCE IS NOT INTENDED TO INCLUDE REVIEW OF THE ADEQUACY OF THE CONTRACTOR'S SAFETY MEASURES IN OR NEAR THE CONSTRUCTION SITE.
 - BEFORE BEGINNING CONSTRUCTION THE CONTRACTOR SHALL INSTALL EROSION AND SEDIMENTATION CONTROL MEASURES IN ACCORDANCE WITH NPDES PERMIT REQUIREMENTS, BEST MANAGEMENT PRACTICES, STATE AND LOCAL REQUIREMENTS AND THE DETAILS SHOWN ON THE DETAIL SHEETS OF THE PROJECT PLANS.
 - ALL CONSTRUCTION PERMITS, APPLICATIONS AND FEES ARE THE RESPONSIBILITY OF THE CONTRACTOR.
 - ALL ENTRANCES AND CONNECTIONS TO CITY STREETS SHALL BE CONSTRUCTED PER THE REQUIREMENTS OF THE STATE AND LOCAL JURISDICTIONS. THE CONTRACTOR SHALL BE RESPONSIBLE FOR ALL PERMITS AND NOTIFICATIONS AS REQUIRED.
 - ALL STREET REPAIRS AND PATCHING SHALL BE PERFORMED PER THE REQUIREMENTS OF THE CITY. ALL TRAFFIC CONTROL SHALL BE PROVIDED BY THE CONTRACTOR AND SHALL BE ESTABLISHED PER THE REQUIREMENTS OF THE MINNESOTA MANUAL OF UNIFORM TRAFFIC CONTROL DEVICES (MUTCD) AND TIMES. THIS SHALL INCLUDE ALL SIGNAGE, BARRICADES, FLAGMEN AND TAGGERS AS NEEDED. ALL PUBLIC STREETS SHALL BE OPEN TO TRAFFIC AT ALL TIMES.
 - ADJUST ALL EXISTING STRUCTURES, BOTH PUBLIC AND PRIVATE TO THE PROPOSED GRADES WHERE DISTURBED AND COMPLY WITH ALL REQUIREMENTS OF THE UTILITY OWNERS. STRUCTURES BEING RESET TO FULFILL ADEQUATELY MEET CONSTRUCTION REQUIREMENTS FOR TRAFFIC LOADING.
 - EXISTING CONDITIONS TOPOGRAPHY SURVEY PROVIDED BY WESTWOOD PROFESSIONAL SERVICES, INC., DATED 06/05/18. LOUCKS DOES NOT GUARANTEE THE ACCURACY OF ANY INFORMATION OR CONDITIONS OF WORK PREPARED BY OTHERS. THE CONTRACTOR SHALL FIELD VERIFY EXISTING CONDITIONS AND NOTIFY THE PROJECT ENGINEER OF ANY DISCREPANCIES.
 - SUBGRADE PREPARATION SHALL BE PERFORMED IN ACCORDANCE WITH MIDDOT 211.2. THE TOP 3 FEET SHALL BE COMPACTED TO 100% OF THE STANDARD PROCTOR DENSITY.
 - AGGREGATE BASE SHALL BE MIDDOT 211 CLASS 5. COMPACTION SHALL BE BY THE QUALITY COMPACTION METHOD.
 - PLANT MIXED BITUMINOUS PAVEMENT SHALL BE CONSTRUCTED IN ACCORDANCE WITH MIDDOT 2360 WITH MIX DESIGN AS SHOWN ON THE DETAILS. COMPACTON SHALL BE BY THE ORDINARY COMPACTION METHOD.
 - CONCRETE CURB & GUTTER SHALL BE PERFORMED IN ACCORDANCE WITH MIDDOT 2531. CURING SHALL BE BY THE MEMBRANE CURING METHOD. EXPANSION JOINTS EVERY 200 FEET AT ALL TYPED OBJECTS. CONTRACTION JOINTS EVERY 10 FEET.
 - CONCRETE WALK SHALL BE PERFORMED IN ACCORDANCE WITH MIDDOT 2521. CURING SHALL BE BY THE MEMBRANE CURING METHOD. EXPANSION JOINTS AT ALL FINES OBJECTS. CONTRACTION JOINTS EVERY 5 FEET.
 - ALL WORK SHALL BE PERFORMED IN ACCORDANCE WITH THE RECOMMENDATIONS OF THE GEOTECHNICAL EVALUATION REPORT PREPARED BY BRAUN INTERTEC CORPORATION, PROJECT #B1809478.01 AND THE VOLUNTARY RESPONSE ACTION PLAN / CONSTRUCTION CONTINGENCY PLAN PREPARED BY BRAUN INTERTEC CORPORATION, PROJECT #B1809478.02.

- PAVEMENT LEGEND**
- DEVOTES HEAVY DUTY BITUMINOUS PAVEMENT
 - DEVOTES CONCRETE PAVEMENT
- PROJECT BENCHMARK**
- BENCHMARK IN ROSEVILLE IN SOUTHEAST CORNER OF INTERSTATE HIGHWAY 35W BRIDGE NUMBER 9532 OVER RAILROAD AND ROSEGADE STREET, 0.7 MILE NORTH ON INTERSTATE HIGHWAY 35W FROM THE WEST JUNCTION OF INTERSTATE HIGHWAY 35W AND TRUNK HIGHWAY 36. ELEVATION = 949.503 (NAVD83)

CALL BEFORE YOU DIG!
Gopher State One Call
 TOWN CITY AREA: 651-644-8000
 TOLL FREE: 1-800-252-1166

WARNING:
 THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND NOTIFICATIONS FROM ALL LOCAL, COUNTY, STATE AND FEDERAL AGENCIES. THEY SHALL COOPERATE WITH ALL LOCAL, COUNTY, STATE AND FEDERAL AGENCIES IN MAINTAINING THEIR SERVICE AND/OR RELOCATION OF LINES.
 THE CONTRACTOR SHALL CONTACT GOPHER STATE ONE CALL AT 651-644-8000 AT LEAST 48 HOURS BEFORE ANY EXCAVATION OR CONSTRUCTION ACTIVITY. THE CONTRACTOR SHALL FIELD VERIFY EXISTING CONDITIONS BEFORE BEGINNING CONSTRUCTION. THE CONTRACTOR SHALL REPAIR OR REPLACE THE ABOVE WHEN DAMAGED DURING CONSTRUCTION AT NO COST TO THE CONTRACTOR.





Memo

To: Pat Trudgeon, EDA Executive Director
 Janice Gundlach, Community Development Director
 Jeanne Kelsey, Housing & Economic Development Manager

From: Chris Miller, Finance Director

Date: March 15, 2019

Re: Summary of Available Funds for the Roseville EDA

Pat, Janice, and Jeanne,

The information below contains a brief overview of the funds available to the Roseville Economic Development Authority for the period ending 12/31/18. As you know, for legal and management purposes these monies are segregated into seven separate funds that carry varying restrictions. They include:

- Community Development Block Grant (CDBG) Program (*Fund 721*)
- General Housing & Redevelopment Programs (*Fund 723*)
- Housing Replacement / Single Family Construction Program (*Fund 720*)
- Property Abatement Program (*Fund 722*)
- Multi-Family & Housing Program (*Fund 724*)
- SE Roseville Redevelopment Program (*Fund 428*)
- General EDA Operating Program Fund (*Fund 725*)

The Community Development Block Grant (CDBG) Fund is governed by an agreement with Ramsey County in accordance with federally-established CDBG requirements.

The General Housing & Redevelopment, Housing Replacement, Property Abatement, and Multi-Family Programs were previously managed by the City's Housing & Redevelopment Authority (HRA). The Roseville EDA/HRA Attorney has opined that these monies can only be spent for activities permitted under the statutory HRA laws.

The SE Roseville Redevelopment Program Fund was created through pooled excess funds from TIF District #12 (Arona Site) that was decertified in 2016.

Finally, the General EDA Program Fund can only be used for any activities permitted under the statutory EDA laws. Similar to the City's General Fund, this fund serves as the EDA's *primary* operating fund and includes on-going staffing & legal representation, studies & analyses, marketing efforts, and other costs.

Because the only on-going funding source for General EDA Programs is the property tax levy, this fund should maintain a minimum 35% cash reserve level, as measured at year-end, to provide for operational needs in between tax levy collection periods.

The available funds as of 12/31/18 is shown in the chart below:

	12/31/2018 Funds <u>Available</u>
<u>Program</u>	
CDBG Program	\$ 296,006
SF Revolving Loans	577,269
Housing Replacement / SF Construction	407,477
Property Abatement	128,246
Multi-Family & Housing Program	1,673,247
SE Roseville Redevelopment	781,054
General EDA Programs *	<u>235,866</u>
Total Available Funds	\$ 4,099,166

* In a typical year, a minimum of 35% of next year's operating budget will be needed at year-end to meet cash-flow needs in-between tax levy collection periods.

Recommended Cash Reserve Amount based on 2019 Budget is \$148,280

The year-end cash available in the General EDA Programs Fund is higher than expected due to lower 2018 spending in the Ownership Rehab, Marketing Studies, and Economic Development programs. As a result, the reserve level stands at 56% going into 2019. Had the EDA/City Council not removed \$200K in proposed funding for new initiatives when setting the final 2019 Budget, the reserve level would have been at 38%.

In addition to the amounts shown above, the EDA also has a number of outstanding loans and mortgages that will provide varying levels of income in future years. They are summarized in the table below.

	12/31/2018
	Loan/Mortgage
<u>Program **</u>	<u>Value</u>
CDBG: 960 Lovell	\$ 14,022
CDBG: Sienna Green	383,881
CDBG: 1125 Sandhurst	52,807
CDBG: 1491 Applewood Court	59,000
CDBG: 1497 Applewood Court	59,000
General Housing Programs	322,990
Housing Replacement / SF Construction: 1481 Applewood Ct.	55,000
Housing Replacement / SF Construction: 1491 Applewood Ct.	36,000
Housing Replacement / SF Construction: 1497 Applewood Ct.	28,000
Multi-Family & Housing Program: Sienna Green	<u>18,301</u>
Total Loan/Mortgage Value	\$ 1,029,002
** The City has a 2nd or 3rd mortgage position on all Program loans	



Memo

To: Janice Gundlach - Community Development Director
 Jeanne Kelsey – Housing & Economic Development Program Manager

From: Stacie Kvilvang - Ehlers

Date: March 18, 2019

Subject: TIF District Fund Balance Analysis

You requested we provide the City with an update on the existing TIF districts, their outstanding obligations and use of current fund balance, if any. The City currently has four (4) active TIF districts as noted in the chart below.

Category	TIF 17 & 17A Twin Lakes	TIF 18 Green	Sienna	TIF 19 Applewood Pointe	TIF 20 McGough
District Type	Redevelopment & Hazardous Substance Sub District	Housing		Economic Development	Redevelopment
Project/Costs Financed	Public Improvements/Roadways	50-unit apartment complex (rehab and new construction)		48-unit senior cooperative	53,675 Sq/Ft Corporate Office
Project Area	Development District 1	Development District 1		Development District 1	Development District 1
Certified	9/3/2005	12/22/2009		5/20/2011	9/19/2018
Legal max term	12/31/2031	12/31/2038		12/31/2020	12/31/2045
Anticipated term	12/31/2031	12/31/2038 (If TIF agreement is amended)		8/1/2019	12/31/2045
First Increment	2006	2013		2013	2020
Current Obligations	\$3,246,065 GO TIF Bonds, Series 2015A	\$935,005 Pay-As-You-Go TIF Note		\$659,000 Pay-As-You-Go TIF Note	\$1,316,000 Pay-As-You-Go TIF Note (Yet to be issued)
Pooling Amount	\$868,000 in 2019 for HSS purposes, \$460,000 for bond payments & \$171,000 for redevelopment	\$62,000 in 2019		\$267,000 in 2019	N/A
Use of Pooling Dollars	Clean up of HSS parcels and/or redevelopment	Affordable Housing (Rental and/or Owner-Occupied)		Economic Development (Manufacturing/Warehouse)	Redevelopment

TIF District Fund Balance Analysis
March 18, 2019
Page 2

TIF District #17 & #17A (Hazardous Substance Sub District – HSS)

This is a redevelopment TIF district with a HSS district (takes base value to \$0) and was certified on September 3, 2005. The statutory decertification date for the redevelopment portion of the district is December 31, 2031 and for the HSS portion of the district is as soon as enough dollars have been set aside to cure the hazardous substance conditions that allowed the district to be certified.

Five Year Rule: At least 75% of tax increment revenues generated within the redevelopment portion of the District must be used to pay for qualified costs within the District. The State Legislature amended the five-year rule limit to increase it to ten years for Redevelopment or Renewal and Renovation districts certified after June 30, 2003 and before April 20, 2009. This District fits this timeline and its five-year rule was September 30, 2015. The City issued bonds prior to this date so those meet the 5-year deadline. Any future obligations would be limited to 25% of the TIF generated (legal pooling dollars) from their development (if the development is located on a HSS parcel, the fund balance in this portion of the District would be available for clean-up costs as well).

Obligation of the District: The City issued bonds in September 2015 (Series 2015A) in the amount of \$3,246,065 to pay for required roadway/public improvements (\$2,775,000 is outstanding).

Current Fund Balance: Current cash balance as of December 31, 2018 for the HSS portion of the District is approximately \$3.135 million. The City is in discussions with Colder for the redevelopment of a parcel in TIF 17, which has clean-up costs associated with it. Because this project is under consideration for funding after the extended 10-year rule (2015), the amount of the HSS funds that can be used for the project are limited to 25% of the HSS funds collected to date. Through 2018, this equates to approximately \$868,000, which staff anticipates will be needed for the project. The remaining balance would be approximately \$2.667 million, which all or a portion may have to be returned to the County if not utilized under the pooling limitations. The City is seeking special legislation to allow this fund balance (and future HSS fund balance) to be utilized in the TIF District, as long as it is for parcels that are cleaned up under an approved RAP.

In addition, there is a cash balance in the TIF 17 redevelopment portion of approximately \$631,000, of which approximately \$460,000 is restricted to repayment on the existing bonds and approximately \$171,000 is available for legal pooling.

TIF District #18

This is a housing TIF district certified on December 22, 2009 and its statutory decertification date is December 31, 2038. The district was created to assist Aeon with the rehabilitation of an existing apartment community and the construction of additional apartment units (Sienna Green). Following are the details of the district:

Five Year Rule: Housing districts are exempt from the 5-year rule. Funds can be spent on qualified housing activities anywhere in the City (see details in Current Fund Balance below).

TIF District Fund Balance Analysis
 March 18, 2019
 Page 3

Obligation of the District: The City provided a Pay-As-You-Go TIF Note in the principal amount of \$935,005 with an interest rate of 4.25%. The Note is paid with 95% of the TIF generated and is expected to be paid in full on August 1, 2028 (10 years early).

Compliance requirements: The City is required to substantiate that the applicable income limitations and rent restrictions are being met on an annual basis for the project. Aeon has been submitting the required documentation on an annual basis and have continued to meet the requirement that 40% of the units are affordable to persons at or below 60% of the area median income.

Current Fund Balance: As of December 31, 2018, this District had a fund balance of approximately \$62,000. If the current fund balance and future TIF not needed for the Note continues to accumulate, at the end of the term of the District, the fund balance will be approximately \$1.185 million. Since the current Development Agreement only requires them to meet the income guidelines and report until the TIF Note is paid in full, the City would need to amend the Agreement with them to require reporting through 2038. If Aeon is unwilling, then the City would need to decertify the District when the obligation is paid in full (2028) and the cash balance the City would have available for the pooling would be approximately \$123,000.

This increment may be used to pay eligible costs for housing projects that are rental or owner-occupied and intended for occupancy by low and moderate-income families. The income guidelines are defined in MS 469.1761 as follows:

Rental Housing: 20% of the units occupied by families at 50% of median income (20/50) or 40% of the units occupied by families at 60% of median income (40/60).

Owner Occupied: Assistance to homeowners with an income at or below 100% of the median income for a family of two or less or 115% of the median income for a family of three or more.

Typically, TIF is utilized for capital expenditures, but may be used for non-capital expenditures on a limited basis. Examples of potential rental housing projects would include:

1. New affordable rental housing as part of redevelopment (20/50 or 40/60 election)
2. Renovation of an existing rental housing development (20/50 or 40/60 election)
3. Providing subsidy to an existing project that is earmarked for additional affordability (20/50 or 40/60 election)

Examples of potential owner-occupied projects would include:

1. Site acquisition and demolition for infill lots that will be sold for new housing construction
2. Acquisition of foreclosed homes for resale to income qualified buyers
3. Rehabilitation loans for home improvements
4. Second mortgages to qualified home buyers

If the income requirements are not met on any given year, the City will need to return that year's increment to the County for redistribution.

TIF District Fund Balance Analysis
March 18, 2019
Page 4

TIF District #19

This is an economic development TIF district certified on May 20, 2011 and its statutory decertification date is December 31, 2020. The district was created to assist United Properties with the construction of a 48-unit senior cooperative (Applewood Pointe). Following are the details of the district:

Five Year Rule: Within five years of certification of the District (May 20, 2016) all obligations must be in place for the District and at least 80% of tax increment revenues generated must be used to pay for qualified costs within the district (City met this obligation by entering into a Development Agreement with United Properties). The City can utilize the remaining 20% for administrative costs (up to 10% that are documented) or other qualified economic development district costs.

Obligation of the District: The City provided a Pay-As-You-Go TIF Note in the principal amount of \$659,000 with an interest rate of 7%. The Note is paid with 80% of the TIF generated and is expected to be paid in full on August 1, 2019 (1 ½ years early). *The district will be required to be decertified early for pay 2020 and the City will need to return unused portion of 1st half 2019 TIF not needed to make the final payment and the 2nd half 2019 TIF received from the County for redistribution.*

Current Fund Balance: As of December 31, 2018, this District had a fund balance of approximately \$312,000. The City will receive approximately \$299,000 in TIF in 2019. Since the PAYGO Note will be paid in full on August 1st, the City will need to return approximately \$227,000 of the \$299,000 received to the County for redistribution to the City, County and School District. We anticipate that the City's portion of the \$227,000 will be approximately \$72,500. Since these returned funds are non-restricted (not considered TIF) *we would recommend that when the City receives them they place them in the EDA Fund for future redevelopment/development projects.*

After return of the increment noted above, the City will still have a fund balance of approximately \$267,000 for use on economic development related projects, which can include required public and or traffic improvements.

Conclusions: The information contained herein provides a high-level summary of the City's existing districts and a financial snapshot. We recommend that the City have a more in-depth analysis that offers greater technical data and comparisons with other communities of the use of TIF. This would also include preparation of a TIF Management Plan.

Please contact me at 651-697-8506 with any questions.



Colder
City of Roseville
 Pay As You Go Note

Assumptions:

Start Date (Int. Accrues from):	2/1/2021	Par Amount	2,200,000
First Compounding Interest Date:	8/1/2021	Term of Repayment	25.00
Final Payment Date:	2/1/2046	DSR Amt Funded w/ Excess	-
Interest Rate:	5.00%	Qualified Costs?	yes
Interest Calculation:	Simple Interest - Interest Accrues	Date of Qualified Costs:	

Pay As You Go Note											
Term (Yrs)	Payment Date	Begin Balance	Period Interest Due	Period Int + Accrued Int	Revenue		100% % of Rev Used	Interest Payment	Principal Payment	Accrued Interest	Ending Balance
					Annual	Cummulative					
0.00	2/1/2021	2,200,000.00	-								2,200,000.00
0.50	8/1/2021	2,200,000.00	55,000.00	55,000.00	484.51	484.51	484.51	(484.51)	-	54,515.49	2,200,000.00
1.00	2/1/2022	2,200,000.00	55,000.00	109,515.49	484.51	969.01	484.51	(484.51)	-	109,030.99	2,200,000.00
1.50	8/1/2022	2,200,000.00	55,000.00	164,030.99	83,225.75	84,194.76	83,225.75	(83,225.75)	-	80,805.24	2,200,000.00
2.00	2/1/2023	2,200,000.00	55,000.00	135,805.24	83,225.75	167,420.52	83,225.75	(83,225.75)	-	52,579.48	2,200,000.00
2.50	8/1/2023	2,200,000.00	55,000.00	107,579.48	83,225.75	250,646.27	83,225.75	(83,225.75)	-	24,353.73	2,200,000.00
3.00	2/1/2024	2,200,000.00	55,000.00	79,353.73	83,225.75	333,872.03	83,225.75	(79,353.73)	(3,872.03)	-	2,196,127.97
3.50	8/1/2024	2,196,127.97	54,903.20	54,903.20	83,225.75	417,097.78	83,225.75	(54,903.20)	(28,322.55)	-	2,167,805.42
4.00	2/1/2025	2,167,805.42	54,195.14	54,195.14	83,225.75	500,323.53	83,225.75	(54,195.14)	(29,030.62)	-	2,138,774.80
4.50	8/1/2025	2,138,774.80	53,469.37	53,469.37	83,225.75	583,549.29	83,225.75	(53,469.37)	(29,756.38)	-	2,109,018.42
5.00	2/1/2026	2,109,018.42	52,725.46	52,725.46	83,225.75	666,775.04	83,225.75	(52,725.46)	(30,500.29)	-	2,078,518.13
5.50	8/1/2026	2,078,518.13	51,962.95	51,962.95	83,225.75	750,000.79	83,225.75	(51,962.95)	(31,262.80)	-	2,047,255.33
6.00	2/1/2027	2,047,255.33	51,181.38	51,181.38	83,225.75	833,226.55	83,225.75	(51,181.38)	(32,044.37)	-	2,015,210.96
6.50	8/1/2027	2,015,210.96	50,380.27	50,380.27	83,225.75	916,452.30	83,225.75	(50,380.27)	(32,845.48)	-	1,982,365.48
7.00	2/1/2028	1,982,365.48	49,559.14	49,559.14	83,225.75	999,678.05	83,225.75	(49,559.14)	(33,666.62)	-	1,948,698.86
7.50	8/1/2028	1,948,698.86	48,717.47	48,717.47	83,225.75	1,082,903.81	83,225.75	(48,717.47)	(34,508.28)	-	1,914,190.58
8.00	2/1/2029	1,914,190.58	47,854.76	47,854.76	83,225.75	1,166,129.56	83,225.75	(47,854.76)	(35,370.99)	-	1,878,819.59
8.50	8/1/2029	1,878,819.59	46,970.49	46,970.49	83,225.75	1,249,355.31	83,225.75	(46,970.49)	(36,255.26)	-	1,842,564.32
9.00	2/1/2030	1,842,564.32	46,064.11	46,064.11	83,225.75	1,332,581.07	83,225.75	(46,064.11)	(37,161.65)	-	1,805,402.68
9.50	8/1/2030	1,805,402.68	45,135.07	45,135.07	83,225.75	1,415,806.82	83,225.75	(45,135.07)	(38,090.69)	-	1,767,311.99
10.00	2/1/2031	1,767,311.99	44,182.80	44,182.80	83,225.75	1,499,032.57	83,225.75	(44,182.80)	(39,042.95)	-	1,728,269.04
10.50	8/1/2031	1,728,269.04	43,206.73	43,206.73	83,225.75	1,582,258.33	83,225.75	(43,206.73)	(40,019.03)	-	1,688,250.01
11.00	2/1/2032	1,688,250.01	42,206.25	42,206.25	83,225.75	1,665,484.08	83,225.75	(42,206.25)	(41,019.50)	-	1,647,230.51
11.50	8/1/2032	1,647,230.51	41,180.76	41,180.76	83,225.75	1,748,709.84	83,225.75	(41,180.76)	(42,044.99)	-	1,605,185.52
12.00	2/1/2033	1,605,185.52	40,129.64	40,129.64	83,225.75	1,831,935.59	83,225.75	(40,129.64)	(43,096.12)	-	1,562,089.40
12.50	8/1/2033	1,562,089.40	39,052.24	39,052.24	83,225.75	1,915,161.34	83,225.75	(39,052.24)	(44,173.52)	-	1,517,915.88
13.00	2/1/2034	1,517,915.88	37,947.90	37,947.90	83,225.75	1,998,387.10	83,225.75	(37,947.90)	(45,277.86)	-	1,472,638.03
13.50	8/1/2034	1,472,638.03	36,815.95	36,815.95	83,225.75	2,081,612.85	83,225.75	(36,815.95)	(46,409.80)	-	1,426,228.22
14.00	2/1/2035	1,426,228.22	35,655.71	35,655.71	83,225.75	2,164,838.60	83,225.75	(35,655.71)	(47,570.05)	-	1,378,658.17
14.50	8/1/2035	1,378,658.17	34,466.45	34,466.45	83,225.75	2,248,064.36	83,225.75	(34,466.45)	(48,759.30)	-	1,329,898.88
15.00	2/1/2036	1,329,898.88	33,247.47	33,247.47	83,225.75	2,331,290.11	83,225.75	(33,247.47)	(49,978.28)	-	1,279,920.59
15.50	8/1/2036	1,279,920.59	31,998.01	31,998.01	83,225.75	2,414,515.86	83,225.75	(31,998.01)	(51,227.74)	-	1,228,692.85
16.00	2/1/2037	1,228,692.85	30,717.32	30,717.32	83,225.75	2,497,741.62	83,225.75	(30,717.32)	(52,508.43)	-	1,176,184.42
16.50	8/1/2037	1,176,184.42	29,404.61	29,404.61	83,225.75	2,580,967.37	83,225.75	(29,404.61)	(53,821.14)	-	1,122,363.28
17.00	2/1/2038	1,122,363.28	28,059.08	28,059.08	83,225.75	2,664,193.12	83,225.75	(28,059.08)	(55,166.67)	-	1,067,196.61
17.50	8/1/2038	1,067,196.61	26,679.92	26,679.92	83,225.75	2,747,418.88	83,225.75	(26,679.92)	(56,545.84)	-	1,010,650.77
18.00	2/1/2039	1,010,650.77	25,266.27	25,266.27	83,225.75	2,830,644.63	83,225.75	(25,266.27)	(57,959.48)	-	952,691.29
18.50	8/1/2039	952,691.29	23,817.28	23,817.28	83,225.75	2,913,870.39	83,225.75	(23,817.28)	(59,408.47)	-	893,282.81
19.00	2/1/2040	893,282.81	22,332.07	22,332.07	83,225.75	2,997,096.14	83,225.75	(22,332.07)	(60,893.68)	-	832,389.13
19.50	8/1/2040	832,389.13	20,809.73	20,809.73	83,225.75	3,080,321.89	83,225.75	(20,809.73)	(62,416.03)	-	769,973.11
20.00	2/1/2041	769,973.11	19,249.33	19,249.33	83,225.75	3,163,547.65	83,225.75	(19,249.33)	(63,976.43)	-	705,996.68
20.50	8/1/2041	705,996.68	17,649.92	17,649.92	83,225.75	3,246,773.40	83,225.75	(17,649.92)	(65,575.84)	-	640,420.84
21.00	2/1/2042	640,420.84	16,010.52	16,010.52	83,225.75	3,329,999.15	83,225.75	(16,010.52)	(67,215.23)	-	573,205.61
21.50	8/1/2042	573,205.61	14,330.14	14,330.14	83,225.75	3,413,224.91	83,225.75	(14,330.14)	(68,895.61)	-	504,310.00
22.00	2/1/2043	504,310.00	12,607.75	12,607.75	83,225.75	3,496,450.66	83,225.75	(12,607.75)	(70,618.00)	-	433,691.99
22.50	8/1/2043	433,691.99	10,842.30	10,842.30	83,225.75	3,579,676.41	83,225.75	(10,842.30)	(72,383.45)	-	361,308.54
23.00	2/1/2044	361,308.54	9,032.71	9,032.71	83,225.75	3,662,902.17	83,225.75	(9,032.71)	(74,193.04)	-	287,115.50
23.50	8/1/2044	287,115.50	7,177.89	7,177.89	83,225.75	3,746,127.92	83,225.75	(7,177.89)	(76,047.87)	-	211,067.63
24.00	2/1/2045	211,067.63	5,276.69	5,276.69	83,225.75	3,829,353.67	83,225.75	(5,276.69)	(77,949.06)	-	133,118.57
24.50	8/1/2045	133,118.57	3,327.96	3,327.96	83,225.75	3,912,579.43	83,225.75	(3,327.96)	(79,897.79)	-	53,220.78
25.00	2/1/2046	53,220.78	1,330.52	1,330.52	83,225.75	3,995,805.18	83,225.75	(1,330.52)	(53,220.78)	-	-
26.00	8/1/2046	-	-	-	83,225.75	4,079,030.94	83,225.75	-	-	-	-
26.00	2/1/2047	-	-	-	83,225.75	4,162,256.69	83,225.75	-	-	-	-
26.00	Year Term		1,767,130.73		4,162,256.69		4,162,256.69	(1,767,130.73)	(2,200,000.00)	321,284.93	-

**EXTRACT OF MINUTES OF MEETING OF THE
ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY**

* * * * *

Pursuant to due call and notice thereof, a special meeting of the Board of Commissioners (the “Board”) of the Roseville Economic Development Authority (the “Authority”) was duly held on the 22nd day of April, 2019, at 6:00 p.m.

The following members were present:

and the following were absent:

Commissioner _____ introduced the following resolution and moved its adoption:

Resolution No. XX

**RESOLUTION APPROVING A RAMSEY COUNTY ENVIRONMENTAL RESPONSE
GRANT IN CONNECTION WITH THE DEVELOPMENT OF COLDER PRODUCTS
FACILITY**

WHEREAS the Roseville Economic Development Authority (the “Authority”) is eligible to apply for Environmental Response Fund (“ERF”) grant funding from Ramsey County (the “County”) for eligible projects; and

WHEREAS only a limited amount of grant funding is available through the ERF during each funding cycle, and the County has determined that it is appropriate to allocate such funds only to eligible projects where the funds assist with environmental cleanup that meets ERF priorities; and

WHEREAS Colder Products Company (the “Developer”) has requested ERF grant assistance in connection with its proposed construction of a manufacturing facility (the “Project”) within the Twin Lakes area of the City of Roseville, and the Authority has determined that the Project meets the purposes and criteria of the ERF; and

WHEREAS, Authority staff submitted an ERF grant application to the County and the Authority has been awarded an ERF grant in the amount of \$300,000; and

WHEREAS, the County has presented the Authority with a proposed grant agreement (the “Agreement”) in connection with the ERF grant in substantially the form presented to the Authority, and Authority staff and legal counsel have reviewed the Agreement and recommend its approval; and

WHEREAS the Authority agrees that it will comply with all applicable laws and

45 regulations as provided in the Agreement in its administration of the ERF grant.

46

47 NOW THEREFORE BE IT RESOLVED THAT the Roseville Economic Development Authority
48 approves the Agreement in substantially the form presented to the Authority, and authorizes the
49 President and Executive Director to execute on behalf of the Authority the Agreement and any other
50 documents requiring execution by the Authority in order to give effect to the Agreement.

51

52 Authority staff and consultants are authorized to take any actions necessary to carry out the
53 intent of this resolution, including without limitation the negotiation of a contract with the Developer
54 providing for the disbursement of grant proceeds consistent with the Agreement.

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57 Adopted by the Board of the Authority this 22nd day of April, 2019.

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Certificate

I, the undersigned, being duly appointed Executive Director of the Roseville Economic Development Authority, hereby certify that I have carefully compared the attached and foregoing resolution with the original thereof on file in my office and further certify that the same is a full, true, and complete copy of a resolution which was duly adopted by the Board of Commissioners of said Authority at a duly called and specially held meeting thereof on April 22, 2019.

I further certify that Commissioner _____ introduced said resolution and moved its adoption, which motion was duly seconded by Commissioner _____, and that upon roll call vote being taken thereon, the following Commissioners voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

Witness my hand as the Executive Director of the Authority this __ day of April, 2019.

Patrick Trudgeon, Executive Director
Roseville Economic Development Authority



Minutes

**Roseville Economic Development Authority (REDA)
City Council Chambers, 2660 Civic Center Drive
Monday, February 25, 2019 – 6:00 p.m.**

1. Roll Call

President Dan Roe called to order a meeting of the Roseville Economic Development Authority (REDA) in and for the City of Roseville at approximately 6:00 p.m. Voting and Seating Order: Willmus, Groff, Etten and Roe

Present: President Dan Roe and Board Members Robert Willmus, Jason Etten, and Wayne Groff.

Others Present: Attorney Martha Ingram, Executive Director Pat Trudgeon, Community Development Director Janice Gundlach, and Housing & Economic Development Program Manager Jeanne Kelsey, Stacie Kvilvang, Ehlers.

2. Pledge of Allegiance

3. Approve Agenda

Etten moved, Willmus seconded, approval of the agenda as presented.

Ayes: 4

Nays: 0

Motion carried.

4. Public Comment

President Roe deferred public comment to the beginning of the City Council meeting.

5. Business Items

a. Adopt Resolution Approving The TIF Plan For TIF No. 21 Colder Products Company Redevelopment

Community Development Director Janice Gundlach provided a brief summary of this request as detailed in the staff report and attachments dated February 25, 2019.

Housing and Economic Development Program Manager Jeanne Kelsey reviewed the two actions needed by the EDA for approval of the TIF Plan.

Ms. Janelle Whitmeyer, President and Mr. Bryan Thompson, CFO of Colder Products Company (CPC) made a presentation of the request to the EDA.

Member Etten asked if the building was being constructed with the potential to add on to it in the future for growth.

Mr. Thompson reviewed the rendering of the building showing where expansion is possible.

Member Groff asked for clarification on the jobs. He understood there were 380 jobs with 188 jobs at the \$15 range.

Mr. Thompson stated the numbers the EDA has are from 2017 so a little dated. The new counts are 165 salaried workers today at the \$90,000 - \$100,000 range and expect to add another sixty jobs over the next four to five years.

President Roe asked if there were any questions the Members had for staff.

Member Groff stated Ms. Kelsey mentioned an interfund loan with some possible future costs the City is not aware of and he wondered what those might be.

Ms. Kelsey stated right now an interfund loan is set up to reimburse the City if there were any needed, identified costs associated with the project upfront. She was anticipating no costs, however this property has had a lot of blight over a period of time so if there is anything that could possibly come up as a situation related to helping the development to continue to move forward, the City may provide some financing to take care of some of those items and the loan would provide the City the ability to reimburse itself for those associated costs associated until there is a development agreement.

President Roe thought the idea with the interfund loan authorization is, absent that, the cost would be reimbursed either through Tax Increment Note bonding or would be paid through the TIF proceeds or reimbursed as TIF funds are collected as costs are incurred over the course of the project. But if there is something that needs to be done upfront and that cash is not available, the City would use funds from existing EDA funds to front some of those costs. This allows a mechanism to quickly access funds.

Member Etten stated in the updated RCA it is mentioned the building as being 150,000 square feet and the Ehlers report, when looking at project information and tax capacity put it at 176,693 square feet. He wondered how that changed the tax calculations or the TIF financing.

Ms. Kelsey stated based upon the preliminary runs that Ehlers has provided, once the City is done, a development agreement will address all of the funds that are under this plan because it is a concept plan that was only reviewed today. The other thing is that the costs that are projected for this development have also been done at an older valuation of possible per square foot that the

assessors office would have. Once the plan is revised and the City knows it is moving forward, Ehlers will refine their estimates which then will be a part of the development agreement that CPC will also see. She noted the City did not see the cost for the 20,000 square feet to be reduced because the cost to construct this type of structure on the site will probably increase. She indicated staff will bring everything forward with the final underwriting and the 'but for', it has to meet the 'but for' the whole time for those additional costs or a reduction in cost.

Member Etten asked if there was a potential that the City will have to put more into the TIF with the different potential evaluations.

Ms. Kelsey stated if there was a reduction to 153,000 from the 170,000 projection then that might change the number of underwriting of the TIF dollars.

Member Etten did not think the value of the property would increase if the square footage were to drop 26,000 square feet and would probably require a longer TIF or something along those lines.

President Roe thought the information is all assumptions at this point that can change, including the tax rate. Ultimately, he thought the City committed in the past through resolutions of the EDA to only a certain amount of assistance, which is the limiting factor, as he understood it.

Ms. Kvilvang stated the EDA budget is a maximum budget in the TIF plan which is why the \$176,000 was used. When this comes back with the final plan the EDA will see the final number. This is a maximum number for the TIF plan and everything else will fall under this budget. She noted the total TIF budget is close to four million dollars which includes interest, principal, administrative costs and other fees.

Member Willmus asked what the date will be for fixed market value.

Ms. Kvilvang stated this will be for pay 2019, assessed in 2018 and paid in 2019.

Member Willmus asked what staff is estimating the valuation at right now.

Ms. Kvilvang stated it is approximately 3.6 to 3.8 million.

President Roe offered an opportunity for public comment.

Ms. Dannah Thompson

Ms. Thompson wondered if the \$15 minimum wage ends up coming to Roseville, what will happen with the agreement the City ends up making with

CPC. Is there some type of liability for CPC to continue the contract or will the City be left holding the bag. She also asked if an employee comes to this location that has been making a wage of \$15 an hour, how will the employee be expected to go from where the employee is currently at to this new location in Roseville, especially with limited transportation. If CPC is not able to succeed is the City, then left holding the bag and is there any type of back up plan to hold CPC accountable for the money the City is financing for them. She also wondered what the value was of City Policy outlining subsidies for head of household and living wage jobs when subsidies given to companies like CPC who are expressly trying to avoid a \$15/hour minimum wage.

Mr. Tim Callahan

Mr. Callahan stated he was confused because there was discussion about 170,000 square feet or 150,000 square feet and the plan shows a building that is 114,000 square feet. He wondered what the correct number was.

President Roe believed the building was two stories and the plan is a portion of the building.

No one else wished to speak to this issue.

President Roe stated in terms of the questions asked, he believed that if CPC was no longer able to continue in business the TIF district remains in place but if there is no purpose for the use of the funds continuing, the funds can no longer be collected, then the City would need to decertify the District within a certain amount of time and any funds that have been collected and not been expended, have to be given back to the taxing authorities. He stated as to the questions related to the \$15 wage, he did not know what CPC might do if the \$15 minimum wage came into effect in Roseville. He believed CPC would have to address that question.

Ms. Whitmeyer indicated CPC is already generally paying \$15/hour on average for the production staff and hourly workers. She stated in order to be competitive and attract and maintain workers the company wants to make sure it is paying a fair wage and have intent over the next few years to get more towards the \$20/hour wage. Keeping with market, it is a very hot labor market right now and CPC is looking for employees. She noted the Company is not trying to avoid paying the \$15/hour wage and is trying to stay within the area and close to the St. Paul office in order to keep the good employees the company has.

Willmus moved, Etten seconded, adoption of REDA Resolution No. 34 (Attachment A) entitled, "Resolution Adopting A Modification To The Development Program For Redevelopment Project No. 1, Establishing Tax Increment Financing District No. 21 – Colder Products, And Adopting A Tax Increment Financing Plan."

Discussion

Member Willmus stated several years ago when Council took some time to really drill down and look and have a more comprehensive discussion of when and how and where the City is going to use TIF, one of the things that came out of that conversation pertained to jobs and he certainly thought that this project, initially bringing the City 165 jobs that are in the 90-100 thousand dollar range and the additional 60 in four to five years is something that he thinks fits well within that policy and something he supports. This is also an opportunity to move forward with some significant redevelopment efforts in that area which is something that the City has been looking to secure for decades. He thought this is something that will fit right in with Roseville and thought CPC will be a great fit and a great partner and he looks forward to the success of the project.

Member Etten concurred.

Member Groff indicated he was pleased CPC answered the questions he had. He thought the City needed to figure out transportation if the public wanted to use public transportation to get to those business areas. He indicated he will support the resolution.

President Roe indicated he was also supportive of this business project.

Ayes: 4

Nays: 0

Motion carried.

Willmus moved, Etten seconded, adoption of REDA Resolution No. 35 (Attachment C) entitled, "Resolution Authorizing An Interfund Loan For Advance Of Certain Costs In Connection With Tax Increment Financing District No. 21 – Colder Products."

Ayes: 4

Nays: 0

Motion carried.

6. **Adjourn**

Groff moved, Etten seconded, adjourning the REDA meeting at approximately 6:37 p.m.

Ayes: 4

Nays: 0

Motion carried.