



## CITY COUNCIL AGENDA

February 26, 2018 – 6:00 p.m.

Work Session; followed by EDA / City Council Meetings

### WORK SESSION

1. Call Meeting of City Council Work Session to Order
  2. Approve Agenda
    - 2.1 County Road 34 Speed Limit
    - 2.2 City Attorney Items
      - a) Sexual Offenders and Sexual Predators Sample Ordinance
      - b) Administrative Enforcement of City Code
- 

### ECONOMIC DEVELOPMENT AUTHORITY

1. Call Meeting of Economic Development Authority to Order
    - 1.1 Pledge of Allegiance
  2. Approve Agenda
    - 2.1 Approve minutes of January 8, 2018
  3. Establishment of Tax Increment Financing No. 3-6
    - 3.1 Modification to the Redevelopment Plan for the Tacoma West Industrial Park Project
    - 3.2 Purchase and Redevelopment Contract with Par Real Estate, LLC
  4. Public Hearing
    - 4.1 Conveyance of Land and Business Subsidy to and for Par Real Estate, LLC
  5. Resolution No. 1804, Resolution No. 1804, Adopting a Modification to the Redevelopment Plan for the Tacoma West Industrial Park Redevelopment Project, Establishing Tax Increment Financing District No. 3-6
  6. Resolution No. 1805, Approving a Purchase and Redevelopment Contract with Par Real Estate, LLC including the Conveyance of Land and a Business Subsidy Agreement
  7. Resolution No. 1806, Authorizing Interfund Loan for Advance of Certain Costs in Connection with Tax Increment Financing District No. 3-6
  8. Adjournment
- 

### CITY COUNCIL

1. Call Meeting of City Council to Order
2. Approve Agenda
3. Introductions, Presentations, Proclamations, Awards, and Public Comment  
(Individuals may address the City Council about any non-agenda item of concern. Speakers must state their name, address, and limit their remarks to three minutes. The City Council will not take official action on these items, but may refer the matter to staff for a future report or direct that the matter be scheduled for a future meeting agenda.)
4. Consent Agenda  
(NOTE TO THE PUBLIC: All those items listed as part of the Consent Agenda will be approved by a single motion, unless a request to discuss one of those items is made prior to that time. Anyone present at the meeting may request an item to be removed from the consent agenda. Please inform the Council when they approve the agenda for this meeting.)

- 4.1 Approve minutes of February 12, 2018 meeting
- 4.2 Approve payment of claims
- 4.3 Approve 2018 township fire contracts
- 4.4 Accept Parks & Recreation Commission Resignation
- 4.5 Accept Economic Development Commission Resignation
- 5. Public Hearing
  - Establishment of Tax Increment Financing No. 3-6
- 6. Old Business
- 7. New Business
  - 7.1 Resolution 2018-09, Approving Preliminary and Final Plats of Tacoma West Industrial Park 3<sup>rd</sup> Addition
  - 7.2 Resolution 2018-10, Approving Variance to Maximum Building Height for Vickerman Company
  - 7.3 Resolution 2018-11, Approving Variance to required Interior Side Yard Setback for Vickerman Company
  - 7.4 Resolution 2018-12, Approving Variance to required Overstory Tree Planting for Vickerman Company
  - 7.5 Resolution 2018-13, Approving Site Plan for an 118,698 Square Foot Warehouse for Vickerman Company
  - 7.6 Resolution 2018-14, Adopting a Modification to the Redevelopment Plan for the Tacoma West Industrial Park Redevelopment Project; and Establishing TIF No. 3-6
  - 7.7 Resolution 2018-15, Authorizing Conveyance of City Property to the EDA, authorizing an Internal Loan, and approving Business Subsidy in connection with TIF District No. 3-6
  - 7.8 City Council Email Addresses
  - 7.9 Young America Corporation Donation
- 8. Council Member & Mayor Reports
- 9. Adjournment

The following informational items have been included in the Council packet for informational purposes, council review and discussion. No action is required by the City Council:

**UPCOMING MEETINGS / EVENTS**

March 6	Planning Commission – 6:00 p.m.
March 12	City Council – 6:00 p.m.
March 14	Joint Meeting – City Council, EDC, Planning Commission, Chamber of Commerce Board – 6:30 p.m.
March 20	Parks and Rec. Commission – 5:30 p.m.
March 22	Senior Advisory Committee – 9:00 a.m.
March 26	Work Session, EDA, City Council – 6:00 p.m.



TO: Honorable Mayor Lagergren and City Council Members

FROM: Steven Helget, City Administrator

DATE: February 26, 2018

SUBJECT: Work Session

---

#### County Road 34 Speed Limit

At the January 8<sup>th</sup> City Council meeting, Council Member Heher questioned how and who sets the speed limit for County Roads located within the city. I contacted Carver County Public Works and they stated, upon Council approval of a resolution requesting such, they'd take it to the County Board to request MnDOT conduct a speed evaluation. MnDOT measures the speed using actual 85<sup>th</sup> percentile operating speed which means no more than 15% of drivers are exceeding that speed, and the speed limit is often set 4 to 8 miles below that speed. More information is available at <http://www.dot.state.mn.us/speed/index.html>

#### Sexual Offenders and Sexual Predators Sample Ordinance

Proposed is to discuss establishing an ordinance that will limit or prohibit where a sexual offender may reside within the city of Norwood Young America. Jay Squires, City Attorney, will provide a general overview of state statute as it pertains sexual offenders. Enclosed is a sample ordinance from the City of Dayton that Jay has provided for discussion purposes.

#### Administrative Enforcement of City Code

As prepared by Jay Squires, City Attorney, enclosed are three draft ordinances for Council discussion and consideration. The first one changes the title of a section in the Zoning Code to eliminate the reference to enforcement. The second adds a separate section to the Zoning Code concerning enforcement specifically. Lastly, the third adds a comprehensive administrative enforcement scheme that applies to all city code violations, and has specific provisions that are unique to land use violations. Jay Squires will be present to review and answer questions.

**ORDINANCE NO. 2016-21**  
**AN ORDINANCE AMENDING CHAPTER 130 OF THE DAYTON CODE OF**  
**ORDINANCES**

**THE CITY COUNCIL OF THE CITY OF DAYTON, MINNESOTA DOES**  
**ORDAIN:**

SECTION ONE: Chapter 130 of the Dayton Code of Ordinances is amended as follows:

SEC. 130.21 SEXUAL OFFENDERS AND SEXUAL PREDATORS

- A. Purpose and Intent. The City Council of the City of Dayton finds that sexual offenders and sexual predators present an extreme threat to the health, safety, and welfare of the citizens of the City. It is the intent of this Section to serve the City's compelling interest to promote, protect and improve the health, safety and welfare of the citizens of the City by creating areas around locations where children regularly congregate in concentrated numbers wherein certain Designated Offenders are prohibited from loitering or prohibited from establishing temporary or permanent residency.
- B. Definitions.
1. "Designated Offender" means any person who has been convicted of a Designated Sexual Offense, regardless of whether adjudication has been withheld, in which the victim of the offense was less than sixteen (16) years of age, or has been categorized as a Level II or Level III sex offender under Minnesota Statute, section 244.052 or successor statute.
  2. "Designated Sexual Offense" means a conviction, commitment under Minnesota Statute, section 253B or successor statute, or admission of guilt under oath without adjudication involving any of the following offenses under Minnesota Statutes: 609.342; 609.343; 609.344; 609.345; 609.352; 609.365; 617.246; 617.247; 617.293; successor statutes; or a similar offense from another jurisdiction.
  3. "Permanent Residence" means a place where the person abides, lodges, or resides for fourteen (14) or more consecutive days.
  4. "Temporary Residence" means a place where the person abides, lodges, or resides for a period of fourteen (14) or more days in the aggregate during any calendar year and which is not the person's permanent address, or a place where the person routinely abides, lodges, or resides for a period of



four (4) or more consecutive or nonconsecutive days in any month and which is not the person's permanent residence.

5. "Loitering" means standing, sitting idly, whether or not the person is in a vehicle or remaining in or around an area.
6. "Prohibited Area" means any amusement park and center, recreation center, youth athletic field, indoor or outdoor ice skating facility, public or commercial swimming pool, golf course, bowling alley, public library, privately operated "tot lot"; or facility providing specialized services for children, including but not limited to gymnastic and dance academies.
7. "A Place Where Children Regularly Congregate" means any school, licensed day care center, park or playground, public school bus stop, place of worship, seasonal pumpkin patch or apple orchard, and any other Prohibited Area, as defined in Paragraph B(6) above.
- 6.8. "Park or Playground" means one of the following:
  - a. Any land, including improvements to the land that is administered, operated or managed by the City for the use of the general public as a recreational area.
  - b. City recreational areas include, but are not limited to, conservation area, hiking trail, biking trail, swimming pool, or athletic fields.

C. Designated offender residence and activity prohibited; penalties; exceptions

1. Prohibited location of residence. It is unlawful for any Designated Offender to establish a permanent residence or temporary residence: (1) within 2,000 feet of any school, licensed day care center, park or playground; (2) within 2,000 feet of any seasonal pumpkin patch or apple orchard; (3) within 2,000 feet of any Prohibited Area, as defined in Paragraph B(6) above; (4) within 1,000 feet of any public school bus stop; or (5) within 1,000 feet of any place of worship.
2. Prohibited activity.

It is unlawful for any Designated Offender to knowingly loiter at a place where children regularly congregate.

Designated Offenders shall not, on each October 30<sup>th</sup> and 31<sup>st</sup> (or any other date set by the City for trick-or-treaters) distribute candy or other items to

children, leave an exterior porch light on or otherwise invite trick-or-treaters to solicit their residence.

3. Measurement of distance.

For purposes of determining the minimum distance separation, the requirement shall be measured by following a straight line from the outer property line of the Permanent Residence or Temporary Residence to the nearest outer property line of the prohibited area or property.

The City Clerk shall maintain an official map showing prohibited areas as defined by this Ordinance. The Clerk shall update the map at least annually to reflect any changes in the location of prohibited areas.

4. Penalties. Any person violating any provision of this Section shall be guilty of a misdemeanor as defined by state law and Section 130.99 of this Code and subject to the penalties thereof. Each day a person maintains a residence in violation of this Section constitutes a separate violation.

5. Exceptions. A Designated Offender residing within a prohibited area does not commit a violation of this Section if any of the following apply:

- a. The person established the Permanent Residence or Temporary Residence and reported and registered the residence pursuant to Minnesota Statutes, [sections 243.166](#) and [243.167](#) or successor statutes, prior to [October 28, 2016](#) ~~the effective date of this Ordinance.~~
- b. The person was a minor when he/she committed the offense and was not convicted as an adult.
- c. The person is a minor.
- d. The prohibited area was opened after the person established the Permanent Residence or Temporary Residence and reported and registered the residence pursuant to Minnesota Statutes, sections [243.166](#) and [243.167](#).
- e. The residence is a property owned or leased by the Minnesota Department of Corrections.

For purposes of Paragraph C(5)(a) and Paragraph C(5)(d) above, a person does not establish a Permanent Residence until the person has physically



abided, lodged, or resided at the residence for a period of fourteen (14) consecutive days. A person will not be deemed to have established a Temporary Residence until the person has physically abided, lodged, or resided at the temporary residence for (a) four (4) or more consecutive or nonconsecutive days in a month or (b) fourteen (14) or more days in the aggregate in any calendar year. Reporting and registering the residence pursuant to Minnesota Statutes, sections 243.166 and 243.167, standing alone, does not establish a Permanent Residence or a Temporary Residence.

D. Property Rental Prohibited; Penalties

1. It is unlawful to let or rent any place, structure, or part thereof, trailer or other conveyance, with the knowledge that it will be used as a permanent residence or temporary residence by any person prohibited from establishing such Permanent Residence or Temporary Residence pursuant to the terms of this Ordinance, if such place, structure, or part thereof, is located within a prohibited area and not subject to an exception set forth in Paragraph C(5) above.
2. A property owner who violates this Section shall be guilty of a misdemeanor as defined by state law and Section 130.99 of this Code and shall be subject to the penalties thereof.

SECTION TWO: This Ordinance shall become effective upon publication.

Adopted by the Dayton City Council this \_\_\_\_ day of \_\_\_\_\_.

APPROVED BY:

\_\_\_\_\_  
Timothy McNeil, Mayor

ATTEST:

\_\_\_\_\_  
Amy Stanius, Deputy City Clerk

**CITY OF NORWOOD YOUNG AMERICA  
CARVERY COUNTY, MINNESOTA**

**ORDINANCE NO. \_\_\_\_\_**

AN ORDINANCE AMENDING THE TITLE OF SECTION 1210 OF CITY CODE  
THE CITY COUNCIL OF THE CITY OF NORWOOD YOUNG AMERICA HEREBY  
ORDAINS:

**SECTION 1: AMENDMENT TO SECTION 1210.** The title of Section 1210, of the Norwood Young America City Code is hereby amended as follows:

The new title of Section 1210 shall be "Administration"; "& Enforcement" shall be deleted from the title.

**SECTION 2: EFFECTIVE DATE.** This Ordinance shall be effective immediately upon its passage and publication.

Adopted by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Kelly Hayes, City Clerk/Treasurer

CITY OF NORWOOD YOUNG AMERICA

CARVER COUNTY, MINNESOTA

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE ADDING A NEW SECTION 1265 TO CITY CODE RELATING TO  
ENFORCEMENT

THE CITY COUNCIL OF THE CITY OF NORWOOD YOUNG AMERICA HEREBY  
ORDAINS:

**SECTION 1. ADDITION OF SECTION.** A new section 1265 is added to the Norwood  
Young America City Code as follows:

Section 1265 – Enforcement

**1265.01 Penalty.** The violation of any provision of Chapter 12 of City Code, or the  
violation of any condition or requirement of any permit or approval given under Chapter  
12, shall constitute a misdemeanor. Each day that a violation continues shall be a separate  
offense.

**1265.02 Alternatives to Criminal Prosecution.** The City may take any additional action  
necessary to prevent or remedy violations, including but not limited to the following:

- A. Orders for corrective action.
- B. Administrative penalties as provided by City Code.
- C. District court civil enforcement, including injunctive relief.
- D. After-the-fact permitting.

**SECTION 2. EFFECTIVE DATE.** This Ordinance shall be effective immediately upon  
its passage and publication.

Adopted by the City Council this \_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Kelly Hayes, City Clerk/Treasurer



**CITY OF NORWOOD YOUNG AMERICA**

**CARVER COUNTY, MINNESOTA**

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE ADDING A NEW SECTION 120.04 TO CITY CODE RELATING  
TO ADMINISTRATIVE ENFORCEMENT OF CODE VIOLATIONS**

**THE CITY COUNCIL OF THE CITY OF NORWOOD YOUNG AMERICA HEREBY  
ORDAINS:**

**SECTION 1, ADDITION OF SECTION.** A new section 120.04 is added to the Norwood Young America City Code as follows:

**120.04. Administrative Enforcement of City Code**

**Subd. 1. Findings and Purpose.** The purpose of this section of the city code is to establish a procedure for administrative enforcement of violations of the city code. The City Council finds that criminal or civil legal action is not an appropriate remedy for certain violations of city code. The City Council establishes this administrative enforcement process as an informal, cost-effective and more efficient alternative to traditional criminal charges for violations of certain city code provisions.

**Subd. 2: General Provisions.**

- (A) A violation of any provision of the city code, other than a traffic offense, is an administrative offense subject to a citation and civil penalties pursuant to this chapter.
- (B) Each day a violation exists constitutes a separate offense.
- (C) Each administrative offense may be subject to a civil penalty not to exceed \$1,000. The City Council shall adopt a schedule of civil penalties for offenses subject to administrative enforcement.
- (D) Civil penalties may be doubled for repeat violations that occur within a twelve-month period.
- (E) The City Administrator or designee is authorized to promulgate rules and forms to facilitate the execution of this chapter.
- (F) In its sole discretion, the City may elect to pursue criminal charges, a civil action, or other remedies allowed by law for conduct covered by this chapter.

### **Subd. 3: Administrative Citation**

- (A) *Individuals Authorized to Enforce the City Code.* The following individuals may issue administrative citations on behalf of the City:
1. Any Officer of the Carver County Sheriff's Department assigned to serve in the City of Norwood Young America
  2. Fire Chief;
  3. Fire Marshal;
  4. Public Services Director;
  5. City Administrator;
  6. Any other employee or agent of the City designated in writing by the City Administrator.
- (B) *Notice of Violation.* Upon determining that a violation of city code has occurred, any individual authorized under this chapter may give notice of the violation to the violator. Such notice shall be in writing and include the nature, date, and time of the violation, the name and title of the official issuing the notice, and the amount of the scheduled penalty. In the case of a vehicular violation, notice may be attached to the vehicle.

### **Subd. 4: Payment or Hearing Request Required**

For violations other than violations of the City's Zoning and Subdivision Codes, within seven days of issuance of the written notice of violation, the person issued such notice must either pay the civil penalty or request an administrative hearing in writing. The civil penalty may be paid in person or by mail. Payment is deemed an admission of the violation.

For violations of the City's Zoning and Subdivision Codes, the property owner shall have thirty days from the issuance of the written notice of violation to request an administrative hearing in writing, modify the property to adhere to zoning requirements, or provide the City Administrator with satisfactory written evidence of efforts toward compliance. By way of example, but without limitation, satisfactory written evidence may include a contract with an individual or entity to perform the necessary work to bring the property into compliance with zoning requirements within a limited period of time. During the thirty days from the issuance of the written notice, the property owner will not incur a civil penalty. If the property owner does not request a hearing, bring the property into compliance, or provide the City Administrator with satisfactory written evidence of efforts toward compliance within thirty days of issuance of the written notice,

the property owner will incur a civil penalty on the 31st day after issuance of the written notice, and each day the violation continues, as provided in the City's schedule of civil penalties. Civil penalties will continue to accrue until the property owner notifies the City Administrator that the property has been brought into compliance and the City Administrator or designee has verified the property is compliant.

#### **Subd. 5: Administrative Hearing**

- (A) Any person contesting an administrative citation pursuant to this chapter may request a hearing. The request must be in writing and include the violator's name and contact information, citation number, date of offense, and a brief description of the reason(s) for requesting a hearing. Any request for hearing other than a hearing on a zoning or subdivision code violation must be addressed to the Chief of Police and received at the Police Department within seven (7) days of issuance of the citation. A request for a hearing on a zoning or subdivision code violation must be addressed to the City Administrator and received at City Hall within thirty (30) days of the issuance of the notice of violation.
- (B) The City will determine the hearing date. The hearing should be conducted within sixty (60) days from the date the request is received.
- (C) A hearing officer shall conduct an informal hearing to determine, by a preponderance of the evidence, whether a violation has occurred. The hearing officer shall have authority to sustain or dismiss the violation and, if sustained, reduce or waive the civil penalty.
- (D) The civil penalty must be paid within seven days of the hearing officer decision.

#### **Subd. 7: Hearing Officer**

The hearing shall be before any member of City Council acting as the Hearing Officer, or an individual designated by the City Council to act as Hearing Officer. The Hearing Officer is authorized to hear and decide any controversy relating to administrative offenses covered by this chapter.

#### **Subd. 8: Payment of Civil Penalty**

- (A) Except for violations of the Zoning and Subdivision Codes, the civil penalty must be paid within seven days of issuance of an administrative citation, or

seven days of the Hearing Officer's decision. A ten-percent (10%) late fee will be added beginning on the eighth day, and for each day thereafter until the penalty is paid in full. The City Administrator may agree to a one-time extension to pay, up to an additional fourteen days.

- (B) The City will periodically send invoices regarding outstanding civil penalties and late fees. Where a violation affects property within the City, no permits or land use approvals will be granted for the property at issue until all civil penalties are paid.
- (C) If an individual fails to timely pay the civil penalty or request a hearing, the City may request a misdemeanor or petty misdemeanor charge to be filed in accordance with applicable statutes, or the City may use traditional debt collection methods or any other method prescribed by law, including assessing the unpaid fines against property owned by the violator, to collect the fine amount and any associated fees.
- (D) If the penalty is paid or if an individual is found not to have committed the administrative offense by the hearing officer, no such charge may be brought by the city for the same violation.
- (E) During the time any Civil Penalty remains unpaid, no City approval will be granted for a license, permit, or other City approval sought by the violator or for property under the violator's ownership or control.

#### **Subd. 9: Disposition of Penalties**

All civil penalties and late fees shall be paid to the City and deposited into the general fund.

#### **Subd. 10: Schedule of Civil Penalties**

A schedule of Civil Penalties will be developed and adopted by City Council. In the absence of an identified civil penalty, the penalty shall be \$100.

**SECTION 2. EFFECTIVE DATE.** This Ordinance shall be effective immediately upon its passage and publication.

Adopted by the City Council this \_\_\_\_ day of \_\_\_\_\_, 2018.

---

Mayor

ATTEST:

---

Kelly Hayes, City Clerk/Treasurer

DRAFT





## EDA MINUTES

January 8, 2018 – 6:00 p.m.

Attendees: Carol Lagergren, Dick Stolz, Craig Heher, Mike McPadden, Charlie Storms

City Staff: City Administrator Steve Helget, City Clerk/Treasurer Kelly Hayes, Public Services Director Tony Voigt

Others: Matthew Arnst

### ECONOMIC DEVELOPMENT AUTHORITY

#### 1. Call Meeting of Economic Development Authority to Order

##### 1.1 Pledge of Allegiance

Meeting was called to order by President Carol Lagergren at 6:02pm.

#### 2. Approve Agenda

**Motion:** MM/CH to approve the agenda as printed. Vote 5 – 0. Motion carried.

##### 2.1 Resolution 1801, Nomination and Appointment of Officers

**Motion:** MM/DS to approve Resolution 1801, a resolution nominating and electing officers of the Economic Development Authority for the City of Norwood Young America. Vote 5 – 0. Motion carried.

##### 2.2 Approve minutes of December 27, 2017

**Motion:** DS/CS to approve the minutes of December 27, 2017. Vote 5 – 0. Motion carried.

#### 3. New Business

Vickerman Company (aka Par Real Estate, LLC) would like to purchase Lot 3, Block 1 and Lots 4 and 5, Block 2 of the Tacoma West Industrial Park. A Public Hearing is required to establish this TIF District.

##### 3.1 Resolution 1802, Requesting the City Council Call for a Public Hearing for Establishment of TIF District No. 3-6

**Motion:** DS/Cs to approve Resolution 1802 requesting the City Council of the City of Norwood Young America call for a public hearing on a modification to the redevelopment plan for the Tacoma west industrial park redevelopment project, the establishment of tax increment financing district no. 3-6, the adoption of a tax increment financing plan therefor, and a proposed business subsidy. Vote 5- 0. Motion carried.

##### 3.2 Resolution 1803, Calling for a Public Hearing Regarding Land Conveyance and Associated Business Subsidy to Par Real Estate, LLC.

**Motion:** MM/CH to approve Resoluion 1803, a resolution calling a public hearing regarding land conveyance and associated business subsidy to Par Real Estate, LLC. Vote 5 – 0. Motion carried.

#### 4. Adjournment

**Motion:** DS/CH to adjourn at 6:11pm. Vote 5 – 0. Motion carried.

Respectfully Submitted,

---

Carol Lagergren, President

---

Kelly Hayes, City Clerk / Treasurer



# Memo

**To:** City of Norwood Young America  
**From:** Nick Anhut, Ehlers & Associates  
**Date:** February 20, 2018  
**Subject:** Establishment of Tax Increment Financing District 3-6

Par Real Estate and Vickerman Company (the "Redeveloper") are seeking to purchase three parcels of land within the Tacoma West Industrial Park seeking to redevelop the site into an approximately 120,000 square foot warehouse building to service its existing manufacturing and distribution facility. The Redeveloper seeks to complete the initial expansion in 2018.

The City of Norwood Young America Economic Development Authority (the "EDA") pursuant to statutory authority created the Tacoma West Industrial Park Redevelopment Project to promote economic development and job opportunities in redeveloping underutilized land within the city. To this end, the EDA can acquire interest in the industrial park property to undertake activities to facilitate redevelopment by private enterprise. Original costs to acquire and install infrastructure and other public improvements within the Tacoma West Industrial Park equals \$2.75 per square foot. Passing this land acquisition and infrastructure investment cost onto potential businesses makes further development in the park infeasible without public assistance. The Redeveloper is proposing to purchase the 8.5 acres for \$1.11 per square foot, or \$412,207 equal to a \$609,027.50 subsidy as detailed in the table below:

Norwood Young America TIF 3-6  
Land Write Down Calculation

Total Acres	8.525
Easement Acres	-
<b>Net Acres</b>	<b>8.525</b>
S.F. (1 A = 43,560 sf)	371,358.00
City Cost per s.f.	2.75
<b>Total City Cost</b>	<b>1,021,234.50</b>
<b>Sale Price</b>	<b>412,207.00</b>
<b>Subsidy</b>	<b>609,027.50</b>

Consistent with past practices for the Industrial Park Project, the EDA has requested the City hold a public hearing to consider establishing a Tax Increment Financing District to capture future taxes generated by the proposed redevelopment to repay the subsidy used to write down the cost of the land and its improvement, and potentially assist in financing other redevelopment activity tied to soils conditions of the site with any additional TIF revenue capacity.

## Process to Establish TIF District

Prior to establishing a new TIF District, the EDA as the administering authority of the industrial park project must approve a TIF Plan stating the objectives, establishing the boundaries, and estimating the costs and use of funds of the TIF District. Upon its approval of the TIF Plan, the EDA will request the City Council, as the governing body of the municipality in which the TIF

District is located, hold a public hearing for its consideration of establishing the TIF District and approval of the proposed TIF Plan.

### **Tax Increment Financing Plan Summary**

The following summary contains an overview of the basic elements of the Tax Increment Financing Plan for Tax Increment Financing District No. 3-6. More detailed information on each of these topics can be found in the complete Tax Increment Financing Plan.

Proposed action:	Modification to the Redevelopment Plan for the Tacoma West Industrial Park Redevelopment Project to include the establishment of Tax Increment Financing District No. 3-6, which represents a continuation of the goals and objectives set forth in the Redevelopment Plan for the Tacoma West Industrial Park Redevelopment Project.	
	Establishment of Tax Increment Financing District No. 3-6 (the "District") and the adoption of a Tax Increment Financing Plan (the "TIF Plan").	
Type of TIF District:	An economic development district	
Existing Parcel Numbers:	58.7510030	58.7500070
	58.7500080	
Proposed Development:	The District is being created to facilitate construction of an approximately 120,000 square foot warehouse expansion to an existing warehouse and distribution facility within the Industrial Park. The developer plans for an additional 35,000 square foot expansion anticipated as soon as 2020. A more detailed description is provided in Appendix A of the TIF Plan.	
Maximum duration:	The duration of the District will be 8 years from the date of receipt of the first increment (9 years total). Receipt of the first tax increment is expected to be 2020. It is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2028, or when the TIF Plan is satisfied.	
Annual tax increment:	The TIF Plan estimates up to \$161,131 at the end of the term. This estimate assumes completion of a second phase to the redevelopment.	
Form of financing:	The project is proposed to be financed primarily by an interfund loan to repay the subsidized land price. Terms of the loan and TIF Note will be established within a Purchase and Development Contract between the EDA and the Redeveloper.	
Administrative costs:	Per statute, the EDA may retain up to 10% of annual increment to pay administrative costs, if costs are justified.	
Interfund Loan Requirement:	Because the EDA wants to be reimbursed for its land investment and administrative expenditures from the tax increment fund, it will consider a resolution authorizing a loan from another fund be passed <i>PRIOR</i> to, or within 60 days of, the land conveyance.	

Authorized uses:	<p>The TIF Plan contains a budget for the full duration of increment and authorizes the maximum amount that may be expended. The budget allocates the amount among the following TIF qualified items:</p> <p>Land/Building Acquisition ..... \$650,000  Site Improvement/Preparation..... \$250,000  Utilities ..... \$70,000  Other Qualifying Improvements..... \$26,697  <u>Administrative Costs</u> ..... <u>\$65,000</u>  PROJECT COSTS TOTAL..... \$1,061,697  <u>Interest</u>..... <u>\$271,427</u>  <b>PROJECT COSTS TOTAL</b> ..... <b>\$1,333,124</b></p> <p>See Subsection 2-10, on page 2-5 of the TIF Plan for the full budget authorization.</p>
4 Year Activity Rule (§ 469.176 Subd. 6)	<p>After four years from the date of certification of the District one of the following activities must have been commenced on each parcel in the District:</p> <ul style="list-style-type: none"> <li>• Demolition</li> <li>• Rehabilitation</li> <li>• Renovation</li> <li>• Other site preparation (not including utility services)</li> </ul> <p>Qualifying activities will have to commence on each parcel prior to 2022, or else no additional tax increment may be taken from a parcel until the qualifying activity.</p>
5 Year Rule (§ 469.1763 Subd. 3)	<p>Within 5 years of District certification, revenues derived from tax increments must be expended or obligated to be expended through adoption of the interfund loan or issuance of a third-party obligation in order to be eligible for repayment.</p>

The reasons and facts supporting the findings for the adoption of the TIF Plan for the District, as required pursuant to *M.S., Section 469.175, Subd. 3*, are included in Exhibit A of the City resolution.

MAP OF THE TACOMA WEST INDUSTRIAL PARK REDEVELOPMENT PROJECT AND  
TAX INCREMENT FINANCING DISTRICT NO. 3-6







*As of February 19, 2018  
Draft for Public Hearing*

**Modification to the Redevelopment Plan  
for the Tacoma West Industrial Park Redevelopment Project  
and the  
Tax Increment Financing Plan  
for the establishment of  
Tax Increment Financing District No. 3-6  
(an economic development district)  
within  
the Tacoma West Industrial Park Redevelopment Project**

Norwood Young America Economic Development Authority  
City of Norwood Young America  
Carver County  
State of Minnesota

Public Hearing: February 26, 2018  
Adopted:



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

## **Table of Contents**

**(for reference purposes only)**

Section 1 - Modification to the Redevelopment Plan for the Tacoma West Industrial Park Redevelopment Project.....	1-1
Foreword.....	1-1
Section 2 - Tax Increment Financing Plan for Tax Increment Financing District No. 3-6.....	2-1
Subsection 2-1. Foreword .....	2-1
Subsection 2-2. Statutory Authority .....	2-1
Subsection 2-3. Statement of Objectives.....	2-1
Subsection 2-4. Redevelopment Plan Overview .....	2-1
Subsection 2-5. Description of Property in the District and Property To Be Acquired .	2-
2 Subsection 2-6. Classification of the District .....	2-2
Subsection 2-7. Duration and First Year of Tax Increment of the District .....	2-3
Subsection 2-8. Original Tax Capacity, Tax Rate and Estimated Captured Net Tax Capacity Value/Increment and Notification of Prior Planned Improvements .....	2-3
Subsection 2-9. Sources of Revenue/Bonds to be Issued.....	2-4
Subsection 2-10. Uses of Funds .....	2-5
Subsection 2-11. Fiscal Disparities Election.....	2-6
Subsection 2-12. Business Subsidies .....	2-6
Subsection 2-13. County Road Costs .....	2-7
Subsection 2-14. Estimated Impact on Other Taxing Jurisdictions.....	2-8
Subsection 2-15. Supporting Documentation.....	2-9
Subsection 2-16. Definition of Tax Increment Revenues .....	2-9
Subsection 2-17. Modifications to the District .....	2-10
Subsection 2-18. Administrative Expenses .....	2-11
Subsection 2-19. Limitation of Increment.....	2-11
Subsection 2-20. Use of Tax Increment.....	2-12
Subsection 2-21. Excess Increments .....	2-14
Subsection 2-22. Requirements for Agreements with the Developer.....	2-14
Subsection 2-23. Assessment Agreements.....	2-14
Subsection 2-24. Administration of the District .....	2-14
Subsection 2-25. Annual Disclosure Requirements.....	2-15
Subsection 2-26. Reasonable Expectations.....	2-15
Subsection 2-27. Other Limitations on the Use of Tax Increment.....	2-15
Subsection 2-28. Summary .....	2-16
Appendix A Project Description .....	A-1
Appendix B Map of the Tacoma West Industrial Park Redevelopment Project and the District .....	B-1
Appendix C Description of Property to be Included in the District .....	C-1
Appendix D Estimated Cash Flow for the District .....	D-1

Appendix E	
Minnesota Business Assistance Form .....	E-1

Appendix F	
Findings Including But/For Qualifications .....	F-1

***Section 1 - Modification to the Redevelopment Plan  
for the Tacoma West Industrial Park Redevelopment Project***

**Foreword**

The following text represents a Modification to the Redevelopment Plan for the Tacoma West Industrial Park Redevelopment Project. This modification represents a continuation of the goals and objectives set forth in the Redevelopment Plan for the Tacoma West Industrial Park Redevelopment Project. Generally, the substantive changes include the establishment of Tax Increment Financing District No. 3-6.

For further information, a review of the Redevelopment Plan for the Tacoma West Industrial Park Redevelopment Project, adopted May 8, 2006, is recommended. It is available from the City Administrator at the City of Norwood Young America. Other relevant information is contained in the Tax Increment Financing Plans for the Tax Increment Financing Districts located within the Tacoma West Industrial Park Redevelopment Project.

## **Section 2 - Tax Increment Financing Plan for Tax Increment Financing District No. 3-6**

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

The Norwood Young America Economic Development Authority (the "EDA"), the City of Norwood Young America (the "City"), staff and consultants have prepared the following information to expedite the establishment of Tax Increment Financing District No. 3-6 (the "District"), an economic development tax increment financing district, located in the Tacoma West Industrial Park Redevelopment Project.

### **Subsection 2-2. Statutory Authority**

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the EDA and City have certain statutory powers pursuant to *Minnesota Statutes ("M.S.")*, Sections 469.090 to 469.1082 and Sections 469.001 to 469.047, inclusive, as amended, and *M.S.*, Sections 469.174 to 469.1794, inclusive, as amended, to assist in financing public costs related to this project.

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

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

The District is being created to facilitate construction of an approximately 120,000 square foot warehouse expansion to an existing warehouse/manufacturing and distribution facility in 2018. An additional approximately 35,000 square foot expansion is anticipated as soon as 2020. Please see Appendix A for further project information. The EDA has designated Par Real Estate, LLC as the developer. This TIF Plan is expected to achieve many of the objectives outlined in the Redevelopment Plan for the Tacoma West Industrial Park Redevelopment Project.

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

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

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



5. The City proposes both public and private infrastructure within the District. The proposed reuse of private property within the District will be for a warehouse and distribution facility, and there will be continued operation of the Tacoma West Industrial Park Redevelopment Project after the capital improvements within the Tacoma West Industrial Park Redevelopment Project have been completed.

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

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

The City currently owns the property to be included in the District. The City will convey the property to the EDA, which will in turn convey the property to the developer.

#### **Subsection 2-6. Classification of the District**

The EDA and City, in determining the need to create a tax increment financing district in accordance with *M.S., Sections 469.174 to 469.1794*, as amended, inclusive, find that the District, to be established, is an economic development district pursuant to *M.S., Section 469.174, Subd. 12* as defined below:

*"Economic development district" means a type of tax increment financing district which consists of any project, or portions of a project, which the authority finds to be in the public interest because:*

- (1) it will discourage commerce, industry, or manufacturing from moving their operations to another state or municipality; or*
- (2) it will result in increased employment in the state; or*
- (3) it will result in preservation and enhancement of the tax base of the state.*

The District is in the public interest because it will meet the statutory requirement from clauses 1, 2, and 3.

Pursuant to *M.S., Section 469.176, Subd. 4c*, revenue derived from tax increment from an economic development district may not be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or assistance in any form to developments consisting of buildings and ancillary facilities, if more than 15 percent of the buildings and facilities (determined on the basis of square footage) are used for a purpose other than:

- (1) The manufacturing or production of tangible personal property, including processing resulting in the change in condition of the property;
- (2) Warehousing, storage, and distribution of tangible personal property, excluding retail sales;
- (3) Research and development related to the activities listed in items (1) or (2);
- (4) Telemarketing if that activity is the exclusive use of the property; or
- (5) Tourism facilities;
- (6) Space necessary for and related to the activities listed in items (1) to (5)

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

The facilities in the District meet the conditions of Purposes 1, 2, and 6.

The District is being created to assist in the construction of an expansion to a manufacturing and distribution

facility for artificial Christmas trees and other seasonal decorations. The facility is used for manufacturing, wholesale distribution, and related activities. The purpose of the expansion is for additional warehouse space to assist in these activities.

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

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

Pursuant to *M.S., Section 469.175, Subd. 1*, and *M.S., Section 469.176, Subd. 1*, the duration of the District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b.*, the duration of the District will be 8 years after receipt of the first increment by the EDA or City. The date of receipt by the City of the first tax increment is expected to be 2020. Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2028, or when the TIF Plan is satisfied. If increment is received in 2019, the term of the District will be 2027. The EDA or City reserves the right to decertify the District prior to the legally required date.

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

Pursuant to *M.S., Section 469.174, Subd. 7* and *M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the assessor in 2018 for taxes payable 2019.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2020) the amount by which the original value has increased or decreased as a result of:

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

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

The original local tax rate for the District will be the local tax rate for taxes payable 2019, assuming the request for certification is made before June 30, 2019. The ONTC and the Original Local Tax Rate for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. 4* and *M.S., Section 469.177, Subd. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within the Tacoma West Industrial Park Redevelopment Project, upon completion of the projects within the District, will annually approximate tax increment revenues as shown in the table below. The EDA and City request 100 percent of the available increase in tax capacity for repayment of its obligations and current expenditures, beginning in the tax year payable 2020. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

<b>Project Estimated Tax Capacity upon Completion (PTC)</b>	<b>\$192,669</b>	
<b>Original Estimated Net Tax Capacity (ONTC)</b>	<b>\$11,424</b>	
<b>Fiscal Disparities Incremental</b>	<b>\$59,659</b>	
<b>Estimated Captured Tax Capacity (CTC)</b>	<b>\$121,586</b>	
<b>Original Local Tax Rate</b>	<b>1.32524</b>	Estimated Pay 2018
<b>Estimated Annual Tax Increment (CTC x Local Tax Rate)</b>	<b>\$161,131</b>	
<b>Percent Retained by the EDA</b>	<b>100%</b>	

Tax capacity includes a 2% inflation factor for the duration of the District. The tax capacity included in this chart is the estimated tax capacity of the District in year 9. The tax capacity of the District in year one is estimated to be \$130,800.

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

**The City has reviewed the area to be included in the District and found no parcels for which building permits have been issued during the 18 months immediately preceding approval of the TIF Plan by the City.**

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

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

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

<b><u>SOURCES OF FUNDS</u></b>	<b><u>TOTAL</u></b>
Tax Increment	\$1,269,642
<u>Interest</u>	<u>\$63,482</u>
<b>TOTAL</b>	<b>\$1,333,124</b>

The EDA or City may issue bonds (as defined in *M.S. Section 469.174, Subd. 3*) secured in whole or in part with tax increments from the District in a maximum principal amount of \$1,061,697. Such bonds may be in the form of pay-as-you-go notes, revenue bonds or notes, general obligation bonds, or interfund loans. This estimate of total bonded indebtedness is a cumulative statement of authority under this TIF Plan as of the date of approval.

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

Currently under consideration for the District is a proposal to facilitate construction of a 120,000-square foot warehouse and distribution expansion in 2018, with the potential for an approximately 35,000 square foot warehouse addition in 2020. The EDA and City have determined that it will be necessary to provide assistance to the project(s) for certain District costs, as described herein. The EDA has studied the feasibility of the development or redevelopment of property in and around the District. To facilitate the establishment and development or redevelopment of the District, this TIF Plan authorizes the use of tax increment financing to pay for the cost of certain eligible expenses. The estimate of public costs and uses of funds associated with the District is outlined in the following table.

<b><u>USES OF TAX INCREMENT FUNDS</u></b>	<b><u>TOTAL</u></b>
Land/Building Acquisition	\$650,000
Site Improvements/Preparation	\$250,000
Utilities	\$70,000
Other Qualifying Improvements	\$26,697
<u>Administrative Costs (up to 10%)</u>	<u>\$65,000</u>
PROJECT COST TOTAL	\$1,061,697
<u>Interest</u>	<u>\$271,427</u>
<b>PROJECT AND INTEREST COSTS TOTAL</b>	<b>\$1,333,124</b>

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

Estimated capital and administrative costs listed above are subject to change among categories by modification of the TIF Plan without hearings and notices as required for approval of the initial TIF Plan, so long as the total capital and administrative costs combined do not exceed the total listed above. Further, the EDA or City may spend up to 20 percent of the tax increments from the District for activities (described in the table above) located outside the boundaries of the District but within the boundaries of the Project (including administrative costs, which are considered to be spend outside the District), subject to all other terms and conditions of this TIF Plan. The budget as proposed anticipates the use of increment outside the

boundaries as allowed.

### **Subsection 2-11. Fiscal Disparities Election**

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

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

**The EDA will choose to calculate fiscal disparities by clause b.**

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

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

### **Subsection 2-12. Business Subsidies**

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

- (1) A business subsidy of less than \$150,000;
- (2) Assistance that is generally available to all businesses or to a general class of similar businesses, such as a line of business, size, location, or similar general criteria;
- (3) Public improvements to buildings or lands owned by the state or local government that serve a public purpose and do not principally benefit a single business or defined group of businesses at the time the improvements are made;
- (4) Redevelopment property polluted by contaminants as defined in *M.S., Section 116J.552, Subd. 3*;
- (5) Assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code and assistance provided for designated historic preservation districts, provided that

- the assistance is equal to or less than 50% of the total cost;
- (6) Assistance to provide job readiness and training services if the sole purpose of the assistance is to provide those services;
  - (7) Assistance for housing;
  - (8) Assistance for pollution control or abatement, including assistance for a tax increment financing hazardous substance subdistrict as defined under *M.S., Section 469.174, Subd. 23*;
  - (9) Assistance for energy conservation;
  - (10) Tax reductions resulting from conformity with federal tax law;
  - (11) Workers' compensation and unemployment compensation;
  - (12) Benefits derived from regulation;
  - (13) Indirect benefits derived from assistance to educational institutions;
  - (14) Funds from bonds allocated under chapter 474A, bonds issued to refund outstanding bonds, and bonds issued for the benefit of an organization described in section 501 (c) (3) of the Internal Revenue Code of 1986, as amended through December 31, 1999;
  - (15) Assistance for a collaboration between a Minnesota higher education institution and a business;
  - (16) Assistance for a tax increment financing soils condition district as defined under *M.S., Section 469.174, Subd. 19*;
  - (17) Redevelopment when the recipient's investment in the purchase of the site and in site preparation is 70 percent or more of the assessor's current year's estimated market value;
  - (18) General changes in tax increment financing law and other general tax law changes of a principally technical nature;
  - (19) Federal assistance until the assistance has been repaid to, and reinvested by, the state or local government agency;
  - (20) Funds from dock and wharf bonds issued by a seaway port authority;
  - (21) Business loans and loan guarantees of \$150,000 or less;
  - (22) Federal loan funds provided through the United States Department of Commerce, Economic Development Administration; and
  - (23) Property tax abatements granted under *M.S., Section 469.1813* to property that is subject to valuation under Minnesota Rules, chapter 8100.

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

### **Subsection 2-13. County Road Costs**

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

If the county elects to use increments to improve county roads, it must notify the EDA or City within forty-five days of receipt of this TIF Plan. In the opinion of the EDA and City and consultants, the proposed development outlined in this TIF Plan will have little or no impact upon county roads, therefore the TIF Plan was not forwarded to the county 45 days prior to the public hearing. The EDA and City are aware that the county could claim that tax increment should be used for county roads, even after the public hearing.

### **Subsection 2-14. Estimated Impact on Other Taxing Jurisdictions**

The estimated impact on other taxing jurisdictions assumes that the redevelopment contemplated by the TIF Plan would occur without the creation of the District. However, the EDA or City has determined that such

development or redevelopment would not occur "but for" tax increment financing and that, therefore, the fiscal impact on other taxing jurisdictions is \$0. The estimated fiscal impact of the District would be as follows if the "but for" test was not met:

<b>IMPACT ON TAX BASE</b>			
	<b>Estimated 2017/Pay 2018 Total Net Tax Capacity</b>	<b>Estimated Captured Tax Capacity (CTC) Upon Completion</b>	<b>Percent of CTC to Entity Total</b>
Carver County	131,095,450	121,586	<b>0.0927%</b>
City of Norwood Young America	2,497,355	121,586	<b>4.8686%</b>
ISD No. 108	8,878,362	121,586	<b>1.3694%</b>

<b>IMPACT ON TAX RATES</b>				
	<b>Estimated Pay 2018 Extension Rates</b>	<b>Percent of Total</b>	<b>CTC</b>	<b>Potential Taxes</b>
Carver County	0.374040	28.22%	121,586	<b>45,478</b>
City of Norwood Young America	0.717690	54.16%	121,586	<b>87,261</b>
ISD No. 108	0.179490	13.54%	121,586	<b>21,823</b>
Other	<u>0.054020</u>	<u>4.08%</u>	<u>121,586</u>	<u><b>6,568</b></u>
<b>Total</b>	1.325240	100.00%		<b>161,130</b>

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

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

- (1) Estimate of total tax increment. It is estimated that the total amount of tax increment that will be generated over the life of the District is \$1,269,642;
- (2) Probable impact of the District on city provided services and ability to issue debt. An impact of the District on police protection is not expected. The City currently contracts with the Carver County Sheriff's Office for police services. The Carver County Sheriff's Office does track all calls for service including property-type calls and crimes. With any addition of new residents or businesses, police calls for service may increased. New developments add an increase in traffic, and additional overall demands to the call load. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment or require that the City expand its contract with Carver County.

The probable impact of the District on fire protection is not expected to be significant. Typically new buildings generate few calls, if any, and are of superior construction.

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

It is not anticipated that there will be any general obligation debt issued in relation to this project, therefore there will be no impact on the City's ability to issue future debt or on the City's debt limit.

- (3) Estimated amount of tax increment attributable to school district levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is \$171,910;
- (4) Estimated amount of tax increment attributable to county levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same, is \$358,293;
- (5) Additional information requested by the county or school district. The City is not aware of any standard questions in a county or school district written policy regarding tax increment districts and impact on county or school district services. The county or school district must request additional information pursuant to *M.S. Section 469.175 Subd. 2(b)* within 15 days after receipt of the tax increment financing plan.

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

## **Subsection 2-15. Supporting Documentation**

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

- Industrial Park Cashflow
- Developer's Soil Correction Cost Request

## **Subsection 2-16. Definition of Tax Increment Revenues**

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

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



- which the request for certification was made after August 1, 1993; and
6. The market value homestead credit paid to the Authority under *M.S., Section 273.1384*.

### **Subsection 2-17. Modifications to the District**

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

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

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

Pursuant to *M.S., Section 469.175 Subd. 4(f)*, the geographic area of the District may be reduced, but shall not be enlarged after five years following the date of certification of the original net tax capacity by the county auditor. If an economic development district is enlarged, the reasons and supporting facts for the determination that the addition to the district meets the criteria of *M.S., Section 469.174, Subd. 12* must be documented in writing and retained. The requirements of this paragraph do not apply if (1) the only modification is elimination of parcel(s) from the District and (2) (A) the current net tax capacity of the parcel(s) eliminated from the District equals or exceeds the net tax capacity of those parcel(s) in the District's original net tax capacity or (B) the EDA agrees that, notwithstanding *M.S., Section 469.177, Subd. 1*, the original net tax capacity will be reduced by no more than the current net tax capacity of the parcel(s) eliminated from the District.

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

## **Subsection 2-18. Administrative Expenses**

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

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

For districts for which the request for certification were made before August 1, 1979, or after June 30, 1982, and before August 1, 2001, administrative expenses also include amounts paid for services provided by bond counsel, fiscal consultants, and planning or economic development consultants. Pursuant to *M.S., Section 469.176, Subd. 3*, tax increment may be used to pay any **authorized and documented** administrative expenses for the District up to but not to exceed 10 percent of the total estimated tax increment expenditures authorized by the TIF Plan or the total tax increments, as defined by *M.S., Section 469.174, Subd. 25, clause (1)*, from the District, whichever is less.

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

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

Pursuant to *M.S., Section 469.177, Subd. 11*, the County Treasurer shall deduct an amount (currently 0.36 percent) of any increment distributed to the EDA or City and the County Treasurer shall pay the amount deducted to the State Commissioner of Management and Budget for deposit in the state general fund to be appropriated to the State Auditor for the cost of financial reporting of tax increment financing information and the cost of examining and auditing authorities' use of tax increment financing. This amount may be adjusted annually by the Commissioner of Revenue.

## **Subsection 2-19. Limitation of Increment**

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

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

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

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

## **Subsection 2-20. Use of Tax Increment**

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

1. To pay the principal of and interest on bonds issued to finance a project;
2. To finance, or otherwise pay the cost of redevelopment of the Tacoma West Industrial Park Redevelopment Project pursuant to *M.S., Sections 469.090 to 469.1082*;
3. To pay for project costs as identified in the budget set forth in the TIF Plan;
4. To finance, or otherwise pay for other purposes as provided in *M.S., Section 469.176, Subd. 4*;
5. To pay principal and interest on any loans, advances or other payments made to or on behalf of the EDA or City or for the benefit of the Tacoma West Industrial Park Redevelopment Project by a developer;
6. To finance or otherwise pay premiums and other costs for insurance or other security guaranteeing the payment when due of principal of and interest on bonds pursuant to the TIF Plan or pursuant to *M.S., Chapter 462C, M.S., Sections 469.152 through 469.165*, and/or *M.S., Sections 469.178*; and
7. To accumulate or maintain a reserve securing the payment when due of the principal and interest on the tax increment bonds or bonds issued pursuant to *M.S., Chapter 462C, M.S., Sections 469.152 through 469.165*, and/or *M.S., Sections 469.178*.

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

Tax increments generated in the District will be paid by Carver County to the EDA for the Tax Increment Fund of said District. The EDA will pay to the City annually an amount to reimburse the costs of land

acquisition. Remaining increment funds will be used to reimburse the Developer's site costs or used for EDA or City administration (up to 10 percent) and for the costs of public improvement activities outside the District.

#### **Subsection 2-21. Excess Increments**

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

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

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

#### **Subsection 2-22. Requirements for Agreements with the Developer**

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

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

#### **Subsection 2-23. Assessment Agreements**

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

## **Subsection 2-24. Administration of the District**

Administration of the District will be handled by the EDA Executive Director.

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

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

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

## **Subsection 2-26. Reasonable Expectations**

As required by the *M.S., Section 469.175*, in establishing the District, the determination has been made that the anticipated development would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the TIF Plan. In making said determination, reliance has been placed upon written representation made by the developer to such effects and upon EDA and City staff awareness of the feasibility of developing the project site(s) within the District. A comparative analysis of estimated market values both with and without establishment of the District and the use of tax increments has been performed as described above. Such analysis is included with the cashflow in Appendix D, and indicates that the increase in estimated market value of the proposed development (less the indicated subtractions) exceeds the estimated market value of the site absent the establishment of the District and the use of tax increments.

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

1. General Limitations. All revenue derived from tax increment shall be used in accordance with the TIF Plan. The revenues shall be used to finance, or otherwise pay the cost of redevelopment of the Tacoma West Industrial Park Redevelopment Project pursuant to *M.S., Sections 469.090 to 469.1082 and Sections 469.001 to 469.047*.

Tax increments may not be used to circumvent existing levy limit law. No tax increment may be used for the acquisition, construction, renovation, operation, or maintenance of a building to be used primarily and regularly for conducting the business of a municipality, county, school district, or any other local unit of government or the state or federal government. This provision does not prohibit the use of revenues derived from tax increments for the construction or renovation of a parking structure.

2. Pooling Limitations. At least 80 percent of tax increments from the District must be expended on activities in the District or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities within said district or to pay, or secure payment of, debt service on credit enhanced bonds. Not more than 20 percent of said tax increments may be expended, through a development fund or otherwise, on activities outside of the District except to pay, or secure payment of, debt service on credit enhanced bonds. For purposes of applying this restriction, all administrative expenses must be treated as if they were solely for activities outside of the District.

3. Five Year Limitation on Commitment of Tax Increments. Tax increments derived from the District shall be deemed to have satisfied the 80 percent test set forth in paragraph (2) above only if the five year rule set forth in *M.S., Section 469.1763, Subd. 3*, has been satisfied; and beginning with the sixth year following certification of the District, 80 percent of said tax increments that remain after expenditures permitted under said five year rule must be used only to pay previously committed expenditures or credit enhanced bonds as more fully set forth in *M.S., Section 469.1763, Subd. 5*.

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

The Norwood Young America Economic Development Authority is establishing the District to preserve and enhance the tax base, assist an existing business in the City with an expansion, and provide employment opportunities in the City. The TIF Plan for the District was prepared by Ehlers & Associates, Inc., 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, telephone (651) 697-8500.



## Appendix A

### Project Description

The City of Norwood Young America planned, for almost 10 years, to sponsor a business park to expand the City's tax base and employment opportunities. In 2005, the city began this process by internally financing the acquisition of approximately 55 acres of land. The City issued approximately \$3,000,000 in General Obligation Improvement Bonds in 2006 to install infrastructure to service approximately 15 lots in the area known as the Tacoma West Industrial Park. Extensive grading to create buildable area, including storm water ponding in the industrial park, required extraordinary site improvement and utility costs resulting in high land acquisition costs for potential businesses. The original costs of the public improvements needed to pay the debt service required a market value of \$2.75 per square foot. Post-recession market values have been trending downward and have not recovered to such a level. These high costs make development of facilities in this location infeasible without public assistance. Tax increment from this TIF District will be utilized to write down a portion of the cost of the land which is associated with the infrastructure improvement costs over the nine-year life of the district.

Par Real Estate, LLC built a 36,060-square foot warehouse and distribution facility in 2007. It has since built expansions to that facility and the developer is currently under lease with Vickerman Company. Par Real Estate, LLC is proposing a new expansion, on behalf of Vickerman Company, to be built on land adjacent to the existing site. Preliminary plans call for the 2018 construction of an approximately 120,000 square foot warehouse/distribution building to service the existing facility, with land area designated for a yet-to-be-determined future addition of 35,000 square feet. The proposed TIF Plan budget anticipates that the future addition will be started in 2020. The City will convey the land to the EDA, which will sell the land to the developer at a rate of \$1.00 per square foot.

The EDA is planning to use tax increment to reimburse the City for the land costs associated with building the infrastructure to support this development, plus interest. The EDA plans to use additional tax increment to reimburse extraordinary site and utility costs incurred by the developer through a Pay-As-You-Go TIF Note.

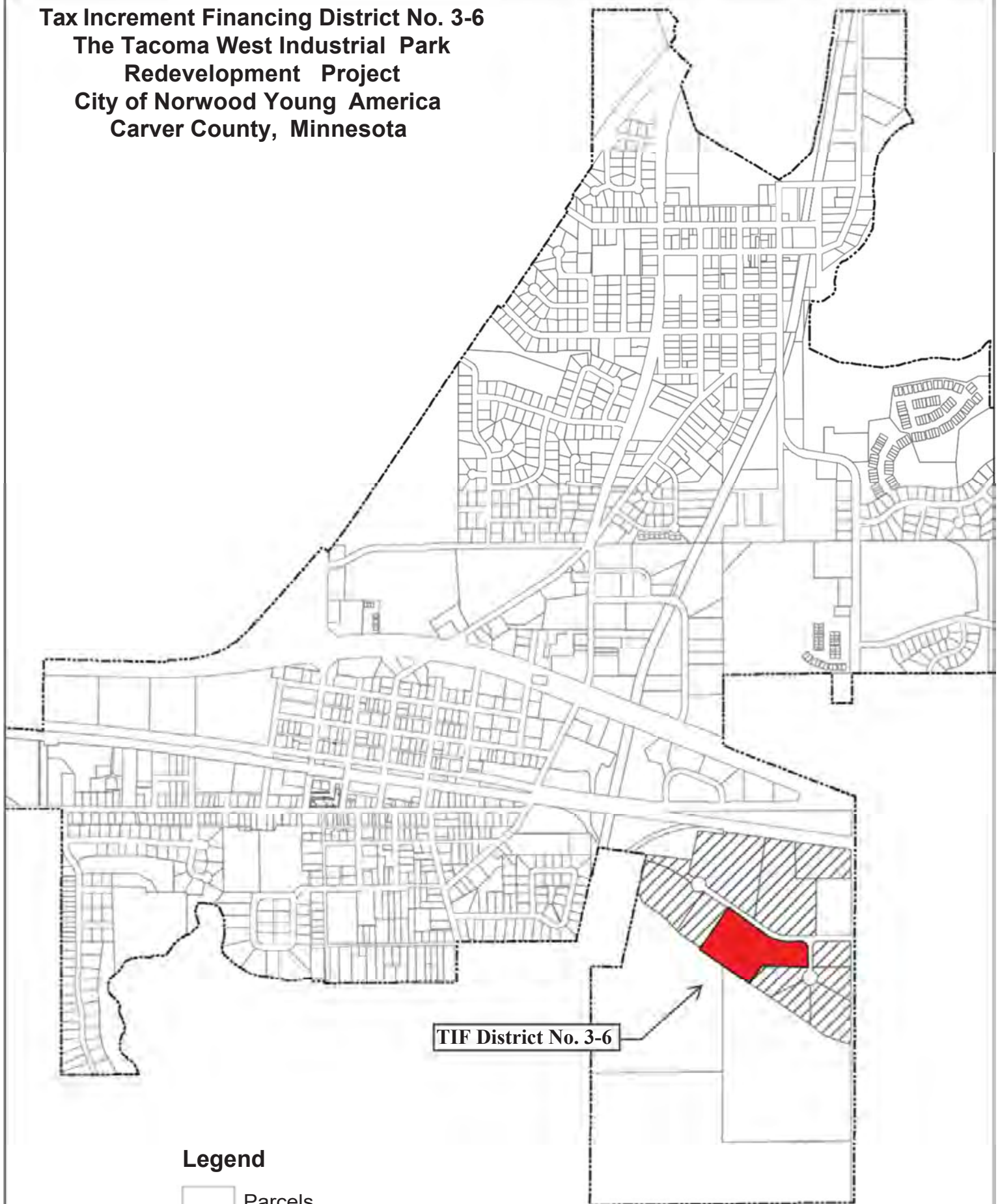
Norwood Young America TIF 3-6  
Land Write Down Calculation

Total Acres	8.525
Easement Acres	-
<b>Net Acres</b>	<b>8.525</b>
S.F. (1 A = 43,560 sf)	371,358.00
City Cost per s.f.	2.75
<b>Total City Cost</b>	<b>1,021,234.50</b>
<b>Sale Price</b>	<b>371,358.00</b>
<b>Subsidy</b>	<b>649,876.50</b>


## Appendix B

### Map of the Tacoma West Industrial Park Redevelopment Project and the District

**Tax Increment Financing District No. 3-6**  
**The Tacoma West Industrial Park**  
**Redevelopment Project**  
**City of Norwood Young America**  
**Carver County, Minnesota**



**Legend**

-  Parcels
-  City Boundary
-  The Tacoma West Industrial Park Redevelopment Project

## Appendix C

### Description of Property to be Included in the District

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

<u>Parcel Numbers</u>	<u>Address</u>	<u>Owner</u>
58.7510030	725 Tacoma Blvd	City of Norwood Young America
58.7500070	735 Tacoma Blvd	City of Norwood Young America
58.7500080	411 Tacoma Cir	City of Norwood Young America

## Appendix D

### Estimated Cash Flow for the District



Vickerman 2018 expansion - No Inflation

City of Norwood Young America, MN

120,000 sq.ft. warehouse in 2018; 35,000 sq.ft. expansion in 2020

ASSUMPTIONS AND RATES

DistrictType:	Economic Development	Tax Rates
District Name/Number:	TIF 3-6	
County District #:	SD 108 / WD 067	
First Year Construction or Inflation on Value	2018	Exempt Class Rate (Exempt) 0.00%
Existing District - Specify No. Years Remaining		Commercial Industrial Preferred Class Rate (C/I Pref.)
Inflation Rate - Every Year:	2.00%	First \$150,000 1.50%
Interest Rate:	4.00%	Over \$150,000 2.00%
Present Value Date:	1-Aug-18	Commercial Industrial Class Rate (C/I) 2.00%
First Period Ending	1-Feb-19	Rental Housing Class Rate (Rental) 1.25%
Tax Year District was Certified:	Pay 2019	Affordable Rental Housing Class Rate (Aff. Rental)
Cashflow Assumes First Tax Increment For Development:	2020	First \$121,000 0.75%
Years of Tax Increment	9	Over \$121,000 0.25%
Assumes Last Year of Tax Increment	2028	Non-Homestead Residential (Non-H Res. 1 Unit)
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	Inside(B)	First \$500,000 1.00%
Incremental or Total Fiscal Disparities	Incremental	Over \$500,000 1.25%
Fiscal Disparities Contribution Ratio	32.9162% Pay 2018	Homestead Residential Class Rate (Hmstd. Res.)
Fiscal Disparities Metro-Wide Tax Rate	145.0950% Pay 2018	First \$500,000 1.00%
Maximum/Frozen Local Tax Rate:	132.524% Pay 2018 TNT	Over \$500,000 1.25%
Current Local Tax Rate: (Use lesser of Current or Max.)	132.524% Pay 2018 TNT	Agricultural Non-Homestead 1.00%
State-wide Tax Rate (Comm./Ind. only used for total taxes)	45.0000% Pay 2018	
Market Value Tax Rate (Used for total taxes)	0.11077% Pay 2018 TNT	

BASE VALUE INFORMATION (Original Tax Capacity)														
Map ID	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Original Market Value	Tax Year Original Market Value	Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion Orig. Tax Cap.	Area/ Phase
	58.7510030	City of NYA		208,400	0	208,400	100%	208,400	Pay 2019	Exempt	-	C/I	4,168	
	58.7500070	City of NYA		213,300	0	213,300	100%	213,300	Pay 2019	Exempt	-	C/I	4,266	
	58.7500080	City of NYA		149,500	0	149,500	100%	149,500	Pay 2019	Exempt	-	C/I	2,990	
				571,200	0	571,200		571,200			0		11,424	

Note:  
1. Base values are for pay 2018 based upon review of County website on 12/1/2017.





Vickerman 2018 expansion - No Inflation

City of Norwood Young America, MN  
120,000 sq.ft. warehouse in 2018; 35,000 sq.ft. expansion in 2020

PROJECT INFORMATION (Project Tax Capacity)													
Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Total Taxable Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2018	Percentage Completed 2019	Percentage Completed 2020	Percentage Completed 2021	First Year Full Taxes Payable
1	Manufacturing	55	55	120,000	6,540,000	C/I	130,800	1	100%	100%	100%	100%	2020
2	Manufacturing	50	50	35,000	1,750,000	C/I	35,000	1	0%	0%	100%	100%	2022
TOTAL					8,290,000		165,800						
Subtotal Commercial/Ind.				155,000	8,290,000		165,800						

**Note:**  
1. Market values are based upon per square foot assumptions from preliminary estimates of the County Assessor's office.

TAX CALCULATIONS									
New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Manufacturing	130,800	43,054	87,746	116,284	62,470	58,860	7,244	244,858	2.04
Manufacturing	35,000	11,521	23,479	31,116	16,716	15,750	1,938	65,520	1.87
TOTAL	165,800	54,575	111,225	147,400	79,186	74,610	9,183	310,379	

**Note:**  
1. Taxes and tax increment will vary significantly from year to year depending upon values, rates, state law, fiscal disparities and other factors which cannot be predicted.  
2. If tax increment is received in 2019, then the district will be one year shorter.

WHAT IS EXCLUDED FROM TIF?	
Total Property Taxes	310,379
less State-wide Taxes	(74,610)
less Fiscal Disp. Adj.	(79,186)
less Market Value Taxes	(9,183)
less Base Value Taxes	(10,156)
Annual Gross TIF	137,244

MARKET VALUE BUT / FOR ANALYSIS	
Current Market Value - Est.	571,200
New Market Value - Est.	8,290,000
Difference	7,718,800
Present Value of Tax Increment	987,484
Difference	6,731,316
Value likely to occur without Tax Increment is less than:	6,731,316



**Vickerman 2018 expansion - No Inflation**  
**City of Norwood Young America, MN**  
**120,000 sq.ft. warehouse in 2018; 35,000 sq.ft. expansion in 2020**

<b>TAX INCREMENT CASH FLOW</b>														
% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 5%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
							-	-	-	-				02/01/19
							-	-	-	-				08/01/19
							-	-	-	-				02/01/20
100%	130,800	(11,424)	(39,294)	80,082	132.524%	106,128	53,064	(191)	(2,644)	50,229	46,404	0.5	2020	08/01/20
							53,064	(191)	(2,644)	50,229	91,899	1	2020	02/01/21
100%	133,416	(11,424)	(40,155)	81,837	132.524%	108,454	54,227	(195)	(2,702)	51,330	137,478	1.5	2021	08/01/21
							54,227	(195)	(2,702)	51,330	182,164	2	2021	02/01/22
100%	171,084	(11,424)	(52,554)	107,106	132.524%	141,942	70,971	(255)	(3,536)	67,180	239,501	2.5	2022	08/01/22
							70,971	(255)	(3,536)	67,180	295,714	3	2022	02/01/23
100%	174,506	(11,424)	(53,680)	109,402	132.524%	144,984	72,492	(261)	(3,612)	68,619	352,006	3.5	2023	08/01/23
							72,492	(261)	(3,612)	68,619	407,194	4	2023	02/01/24
100%	177,996	(11,424)	(54,829)	111,743	132.524%	148,087	74,043	(267)	(3,689)	70,088	462,458	4.5	2024	08/01/24
							74,043	(267)	(3,689)	70,088	516,638	5	2024	02/01/25
100%	181,556	(11,424)	(56,001)	114,131	132.524%	151,252	75,626	(272)	(3,768)	71,586	570,892	5.5	2025	08/01/25
							75,626	(272)	(3,768)	71,586	624,081	6	2025	02/01/26
100%	185,187	(11,424)	(57,196)	116,567	132.524%	154,480	77,240	(278)	(3,848)	73,114	677,340	6.5	2026	08/01/26
							77,240	(278)	(3,848)	73,114	729,555	7	2026	02/01/27
100%	188,891	(11,424)	(58,415)	119,052	132.524%	157,772	78,886	(284)	(3,930)	74,672	781,838	7.5	2027	08/01/27
							78,886	(284)	(3,930)	74,672	833,095	8	2027	02/01/28
100%	192,669	(11,424)	(59,659)	121,586	132.524%	161,131	80,566	(290)	(4,014)	76,262	884,417	8.5	2028	08/01/28
							80,566	(290)	(4,014)	76,262	934,733	9	2028	02/01/29
<b>Total</b>							<b>1,274,229</b>	<b>(4,587)</b>	<b>(63,482)</b>	<b>1,206,160</b>				
<b>Present Value From 08/01/2018</b>							<b>987,484</b>	<b>(3,555)</b>	<b>(49,196)</b>	<b>934,733</b>				
<b>Present Value Rate</b>							<b>4.00%</b>							

## Appendix E

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

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

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

## Appendix F

### Findings Including But/For Qualifications

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan for Tax Increment Financing District No. 3-6 as required pursuant to *M.S., Section 469.175, Subd. 3* of the TIF Act are as follows:

1. *Finding that the TIF District is an economic development district as defined in Section 469.174, Subd. 12 of the Act.*

Tax Increment Financing District No. 3-6 (the “TIF District”) is a contiguous geographic area within the City's Tacoma West Industrial Park Redevelopment Project, delineated in the TIF Plan, for the purpose of financing economic development in the City through the use of tax increment. The TIF District is in the public interest because it will facilitate construction of an expansion to an existing business in the City consisting of a 120,000-square foot warehouse and distribution facility in 2018 together with a proposed approximately 35,000-square foot expansion in 2020. This expansion will allow an existing manufacturing business to maintain its operations in the City, which will increase employment and preserve and enhance the tax base of City and State.

2. *Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of Tax Increment Financing District No. 3-6 permitted by the TIF Plan.*

*The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future:* The development proposed in this Plan lies within the City's industrial park and is an expansion of a project originally constructed with tax increment assistance, and meets the City's objectives for economic development. All of the parcels within the industrial park have been made development-ready by the City at significant cost. The developer has stated that if the City sold the parcels within the industrial park at a price that captured the City's investment, the developer would not be able to obtain financing for its proposed expansion and would be unable to expand its business in this location. Therefore, the EDA will convey certain property adjacent to its existing facilities to the developer at a substantial write-down in costs, and will use tax increment to reimburse itself for the written-down land costs including infrastructure improvements on the land. The EDA will use a portion of the tax increment to provide pay-as-you-go assistance to the developer for extraordinary costs of soils corrections incurred, including interest. (See Appendix F of the TIF Plan)

*The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the TIF District permitted by the TIF Plan:* This site is part of an industrial park with high start-up costs incurred by the City to acquire and grade land and install infrastructure. As the City has attempted to sell the land at its true value without assistance (estimated at \$2.75 per square foot), it has been unable to find willing buyers because of competition with other states and municipalities. If the City and EDA did not assume the role of land developer, it is unlikely that the property would develop in the near term. If the property did develop without assistance, the likely

long-term uses would be dominated by housing or other development with lower value and little to no meaningful employment. For these reasons, the City reasonably determines that no other development of this type is anticipated on this site without substantially similar assistance being provided for its development.

Therefore, the City concludes as follows:

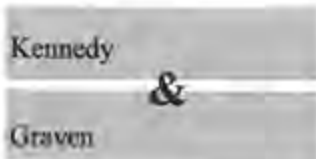
- a. The City's estimate of the amount by which the market value of the entire TIF District will increase without the use of tax increment financing is \$0.
  - b. If the proposed development occurs, the total increase in market value will be \$7,718,800.
  - c. The present value of tax increments from the TIF District for the maximum duration of the district permitted by the TIF Plan is estimated to be \$987,484.
  - d. Even if some development other than the proposed development were to occur, the Council finds that no alternative would occur that would produce a market value increase greater than \$6,731,316 without tax increment assistance.
3. *Finding that the TIF Plan for Tax Increment Financing District No. 3-6 conforms to the general plan for the development or redevelopment of the municipality as a whole.*

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

4. *Finding that the Tax Increment Financing Plan for Tax Increment Financing District No. 3-6 will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development of Tacoma West Industrial Park Redevelopment Project by private enterprise.*

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

<b>But-For Analysis</b>	
Current Market Value	571,200
New Market Value - Estimate	8,290,000
Difference	7,718,800
Present Value of Tax Increment	987,484
Difference	6,731,316
<b>Value Likely to Occur Without TIF is Less Than:</b>	<b>6,731,316</b>



Offices in 470 U.S. Bank Plaza  
200 South Sixth Street  
Minneapolis Minneapolis MN 55402  
(612) 337-9300 telephone  
Saint Paul (612) 337-9310 fax  
www.kennedy-graven.com  
St. Cloud Affirmative Action Equal  
Opportunity Employer

CHARTERED

## MEMORANDUM

TO: City Council, Norwood Young America  
Board of Commissioners, Norwood Young America Economic Development  
District

FROM: Gina Fiorini, Kennedy & Graven, Chartered

DATE: February 21, 2018

RE: Purchase and Redevelopment Contract (the "Contract") with Par Real Estate, LLC

The Norwood Young America Economic Development Authority (the "EDA") has been negotiating the terms of a contract with Par Real Estate, LLC (the "Redeveloper") to sell certain property to the Redeveloper located in the City of Norwood Young America (the "City") for the construction of an expansion to the Redeveloper's current manufacturing, warehouse and distribution facility. The following memorandum summarizes the terms of Contract and for actions of the City Council and Board of Commissioners required to approve the Contract.

### I. TERMS OF CONTRACT

Financial assistance: Discussed in Article III:

- City will convey Redevelopment Property to EDA; EDA will reconvey to Redeveloper (closing to occur by June 1, 2018).
- Conveyance price will reflect a "write-down" from fair market value of \$2.75/square foot to \$1.11 square foot for 371,358 square feet of land.
- The Redeveloper will construct certain improvements (the "Minimum Improvements") on the Redevelopment Property
  - Phase I will consist of an approximately 120,000 square foot expansion to the Redeveloper's existing improvements expected to be constructed by the end of 2018 (the "Phase I Minimum Improvements")
  - Phase II will consist of an additional 35,000 square foot expansion to the Redeveloper's existing improvements (the "Phase II Minimum Improvements")
- The Redeveloper will pay property taxes on the Redevelopment Property.
- The EDA will use tax increment generated from the Redevelopment Property to reimburse itself and the City for the costs of the infrastructure improvements on the Redevelopment Property and administrative costs for the creation of the TIF District through an interfund loan.
- The land write-down is considered a business subsidy, so the Redeveloper is required to meet certain job and wage goals within two years of completing construction of Phase I – in this case, the creation of at least 10 FTE jobs, with wages of at least \$13.00/hour,



excluding benefits. If these goals are not met, Redeveloper must repay a portion of the subsidy to the EDA.

Minimum Market Value (Assessment Agreement): Discussed in Article III:

- The EDA and the Redeveloper will agree on a minimum assessed value of the Redevelopment Property. This will ensure that a minimum level of tax increment will be collected during the term of the Contract in order to make payments on the interfund loan.

Construction: Discussed in Article IV:

- Construction on the Phase I Minimum Improvements is scheduled to be completed by December 31, 2018.
- Construction on the Phase II Minimum Improvements is scheduled to be completed by a later date.
- The EDA must approve construction plans and mortgage financing before Redeveloper can purchase the property or start construction.

Transfer of Redevelopment Property to third parties: discussed in Article VIII:

- Prior to issuance of the completion of the Minimum Improvements, the Redeveloper will not sell the Redevelopment Property except with prior written approval from the EDA.
- Until decertification of the TIF District, any buyer will be bound by the terms of the Contract.
- The Redeveloper indemnifies the EDA against any loss or damage arising from any defect in the Minimum Improvements, any claim arising from the Agreement, and any damage or injury to any person on the Redevelopment Property that is caused by negligence of any person.

Events of default and remedies: Discussed in Article IX: in brief, if the Redeveloper defaults under the Contract, the EDA may (among other things) terminate the Contract. In addition, if the Redeveloper fails to maintain the Minimum Improvements through the life of the TIF District, the EDA is entitled to payment by the Redeveloper of an amount equal to the outstanding principal amount of the interfund loan. If no mortgage exists on the Redevelopment Property, EDA may also exercise its right of reverter in specified circumstances, including a failure to construct the Phase I Minimum Improvements (Section 9.3(a)). This means EDA may retake possession and fee ownership of the Redevelopment Property if there is an event of default. The right of reverter is a required condition of all conveyances by an EDA to a private developer. If exercised, the EDA must use its best efforts to sell the Redevelopment Property to a qualified purchaser. When sold, proceeds are used to reimburse EDA for expenses related to resale, then to reimburse Redeveloper for purchase price/and constructed improvements.

Note that the right of reverter is likely to be subordinated to the bank that holds the mortgage for acquisition of the Redevelopment Property and/or construction of the Minimum Improvements. Any proposed subordination agreement will have to be approved by the EDA. Practical effect of subordination is that EDA may exercise its right of reverter in the case of a default by Redeveloper, but would have to pay off the mortgage to do so, so is unlikely to choose this remedy.

## **II. REQUIRED ACTIONS**

### **A. Board of Commissioners of the EDA**

1. Hold a public hearing on the sale of the land and granting a business subsidy to the Redeveloper
2. Resolution Authorizing a Purchase and Redevelopment Contract with Par Real Estate, LLC Including the Conveyance of Land and a Business Subsidy Agreement
  - a. Approves execution of the Contract
  - b. Authorizes Conveyance of Redevelopment Property to Redeveloper
  - c. Approves granting a business subsidy to Redeveloper
3. Resolution Authorizing Interfund Loan for Advance of Certain Costs in Connection with Tax Increment Financing District No. 3-6
  - a. Authorizes an interfund loan for certain costs incurred by the City and the EDA in preparing the Redevelopment Property for development and administrative costs associated with creating the TIF District that will be repaid with TIF generated from TIF 3-6

### **B. City Council**

1. Resolution Authorizing Conveyance of City Property to the EDA, Authorizing an Internal Loan for Advance of Public Redevelopment Costs and Approving a Business Subsidy in Connection with Tax Increment Financing District 3-6
  - a. Conveys Redevelopment Property to EDA
  - b. Authorizes interfund loan from City to EDA so the EDA can use tax increment to repay the City for costs incurred in preparing the Redevelopment Property for development
  - c. Approves the granting of a business subsidy to the Redeveloper by the EDA as required by Minnesota law

---

**PURCHASE AND REDEVELOPMENT CONTRACT**

**By and Between**

**NORWOOD YOUNG AMERICA  
ECONOMIC DEVELOPMENT AUTHORITY**

**and**

**PAR REAL ESTATE, LLC**

**Dated as of: February 26, 2018**

---

This document was drafted by:  
KENNEDY & GRAVEN, Chartered (MNI)  
470 U.S. Bank Plaza  
Minneapolis, Minnesota 55402  
Telephone: 337-9300

## TABLE OF CONTENTS

	<u>Page</u>
PREAMBLE .....	1
 ARTICLE I <u>Definitions</u> 	
Section 1.1. Definitions.....	2
 ARTICLE II <u>Representations and Warranties</u> 	
Section 2.1. Representations by the Authority.....	5
Section 2.2. Representations and Warranties by the Redeveloper.....	5
 ARTICLE III <u>Acquisition and Conveyance of Property</u> 	
Section 3.1. Conveyance of the Property.....	7
Section 3.2. Purchase Price; Provisions for Payment .....	7
Section 3.3. Conditions of Conveyance.....	7
Section 3.4. Place of Document Execution, Delivery and Recording, Costs .....	8
Section 3.5. Title.....	8
Section 3.6. Soils, Environmental Conditions .....	9
Section 3.7. Advance of Land Costs; Tax Increment Interfund Loan .....	10
Section 3.8. Business Subsidy Agreement.....	10
Section 3.9. Payment of Administrative Costs .....	13
 ARTICLE IV <u>Construction of Minimum Improvements</u> 	
Section 4.1. Construction of Minimum Improvements .....	14
Section 4.2. Construction Plans .....	14
Section 4.3. Commencement and Completion of Construction.....	15
Section 4.4. Certificate of Completion .....	15
 ARTICLE V <u>Insurance</u> 	
Section 5.1. Insurance .....	17
Section 5.2. Subordination .....	18

ARTICLE VI  
Delinquent Taxes and Review of Taxes

Section 6.1.	Right to Collect Delinquent Taxes.....	19
Section 6.2.	Review of Taxes .....	19
Section 6.3.	Assessment Agreement.....	19

ARTICLE VII  
Financing

Section 7.1.	Financing.....	20
Section 7.2.	Authority's Option to Cure Default on Mortgage.....	20
Section 7.3.	Subordination and Modification for the Benefit of Mortgagee .....	20

ARTICLE VIII  
Prohibitions Against Assignment and Transfer; Indemnification

Section 8.1.	Representation as to Redevelopment .....	21
Section 8.2.	Prohibition Against Redeveloper's Transfer of Property and Assignment of Agreement .....	21
Section 8.3.	Release and Indemnification Covenants.....	22

ARTICLE IX  
Events of Default

Section 9.1.	Events of Default Defined .....	24
Section 9.2.	Remedies on Default.....	24
Section 9.3.	Revesting Title in Authority Upon Happening of Event Subsequent to Conveyance to Redeveloper .....	25
Section 9.4.	Resale of Reacquired Property; Disposition of Proceeds .....	26
Section 9.5.	No Remedy Exclusive.....	27
Section 9.6.	No Additional Waiver Implied by One Waiver.....	27

ARTICLE X  
Additional Provisions

Section 10.1.	Conflict of Interests; Authority Representatives Not Individually Liable.....	28
Section 10.2.	Equal Employment Opportunity .....	28
Section 10.3.	Restrictions on Use .....	28
Section 10.4.	Provisions Not Merged With Deed.....	28
Section 10.5.	Titles of Articles and Sections .....	28
Section 10.6.	Notices and Demands .....	28
Section 10.7.	Counterparts.....	29
Section 10.8.	Recording.....	29
Section 10.9.	Amendment.....	29
Section 10.10	Authority Approvals .....	29

Section 10.11	Termination.....	29
Section 10.12	Choice of Law and Venue.....	29
TESTIMONIUM .....		S-1
SIGNATURES .....		S-1
SCHEDULE A	Description of Redevelopment Property	
SCHEDULE B	Form of Quit Claim Deed	
SCHEDULE C	Resolution approving Interfund Loan	
SCHEDULE D	Certificate of Completion	
SCHEDULE E	First Amendment to the Declaration of Property Covenants	
SCHEDULE F	Assessment Agreement	

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

## **PURCHASE AND REDEVELOPMENT CONTRACT**

THIS AGREEMENT, made as of the \_\_\_ day of February, 2018, by and between NORWOOD YOUNG AMERICA ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic under the laws of Minnesota (the "Authority"), and PAR REAL ESTATE, LLC, a Minnesota limited liability company (the "Redeveloper").

WITNESSETH:

WHEREAS, the Authority has undertaken a program to promote economic development and creation of job opportunities and to promote the redevelopment of land which is underutilized within the City of Norwood Young America, Minnesota (the "City"), and in this connection created a redevelopment project known as the Tacoma West Industrial Park Redevelopment Project (the "Redevelopment Project") pursuant to Minnesota Statutes, Sections 469.001 to 469.047, as amended (the "HRA Act") and Minnesota Statutes, Sections 469.090 to 469.1081, as amended (the "EDA Act"); and

WHEREAS, pursuant to the HRA Act, the Authority is authorized to acquire real property, or interests therein, and to undertake certain activities to facilitate the redevelopment of real property by private enterprise; and

WHEREAS, the Authority has acquired or will acquire certain property described in Schedule A (the "Redevelopment Property") within the Redevelopment Project, and intends to convey that property to the Redeveloper for the development of certain improvements described herein; and

WHEREAS, within the Redevelopment Project, the Authority and City have approved a Tax Increment Financing Plan for Tax Increment Financing District No. 3-6 (the "TIF District") pursuant to Minnesota Statutes, Sections 469.174 to 469.1794, as amended (the "Tax Increment Act"), made up of the Redevelopment Property; and

WHEREAS, the Authority believes that the redevelopment of the Redevelopment Property pursuant to this Agreement, and fulfillment generally of this Agreement, are in the vital and best interests of the City and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of the applicable State and local laws and requirements under which the Project has been undertaken and is being assisted.

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

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



## ARTICLE I

### Definitions

Section 1.1. Definitions. In this Agreement, unless a different meaning clearly appears from the context:

“Agreement” means this Agreement, as the same may be from time to time modified, amended, or supplemented.

“Assessment Agreement” means the Assessment Agreement, between the Redeveloper and the Authority, substantially in the form attached hereto as Schedule F hereto.

“Authority” means the Norwood Young America Economic Development Authority, or any successor or assign.

“Authority Representative” means the Executive Director of the Authority, or any person designated by the Executive Director to act as the Authority Representative for the purposes of this Agreement.

“Business Subsidy Act” means Minnesota Statutes, Sections 116J.993 to 116J.995, as amended.

“Certificate of Completion” means the certification provided to the Redeveloper, or the purchaser of any part, parcel or unit of the Redevelopment Property, pursuant to Section 4.4 of this Agreement.

“City” means the City of Norwood Young America, Minnesota.

“Closing” has the meaning provided in Section 3.3(b) hereof.

“Construction Plans” means the plans, specifications, drawings and related documents on the construction work to be performed by the Redeveloper on the Redevelopment Property which (a) shall be as detailed as the plans, specifications, drawings and related documents which are submitted to the appropriate building officials of the City, and (b) shall include at least the following for each building: (1) site plan; (2) foundation plan; (3) floor plan for each floor; (4) elevations (all sides); (5) landscape plan; and (6) such other plans or supplements to the foregoing plans as the Authority may reasonably request to allow it to ascertain the nature and quality of the proposed construction work.

“County” means the County of Carver, Minnesota.

“Declaration” means that certain Declaration of Protective Covenants, Conditions and Protections for Tacoma West Industrial Park filed February 5, 2007 in the Office of the County Recorder for Carver County, Minnesota as Document No. Document No. A458361, as amended.



"EDA Act" means Minnesota Statutes, Sections 469.090 to 469.1080, as amended.

"Event of Default" means an action by the Redeveloper listed in Article IX of this Agreement.

"Existing Improvements" means the Redeveloper's existing 36,060 square foot warehouse, manufacturing and distribution facility and its approximately 36,290 square foot and 43,240 square foot expansions thereto, located on property adjacent to the Redevelopment Property.

"Holder" means the owner of a Mortgage.

"HRA Act" means Minnesota Statutes, Sections 469.001 to 469.047, as amended.

"Interfund Loan" has the meaning provided in Section 3.7 hereof.

"Minimum Improvements" means, collectively, the Phase I Minimum Improvements and the Phase II Minimum Improvements.

"Mortgage" means any mortgage made by the Redeveloper which is secured, in whole or in part, with the Redevelopment Property and which is a permitted encumbrance pursuant to the provisions of Article VII of this Agreement.

"Phase I Minimum Improvements" means the construction on the Redevelopment Property of an approximately 120,000 square foot expansion to the Existing Improvements, which may include warehouse, light manufacturing, and distribution activities, including office space necessary for and related to such activities.

"Phase II Minimum Improvements" means the construction on the Redevelopment Property of an approximately 35,000 square foot expansion to the Phase I Minimum Improvements and the Existing Improvements, which may include warehouse, light manufacturing, and distribution activities, including office space necessary for and related to such activities.

"Qualified Facility" has the meaning provided in section 3.8(a)(6) hereof.

"Redeveloper" means Par Real Estate, LLC, a Minnesota limited liability company, or its permitted successors and assigns.

"Redevelopment Project" means the Authority's Tacoma West Industrial Park Redevelopment Project.

"Redevelopment Property" means the real property described in Schedule A of this Agreement.

“Redevelopment Plan” means the Authority’s Redevelopment Plan for the Redevelopment Project, as amended.

“State” means the State of Minnesota.

“Tax Increment” means that portion of the real property taxes which is paid with respect to the Redevelopment Property and which is remitted to the Authority as tax increment pursuant to the Tax Increment Act.

“Tax Increment Act” means the Tax Increment Financing Act, Minnesota Statutes, Sections 469.174 to 469.1794, as amended.

“Tax Increment District” or “TIF District” means the Authority’s Tax Increment Financing District No. 3-6, an economic development TIF district.

“Tax Increment Plan” or “TIF Plan” means the Authority’s Tax Increment Financing Plan for the Tax Increment District, as approved by the Authority and by the City on February 26, 2018, and as it may be amended from time to time.

“Tax Official” means any County assessor; County auditor; County or State board of equalization, the commissioner of revenue of the State, or any State or federal district court, the tax court of the State, or the State Supreme Court.

“Termination Date” means the earlier of (a) date of the Authority’s last receipt of Tax Increment from the TIF District in accordance with Section 469.176, subd. 1b(3) of the TIF Act; or (b) the date the Interfund Loan has been paid in full, defeased, or terminated in accordance with the terms of the resolution set forth in Schedule C.

“Unavoidable Delays” means delays beyond the reasonable control of the party seeking to be excused as a result thereof which are the direct result of war, terrorism, strikes, other labor troubles, fire or other casualty to the Minimum Improvements, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of any federal, state or local governmental unit (other than the Authority in exercising its rights under this Agreement) which directly result in delays. Unavoidable Delays shall not include delays in the Redeveloper’s obtaining of permits or governmental approvals necessary to enable construction of the Minimum Improvements by the dates such approval and construction is required under Sections 4.2 and 4.3 of this Agreement.

## ARTICLE II

### Representations and Warranties

Section 2.1. Representations by the Authority. The Authority makes the following representations as the basis for the undertaking on its part herein contained:

(a) The Authority is an economic development authority duly organized and existing under the laws of the State. Under the provisions of the EDA Act, the Authority has the power to enter into this Agreement and carry out its obligations hereunder.

(b) The activities of the Authority are undertaken to foster the redevelopment of certain real property which for a variety of reasons is presently underutilized, to prevent the emergence of blight, to create increased tax base and employment in the City, and to stimulate further redevelopment of the Tacoma West Industrial Park and the Redevelopment Project as a whole.

(c) The Redevelopment Property is currently zoned I-1, and the Minimum Improvements conform to the permitted land uses allowed within this zoning classification.

(d) The Redevelopment Property is not subject to any pending condemnation by the Authority or City, and to the best of the Authority's knowledge there are no other pending proceedings that would prevent use of the Redevelopment Property by Redeveloper in accordance with this Agreement.

Section 2.2. Representations and Warranties by the Redeveloper. The Redeveloper represents and warrants that:

(a) The Redeveloper is a limited liability company duly organized and in good standing under the laws of the State, is duly authorized to transact business within the State, has power to enter into this Agreement and has duly authorized the execution, delivery and performance of this Agreement by proper action of its members.

(b) If the Redeveloper acquires the Redevelopment Property in accordance with this Agreement, the Redeveloper will construct, operate and maintain the Minimum Improvements in accordance with the terms of this Agreement, the Redevelopment Plan, the Declaration, and all local, state and federal laws and regulations (including, but not limited to, environmental, zoning, building code and public health laws and regulations).

(c) The Redeveloper has received no notice or communication from any local, state or federal official that the activities of the Redeveloper or the Authority in the Redevelopment Project may be or will be in violation of any environmental law or regulation (other than those notices or communications of which the Authority is aware). The Redeveloper is aware of no facts the existence of which would cause it to be in violation of or give any person a valid claim under any local, state or federal environmental law, regulation or review procedure.

(d) The Redeveloper will construct the Minimum Improvements in accordance with all local, state or federal energy-conservation laws or regulations.

(e) The Redeveloper will obtain, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, state and federal laws and regulations which must be obtained or met before the Minimum Improvements may be lawfully constructed.

(f) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provisions of any organizational documents or company restriction or any evidences of indebtedness, agreement or instrument of whatever nature to which the Redeveloper is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(g) The proposed redevelopment by the Redeveloper hereunder would not occur but for the tax increment financing assistance being provided by the Authority hereunder.

(h) The Redeveloper is not currently in default under any business subsidy agreement with any grantor, as such terms are defined in the Business Subsidy Act.

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

## ARTICLE III

### Acquisition and Conveyance of Property

Section 3.1. Conveyance of the Property. (a) As of the date of this Agreement, the City owns the Redevelopment Property described in Schedule A. On or before Closing (as defined hereafter), the City will convey the Redevelopment Property to the Authority by quitclaim deed. The Authority will convey title to and possession of the Redevelopment Property to the Redeveloper, subject to all the terms and conditions of this Agreement.

(b) On or before Closing, the Redeveloper shall prepare and use its best efforts to obtain final City approval of a plat or a registered land survey of the Redevelopment Property (the "Redevelopment Plat") at the Redeveloper's cost and subject to all City ordinances and procedures and otherwise reasonably acceptable to the Redeveloper. Nothing in this Agreement is intended to limit the City's authority in reviewing the preliminary plat, or to preclude revisions requested or required by the City, provided such review and requested or required revisions are consistent with preliminary approvals by the City.

Section 3.2. Purchase Price; Provisions for Payment. The purchase price to be paid to the Authority by the Redeveloper in exchange for the conveyance of the Redevelopment Property is \$412,207.00. The parties agree and understand that the market price of the Redevelopment Property is \$2.75 per square foot, or \$1,021,234.50, and that the purchase price represents 371,358 square feet at a price of \$1.11 per square foot, representing a land write-down of \$1.64 per square foot (for a total land write-down of \$609,027.50). The purchase price shall be payable by the Redeveloper as follows:

- (i) earnest money in the amount of \$41,220.70, receipt of which the Authority acknowledges upon execution in full of this Agreement; and
- (ii) the balance payable in cash or certified check at Closing.

Section 3.3. Conditions of Conveyance. (a) The Authority shall convey title to and possession of the Redevelopment Property to the Redeveloper by a quit claim deed substantially in the form of the deed attached as Schedule B to this Agreement. The Authority's obligation to convey the Redevelopment Property to the Redeveloper is subject to satisfaction of the following terms and conditions:

- (1) The Authority having approved Construction Plans for the Minimum Improvements in accordance with Section 4.2.
- (2) The City having approved the Redevelopment Plat in accordance with Section 3.1 hereof, and the Redeveloper having recorded or filed the Redevelopment Plat at or before Closing.



(3) The Authority having approved financing for construction of the Minimum Improvements in accordance with Article VII hereof, and the Redeveloper having closed on such permanent financing at or before Closing on transfer of title to the Redevelopment Property to the Redeveloper.

(4) The Redeveloper having reviewed and approved (or waived objections to) title to the Redevelopment Property as set forth in Section 3.5.

(5) The Redeveloper having reviewed and approved (or waived objections to) soil and environmental conditions as set forth in Section 3.6.

(6) There existing no uncured Event of Default under this Agreement.

Conditions (1) and (3) are solely for the benefit of the Authority, and may be waived by the Authority. Conditions (4) and (5) are solely for the benefit of the Redeveloper, and may be waived by the Redeveloper. Conditions (2) and (6) are for the benefit of both parties and may be waived by both parties.

(b) The closing on conveyance of the Redevelopment Property from the Authority to the Redeveloper shall occur upon satisfaction of the conditions specified in this Section, but no later than June 1, 2018 or at such date as the parties hereto agree in writing ("Closing").

Section 3.4. Place of Document Execution, Delivery and Recording, Costs. (a) Unless otherwise mutually agreed by the Authority and the Redeveloper, the execution and delivery of all deeds, documents and the payment of any purchase price shall be made at the offices of the title company selected by Redeveloper or such other location to which the parties may agree.

(b) The deed shall be in recordable form and shall be promptly recorded in the proper office for the recordation of deeds and other instruments pertaining to the Redevelopment Property. At Closing, the Redeveloper shall pay: recording costs for the deed (excluding state deed tax) and any additional recordable documents referenced in this Agreement, if applicable; title insurance commitment fees and premiums, if any; trunk fees in the amount of \$132,600; and title company closing fees, if any. The parties agree and understand that the Redevelopment Property is exempt from property taxes for taxes payable in 2018.

(c) At Closing the Authority shall pay or cause to be paid the state deed tax, costs of recording any instruments used to clear title encumbrances, and all outstanding special assessments against Redevelopment Property. The parties agree and understand that all such costs are included in the purchase price payable under Section 3.2, except to the extent otherwise described in Section 3.7.

Section 3.5. Title. (a) As soon as practicable after the date of this Agreement, the Redeveloper shall obtain, at Redeveloper's sole expense, a commitment for the issuance of a policy of title for the Redevelopment Property. The Redeveloper shall have ten (10) days from the date of its receipt of such commitment to review the state of title to the Redevelopment Property and to provide the Authority with a list of written objections to such title. Upon receipt of the

Redeveloper's list of written objections, the Authority shall proceed in good faith and with all due diligence to attempt to cure the objections made by the Redeveloper. In the event that the Authority has failed to cure objections within sixty (60) days after its receipt of the Redeveloper's list of such objections, the Redeveloper may by the giving of written notice to the Authority (i) terminate this Agreement, upon the receipt of which this Agreement shall be null and void and neither party shall have any liability hereunder, or (ii) waive the objections and proceed to Closing. Upon termination, the Authority shall promptly return to the Redeveloper any earnest money. The Authority shall have no obligation to take any action to clear defects in the title to the Redevelopment Property, other than the good faith efforts described above.

(b) The Authority shall take no actions to encumber title to the Redevelopment Property between the date of this Agreement and the time the deed is delivered to the Redeveloper. The Authority expressly agrees that it will not cause or permit the attachment of any mechanics, attorneys, or other liens to the Redevelopment Property prior to Closing. Upon Closing, the Authority is obligated to pay all costs to discharge any encumbrances to the Redevelopment Property attributable to actions of the Authority, its employees, officers, agents or consultants, including without limitation any architect, contractor and or engineer.

(c) The Redeveloper shall take no actions to encumber title to the Redevelopment Property between the date of this Agreement and the time the deed is delivered to the Redeveloper. The Redeveloper expressly agrees that it will not cause or permit the attachment of any mechanics, attorneys, or other liens to the Redevelopment Property prior to Closing. Notwithstanding termination of this Agreement prior to Closing, Redeveloper is obligated to pay all costs to discharge any encumbrances to the Redevelopment Property attributable to actions of Redeveloper, its employees, officers, agents or consultants, including without limitation any architect, contractor and or engineer.

Section 3.6. Soils, Environmental Conditions. (a) Before closing on conveyance of the Redevelopment Property from the Authority to the Redeveloper, the Redeveloper may enter the Redevelopment Property and conduct any other environmental or soils studies deemed necessary by the Redeveloper. If, at least ten (10) days before Closing the Redeveloper determines that hazardous waste or other pollutants as defined under federal and state law exist on the property, or that the soils are otherwise unsuitable for construction of the Minimum Improvements, the Redeveloper may at its option terminate this Agreement by giving written notice to the Authority, upon receipt of which this Agreement shall be null and void and neither party shall have any liability hereunder, except the Authority shall promptly return to the Redeveloper any earnest money.

(b) The Redeveloper acknowledges that the Authority makes no representations or warranties as to the condition of the soils or other environmental conditions on the Redevelopment Property or its fitness for construction of the Minimum Improvements or any other purpose for which the Redeveloper may make use of such property and further acknowledges and agrees that the Redevelopment Property shall be conveyed as is. The Redeveloper further agrees that it will indemnify, defend, and hold harmless the Authority, the City, and their governing body members, officers, and employees, from any claims or actions arising out of the presence, if any, of hazardous wastes or pollutants on the Redevelopment Property.

Section 3.7. Advance of Land Costs; Tax Increment Interfund Loan. (a) The Authority has determined that the fair market price of the Redevelopment Property is \$1,021,234.50, or \$2.75 per square foot. This price represents the total invested or to be invested by the Authority or the City in making the Redevelopment Property available for commercial redevelopment, including the value of the raw land and all costs of special assessments for infrastructure, general grading, platting, administrative and holding costs. As described in Section 3.2 hereof, the purchase price for conveyance of the Redevelopment Property represents a reduction from the fair market price of \$2.75 per square foot to \$1.11 per square foot for the Redevelopment Property. Therefore, at Closing the Authority will forgo receipt of the full market price of the Redevelopment Property, which represents an advance of Authority funds in the amount of \$609,027.50.

(b) The Authority will treat the advance described in paragraph (a) as an interfund loan (the "Interfund Loan") within the meaning of Section 469.178, Subdivision 7 of the TIF Act. In addition, the Authority may expend up to \$30,000 in costs to administer the TIF District, which amounts may also be reimbursed from Tax Increments when received. The total original principal amount of the Interfund Loan is \$639,027.50. The terms of the Interfund Loan are described in the resolution attached as Schedule C (the "Loan Resolution"). The Authority will pledge Tax Increment, as defined in the Loan Resolution, to payment of the Interfund Loan. The Redeveloper has no rights or interest in any Tax Increment.

(c) The Redeveloper will pay to the Authority any principal and interest due on the land write-down portion of the Interfund Loan described in paragraph (a) that remains outstanding after all Tax Increment through the life of the TIF District has been applied to the payment of such principal and interest. The Authority agrees that it will not modify the terms of the Interfund Loan Resolution in a manner that increases the rate of interest payable or extends the final payment date, unless the Redeveloper approves such modification in writing.

(d) The Redeveloper understands and acknowledges that the Authority makes no representations or warranties regarding the amount of Tax Increment (as defined in the Loan Resolution), or that revenues pledged to the Interfund Loan will be sufficient to pay the principal of and interest on the Interfund Loan. Any estimates of Tax Increment prepared by the Authority or its financial advisors in connection with the TIF District or this Agreement are for the benefit of the Authority, and are not intended as representations on which the Redeveloper may rely.

Section 3.8. Business Subsidy Agreement. The provisions of this Section constitute the "business subsidy agreement" for the purposes of the Business Subsidy Act.

(a) *General Terms.* The parties agree and represent to each other as follows:

(1) The subsidy provided to the Redeveloper consists of the land write-down for the Redevelopment Property described in Section 3.2.



(2) The public purposes of the subsidy are to facilitate redevelopment of the Authority's industrial park, increase net jobs in the City and the State, help an existing business expand in the City and the State, and increase the tax base of the City and the State.

(3) The goals for the subsidy are: to secure development of the Minimum Improvements on the Redevelopment Property; to maintain such improvements as a warehouse and distribution facility and office space necessary and related to such facility for the time period described in clause (6) below; and to create the jobs and wage levels in accordance with Section 3.8(b) hereof.

(4) If the goals described in clause (3) are not met, the Redeveloper must make the payments to the Authority described in Section 3.8(c).

(5) The subsidy is needed to induce Redeveloper to expand its business at this site, and to mitigate the cost of assessments for public infrastructure and site improvements required to make the Redevelopment Property suitable for redevelopment, all as determined by the Authority upon approval of the TIF Plan.

(6) The Redeveloper must continue operation of the Minimum Improvements as a "Qualified Facility" for at least five (5) years after the Benefit Date (defined hereinafter), subject to the continuing obligation described in Section 10.3 of this Agreement. The term Qualified Facility means a distribution, warehouse or manufacturing facility, including office space necessary for and related to those activities, all within the meaning of Section 469.176, subd. 4c of the TIF Act. The Minimum Improvements will be a Qualified Facility as long as the Minimum Improvements are operated by Redeveloper or a tenant for the aforementioned qualified uses. During any period when the Minimum Improvements are vacant and not operated for the aforementioned qualified uses, the Minimum Improvements will not constitute a Qualified Facility.

(7) The Redeveloper does not have a parent corporation.

(8) In addition to the business subsidy described in this Section 3.9(a), the Redeveloper has received prior financial assistance from the Authority in connection with construction of the Existing Improvements. The Redeveloper also intends to apply for financial assistance from other "grantors" as defined in the Business Subsidy Act, in connection with the Minimum Improvements, including a grant from the Minnesota Department of Employment and Economic Development Jobs Creation Fund in.

(b) *Job and Wage Goals.* The "Benefit Date" of the assistance provided in this Agreement is the earlier of the date of issuance of a certificate of completion for the Phase I Minimum Improvements or the date the Phase I Minimum Improvements are occupied by Redeveloper or a tenant of Redeveloper. Within two years after the Benefit Date (the "Compliance Date"), the Redeveloper shall create at least 10 new full-time equivalent jobs on the Redevelopment Property, and (ii) cause the average hourly wage of the 10 newly created jobs to be at least \$13.00 per hour, exclusive of benefits. Notwithstanding anything to the contrary herein, if the wage and job goals described in this paragraph are met by the Compliance Date, those goals are deemed satisfied

despite the Redeveloper's continuing obligations under Sections 3.8(a)(6) and 3.8(d). The Authority may, after a public hearing, extend the Compliance Date by up to one year, provided that nothing in this section will be construed to limit the Authority's legislative discretion regarding this matter.

(c) *Remedies.* If the Redeveloper fails to meet the goals described in Section 3.8(a)(3), the Redeveloper shall repay to the Authority upon written demand from the Authority a "pro rata share" of the outstanding principal amount of the Interfund Loan, together with interest on that amount at the implicit price deflator as defined in the Business Subsidy Act, accrued from the date of substantial completion of the Phase I Minimum Improvements to the date of payment. The term "pro rata share" means percentages calculated as follows:

(i) if the failure relates to the number of jobs, the jobs required less the jobs created, divided by the jobs required;

(ii) if the failure relates to wages, the number of jobs required less the number of jobs that meet the required wages, divided by the number of jobs required;

(iii) if the failure relates to maintenance of the facility as a Qualified Facility in accordance with Section 3.8(a)(6), 60 less the number of months of operation as a Qualified Facility (where any month in which the Qualified Facility is in operation for at least 15 days constitutes a month of operation), commencing on the Benefit Date and ending with the date the Qualified Facility ceases operation as determined by the Authority Representative, divided by 60; and

(iv) if more than one of clauses (i) through (iii) apply, the sum of the applicable percentages, not to exceed 100%.

Nothing in this Section shall be construed to limit the Authority's remedies under Article IX hereof. In addition to the remedy described in this Section and any other remedy available to the Authority for failure to meet the goals stated in Section 3.8(a)(3), the Redeveloper agrees and understands that it may not receive a business subsidy from the Authority or any grantor (as defined in the Business Subsidy Act) for a period of five years from the date of the failure or until the Redeveloper satisfies its repayment obligation under this Section, whichever occurs first.

(d) *Reports.* The Redeveloper must submit to the Authority a written report regarding business subsidy goals and results by no later than February 1 of each year, commencing February 1, 2019 and continuing until the later of (i) the date the goals stated Section 3.8(a)(3) are met; (ii) 30 days after expiration of the period described in Section 3.8(a)(6); or (iii) if the goals are not met, the date the subsidy is repaid in accordance with Section 3.8(c). The report must comply with Section 116J.994, subdivision 7 of the Business Subsidy Act. The Authority will provide information to the Redeveloper regarding the required forms. If the Redeveloper fails to timely file any report required under this Section, the Authority will mail the Redeveloper a warning within one week after the required filing date. If, after 14 days of the postmarked date of the warning, the Redeveloper fails to provide a report, the Redeveloper must pay to the Authority a penalty of \$100 for each subsequent day until the report is filed. The maximum aggregate penalty payable under this Section is \$1,000.

Section 3.9. Payment of Administrative Costs. The parties agree that "Administrative Costs" will be paid from the Authority's authorized administrative allowance of Tax Increment, and that the Developer has no obligation to reimburse the Authority for such expenditures. For purposes of this section, "Administrative Costs" means out of pocket costs incurred by the Authority together with staff, attorney and consultant costs of the Authority, all attributable to or incurred in connection with the negotiation and preparation of this Agreement, the TIF Plan, and other documents and agreements in connection with the development of the Redevelopment Property.

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

## ARTICLE IV

### **Construction of Minimum Improvements**

Section 4.1. Construction of Minimum Improvements. The Redeveloper agrees that it will construct the Minimum Improvements on the Redevelopment Property in accordance with the approved Construction Plans and will operate and maintain, preserve and keep the Minimum Improvements or cause the Minimum Improvements to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in good repair and condition.

Section 4.2. Construction Plans. (a) Before closing on conveyance of the Redevelopment Property under Article III, the Redeveloper shall submit to the Authority completed Construction Plans. The Construction Plans shall provide for the construction of the Minimum Improvements and shall be in conformity with the Redevelopment Plan, the TIF Plan, this Agreement, and all applicable State and local laws and regulations. The Authority will approve the Construction Plans in writing if: (i) the Construction Plans conform to the terms and conditions of this Agreement; (ii) the Construction Plans conform to the goals and objectives of the Tacoma West Industrial Park Declaration and the Redevelopment Plan; (iii) the Construction Plans conform to all applicable federal, state and local laws, ordinances, rules and regulations; (iv) the Construction Plans are adequate to provide for construction of the Minimum Improvements; (v) the Construction Plans do not provide for expenditures in excess of the funds available to the Redeveloper for construction of the Minimum Improvements; and (vi) no Event of Default has occurred. No approval by the Authority shall relieve the Redeveloper of the obligation to comply with the terms of this Agreement or of the Redevelopment Plan, applicable federal, state and local laws, ordinances, rules and regulations, or to construct the Minimum Improvements in accordance therewith. No approval by the Authority shall constitute a waiver of an Event of Default. If approval of the Construction Plans is requested by the Redeveloper in writing at the time of submission, such Construction Plans shall be deemed approved unless rejected in writing by the Authority, in whole or in part. Such rejections shall set forth in detail the reasons therefore, and shall be made within 30 days after the date of their receipt by the Authority. If the Authority rejects any Construction Plans in whole or in part, the Redeveloper shall submit new or corrected Construction Plans within 30 days after written notification to the Redeveloper of the rejection. The provisions of this Section relating to approval, rejection and resubmission of corrected Construction Plans shall continue to apply until the Construction Plans have been approved by the Authority. The Authority's approval shall not be unreasonably withheld. Said approval shall constitute a conclusive determination that the Construction Plans (and the Minimum Improvements, constructed in accordance with said plans) comply to the Authority's satisfaction with the provisions of this Agreement relating thereto.

(b) If the Redeveloper desires to make any material change in the Construction Plans after their approval by the Authority, the Redeveloper shall submit the proposed change to the Authority for its approval. If the Construction Plans, as modified by the proposed change, conform to the requirements of this Section 4.2 of this Agreement with respect to such previously approved Construction Plans, the Authority shall approve the proposed change and notify the Redeveloper in writing of its approval. Such change in the Construction Plans shall, in



any event, be deemed approved by the Authority unless rejected, in whole or in part, by written notice by the Authority to the Redeveloper, setting forth in detail the reasons therefor. Such rejection shall be made within ten (10) days after receipt of the notice of such change. The Authority's approval of any such change in the Construction Plans will not be unreasonably withheld.

Section 4.3. Commencement and Completion of Construction. Subject to Unavoidable Delays, the Redeveloper must commence construction of the Phase I Minimum Improvements as defined in Section 4.4(c) by no later than 30 days after Closing on conveyance of the Redevelopment Property. Subject to Unavoidable Delays, the Redeveloper must substantially complete construction of the Phase I Minimum Improvements by December 31, 2018. Subject to Unavoidable Delays, the Redeveloper must commence construction of the Phase II Minimum Improvements as defined in Section 4.4(c) by no later than \_\_\_\_\_, 20\_\_\_\_. Subject to Unavoidable Delays, the Redeveloper must substantially complete construction of the Phase II Minimum Improvements by \_\_\_\_\_, 20\_\_\_\_. All work with respect to the Minimum Improvements to be constructed or provided by the Redeveloper on the Redevelopment Property shall be in conformity with the Construction Plans as submitted by the Redeveloper and approved by the Authority. Notwithstanding anything to the contrary herein, Redeveloper acknowledges that the minimum market value of the Redevelopment Property specified in the Assessment Agreement under Section 6.3 will be effective as of January 2, 2019, regardless of the state of completion of the Minimum Improvements as of that date.

The Redeveloper agrees for itself, its successors and assigns, and every successor in interest to the Redevelopment Property, or any part thereof, that the Redeveloper, and such successors and assigns, shall promptly begin and diligently prosecute to completion the redevelopment of the Redevelopment Property through the construction of the Minimum Improvements thereon, and that such construction shall in any event be commenced and completed within the period specified in this Section 4.3 of this Agreement. Subsequent to conveyance of the Redevelopment Property, or any part thereof, to the Redeveloper, and until construction of the Minimum Improvements has been completed, the Redeveloper shall make reports, in such detail and at such times as may reasonably be requested by the Authority, as to the actual progress of the Redeveloper with respect to such construction.

Section 4.4. Certificate of Completion. (a) Promptly after substantial completion of the Phase I Minimum Improvements and the Phase II Minimum Improvements in accordance with those provisions of the Agreement relating solely to the obligations of the Redeveloper to construct each phase of the Minimum Improvements (including the dates for beginning and completion thereof), the Authority will furnish the Redeveloper with a Certificate of Completion in substantially the form provided in Schedule D relating to each phase of the Minimum Improvements. Such certification by the Authority shall be (and it shall be so provided in the deed and in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants in the Agreement and in the deed with respect to the obligations of the Redeveloper, and its successors and assigns, to construct the respective phase of the Minimum Improvements and the dates for the beginning and completion thereof. Such certification and such determination shall not constitute evidence of compliance with or

satisfaction of any obligation of the Redeveloper to any Holder of a Mortgage, or any insurer of a Mortgage, securing money loaned to finance the Minimum Improvements, or any part thereof.

(b) The certificate provided for in this Section 4.4 of this Agreement shall be in such form as will enable it to be recorded in the proper office for the recordation of deeds and other instruments pertaining to the Redevelopment Property. If the Authority shall refuse or fail to provide any certification in accordance with the provisions of this Section 4.4 of this Agreement, the Authority shall, within thirty (30) days after written request by the Redeveloper, provide the Redeveloper with a written statement, indicating in adequate detail in what respects the Redeveloper has failed to complete the respective phase of the Minimum Improvements in accordance with the provisions of the Agreement, or is otherwise in default, and what measures or acts it will be necessary, in the opinion of the Authority, for the Redeveloper to take or perform in order to obtain such certification.

(c) The construction of each respective phase of the Minimum Improvements shall be deemed to be commenced upon beginning of excavation for the building, and shall be deemed to be substantially completed when the Redeveloper has received a certificate of occupancy issued by the City for the respective phase of the Minimum Improvements.

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

## ARTICLE V

### Insurance

Section 5.1. Insurance. The Redeveloper will provide and maintain at all times during the process of constructing the Minimum Improvements an All Risk Broad Form Basis Insurance Policy and, from time to time during that period, at the request of the Authority, furnish the Authority with proof of payment of premiums on policies covering the following:

(i) Builder's risk insurance, written on the so-called "Builder's Risk – Completed Value Basis," in an amount equal to one hundred percent (100%) of the insurable value of the Minimum Improvements at the date of completion, and with coverage available in nonreporting form on the so-called "all risk" form of policy. The interest of the Authority shall be protected in accordance with a clause in form and content satisfactory to the Authority;

(ii) Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) together with an Owner's Policy with limits against bodily injury and property damage of not less than \$1,000,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used); and

(iii) Workers' compensation insurance, with statutory coverage.

(b) Upon completion of construction of the Minimum Improvements and prior to the Termination Date, the Redeveloper shall maintain, or cause to be maintained, at its cost and expense, and from time to time at the request of the Authority shall furnish proof of the payment of premiums on, insurance as follows:

(i) Insurance against loss and/or damage to the Minimum Improvements under a policy or policies covering such risks as are ordinarily insured against by similar businesses.

(ii) Comprehensive general public liability insurance, including personal injury liability (with employee exclusion deleted), against liability for injuries to persons and/or property, in the minimum amount for each occurrence and for each year of \$1,000,000, and shall be endorsed to show the City and Authority as additional insureds.

(iii) Such other insurance, including workers' compensation insurance respecting all employees of the Redeveloper, in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure; provided that the Redeveloper may be self-insured with respect to all or any part of its liability for workers' compensation.

(c) All insurance required in Article V of this Agreement shall be taken out and maintained in responsible insurance companies selected by the Redeveloper that are authorized under the laws of the State to assume the risks covered thereby. Upon request, the Redeveloper will deposit annually with the Authority policies evidencing all such insurance, or a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect. Unless otherwise provided in this Article V of this Agreement each policy shall contain a provision that the insurer shall not cancel nor modify it in such a way as to reduce the coverage provided below the amounts required herein without giving written notice to the Redeveloper and the Authority at least 30 days before the cancellation or modification becomes effective. In lieu of separate policies, the Redeveloper may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein, in which event the Redeveloper shall deposit with the Authority a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Minimum Improvements.

(d) The Redeveloper agrees to notify the Authority immediately in the case of damage exceeding \$100,000 in amount to, or destruction of, the Minimum Improvements or any portion thereof resulting from fire or other casualty. In such event the Redeveloper will forthwith repair, reconstruct, and restore the Minimum Improvements to substantially the same or an improved condition or value as it existed prior to the event causing such damage and, to the extent necessary to accomplish such repair, reconstruction, and restoration, the Redeveloper will apply the net proceeds of any insurance relating to such damage received by the Redeveloper to the payment or reimbursement of the costs thereof.

The Redeveloper shall complete the repair, reconstruction and restoration of the Minimum Improvements, regardless of whether the net proceeds of insurance received by the Redeveloper for such purposes are sufficient to pay for the same. Any net proceeds remaining after completion of such repairs, construction, and restoration shall be the property of the Redeveloper.

(e) In lieu of its obligation to reconstruct the Minimum Improvements as set forth in this Section, the Redeveloper shall have the option of paying to the Authority an amount that, in the opinion of the Authority and its municipal advisor, is sufficient to pay in full the outstanding principal and accrued interest on the Interfund Loan.

(f) The Redeveloper and the Authority agree that all of the insurance provisions set forth in this Article V shall terminate upon the termination of this Agreement.

Section 5.2. Subordination. Notwithstanding anything to the contrary contained in this Article V, the rights of the Authority with respect to the receipt and application of any proceeds of insurance shall, in all respects, be subject and subordinate to the rights of any lender under a Mortgage approved pursuant to Article VII of this Agreement.

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



## ARTICLE VI

### Delinquent Taxes and Review of Taxes

Section 6.1. Right to Collect Delinquent Taxes. Redeveloper agrees for itself, its successors and assigns, in addition to the obligation pursuant to statute to pay real estate taxes, that it is also obligated by reason of this Agreement to pay before delinquency all real estate taxes assessed against the Redevelopment Property and the Minimum Improvements. The Redeveloper understands that the Tax Increments are derived from real estate taxes on the Redevelopment Property which must be promptly and timely paid. The Redeveloper acknowledges that this obligation creates a contractual right on behalf of the Authority through the Termination Date to sue the Redeveloper or its successors and assigns to collect delinquent real estate taxes and any penalty or interest thereon and to pay over the same as a tax payment to the county auditor. In any such suit in which the Authority is the prevailing party, the Authority shall also be entitled to recover its costs, expenses and reasonable attorney fees.

Section 6.2. Review of Taxes. The Developer agrees that prior to the Termination Date it will not cause a reduction in the real property taxes paid in respect of the Development Property through: (a) willful destruction of the Development Property or any part thereof; or (b) willful refusal to reconstruct damaged or destroyed property pursuant to Section 5.1 of this Agreement, except as otherwise provided in Section 5.1(e); or (c) engage in any other proceedings, whether legal, administrative or equitable, with any administrative body in the County or State or court of the State or federal government to reduce the amount of real estate or other taxes assessed against the Development Property or the Minimum Improvements. The Developer also agrees that it will not, prior to the Termination Date, apply for a deferral of property tax on the Development Property pursuant to any law, or transfer or permit transfer of the Development Property to any entity whose ownership or operation of the property would result in the Development Property being exempt from real estate taxes under State law (other than any portion thereof dedicated or conveyed to the City or Authority in accordance with this Agreement).

Section 6.3. Assessment Agreement. (a) The Redeveloper shall, with the Authority, execute an Assessment Agreement pursuant to Minnesota Statutes, Section 469.177, subd. 8, specifying an assessor's minimum market value for the Development Property and Minimum Improvements constructed thereon. The amount of the minimum market value shall be \$5,400,000 as of January 2, 2019 and each January 2 thereafter, notwithstanding the status of construction by such dates.

(b) The Assessment Agreement shall be substantially in the form attached hereto as Schedule F. Nothing in the Assessment Agreement shall limit the discretion of the assessor to assign a market value to the property in excess of such assessor's minimum market value. The Assessment Agreement shall remain in force for the period specified in the Assessment Agreement.

## ARTICLE VII

### Financing

Section 7.1. Financing. (a) Before conveyance of the Redevelopment Property, the Redeveloper shall submit to the Authority evidence of one or more commitments for mortgage financing which, together with committed equity for such construction, is sufficient for the construction of the Minimum Improvements. Such commitments may be submitted as short term financing, long term mortgage financing, a bridge loan with a long-term take-out financing commitment, or any combination of the foregoing. Such commitment or commitments for short term or long term mortgage financing shall be subject only to such conditions as are normal and customary in the mortgage banking industry.

(b) If the Authority finds that the mortgage financing is sufficiently committed and adequate in amount to provide for the construction of the Minimum Improvements, then the Authority shall notify the Redeveloper in writing of its approval. Such approval shall not be unreasonably withheld and either approval or rejection shall be given within thirty (30) days from the date when the Authority is provided the evidence of financing. A failure by the Authority to respond to such evidence of financing shall be deemed to constitute an approval hereunder. If the Authority rejects the evidence of financing as inadequate, it shall do so in writing specifying the basis for the rejection. In any event the Redeveloper shall submit adequate evidence of financing within thirty (30) days after such rejection. Approval of any subordination agreement under Section 7.3 hereof will constitute approval of financing for the purposes of this Section.

Section 7.2. Authority's Option to Cure Default on Mortgage. In the event that there occurs a default under any Mortgage authorized pursuant to Article VII of this Agreement, the Redeveloper shall cause the Authority to receive copies of any notice of default received by the Redeveloper from the holder of such Mortgage. Thereafter, the Authority shall have the right, but not the obligation, to cure any such default on behalf of the Redeveloper within such cure periods as are available to the Redeveloper under the Mortgage documents. In the event there is an event of default under this Agreement, the Authority will transmit to the Holder of any Mortgage a copy of any notice of default given by the Authority pursuant to Article IX of this Agreement.

Section 7.3. Subordination and Modification for the Benefit of Mortgagee. In order to facilitate the Redeveloper obtaining financing for purchase of the Redevelopment Property and for construction of the Minimum Improvements according to the Construction Plans, the Authority agrees to subordinate its rights under this Agreement, including without limitation its rights of reverter as to the Redevelopment Property under Sections 9.3 and 9.4 hereof, provided that (a) such subordination shall be subject to such reasonable terms and conditions as the Authority and Holder mutually agree in writing, (b) the Authority's obligation to subordinate is contingent on the Authority's approval of the financing in accordance with Section 7.1 hereof, and (c) in no event will the Authority subordinate its rights under the Assessment Agreement described in Section 6.3 hereof.

## ARTICLE VIII

### Prohibitions Against Assignment and Transfer; Indemnification

Section 8.1. Representation as to Redevelopment. The Redeveloper represents and agrees that its purchase of the Redevelopment Property or portions thereof, and its other undertakings pursuant to the Agreement, are, and will be used, for the purpose of redevelopment of the Redevelopment Property and not for speculation in land holding.

Section 8.2. Prohibition Against Redeveloper's Transfer of Property and Assignment of Agreement. The Redeveloper represents and agrees that until the Termination Date:

(a) Except only by way of security for, and only for, the purpose of obtaining financing necessary to enable the Redeveloper or any successor in interest to the Redevelopment Property, or any part thereof, to perform its obligations with respect to making the Minimum Improvements under this Agreement, and any other purpose authorized by this Agreement, the Redeveloper has not made or created and will not make or create or suffer to be made or created any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form of or with respect to the Agreement or the Redevelopment Property or any part thereof or any interest therein, or any contract or agreement to do any of the same, without the prior written approval of the Authority unless the Redeveloper remains liable and bound by this Agreement in which event the Authority's approval is not required. Any such transfer shall be subject to the provisions of this Agreement.

(b) In the event the Redeveloper, upon transfer or assignment of the Redevelopment Property or any portion thereof, seeks to be released from its obligations under this Redevelopment Agreement as to the portions of the Redevelopment Property that is transferred or assigned, the Authority shall be entitled to require, except as otherwise provided in the Agreement, as conditions to any such release that:

(i) Any proposed transferee shall have the qualifications and financial responsibility, in the reasonable judgment of the Authority, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Redeveloper as to the portion of the Redevelopment Property to be transferred.

(ii) Any proposed transferee, by instrument in writing satisfactory to the Authority and in form recordable among the land records, shall, for itself and its successors and assigns, and expressly for the benefit of the Authority, have expressly assumed all of the obligations of the Redeveloper under this Agreement as to the portion of the Redevelopment Property to be transferred and agreed to be subject to all the conditions and restrictions to which the Redeveloper is subject as to such portion; provided, however, that the fact that any transferee of, or any other successor in interest whatsoever to, the Redevelopment Property, or any part thereof, shall not, for whatever reason, have assumed such obligations or so agreed, and shall not (unless and only to the extent otherwise specifically provided in this Agreement or agreed to in writing by the

Authority) deprive the Authority of any rights or remedies or controls with respect to the Redevelopment Property or any part thereof or the construction of the Minimum Improvements; it being the intent of the parties as expressed in this Agreement that (to the fullest extent permitted at law and in equity and excepting only in the manner and to the extent specifically provided otherwise in this Agreement) no transfer of, or change with respect to, ownership in the Redevelopment Property or any part thereof, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, shall operate, legally or practically, to deprive or limit the Authority of or with respect to any rights or remedies or controls provided in or resulting from this Agreement with respect to the Minimum Improvements that the Authority would have had, had there been no such transfer or change. In the absence of specific written agreement by the Authority to the contrary, no such transfer or approval by the Authority thereof shall be deemed to relieve the Redeveloper, or any other party bound in any way by this Agreement or otherwise with respect to the construction of the Minimum Improvements, from any of its obligations with respect thereto.

(iii) Any and all instruments and other legal documents involved in effecting the transfer of any interest in this Agreement or the Redevelopment Property governed by this Article VIII, shall be in a form reasonably satisfactory to the Authority.

In the event the foregoing conditions are satisfied then the Redeveloper shall be released from its obligation under this Agreement, as to the portion of the Redevelopment Property that is transferred, assigned or otherwise conveyed.

Section 8.3. Release and Indemnification Covenants. (a) The Redeveloper releases from and covenants and agrees that the Authority and the governing body members, officers, agents, servants and employees thereof shall not be liable for and agrees to indemnify and hold harmless the Authority and the governing body members, officers, agents, servants and employees thereof against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Minimum Improvements.

(b) Except for any willful misrepresentation or any willful or wanton misconduct of the following named parties, the Redeveloper agrees to protect and defend the Authority and the governing body members, officers, agents, servants and employees thereof, now or forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Minimum Improvements.

(c) The Authority and the governing body members, officers, agents, servants and employees thereof shall not be liable for any damage or injury to the persons or property of the Redeveloper or its officers, agents, servants or employees or any other person who may be about the Redevelopment Property or Minimum Improvements due to any act of negligence of any person.

(d) All covenants, stipulations, promises, agreements and obligations of the Authority contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Authority and not of any governing body member, officer, agent, servant or employee of the Authority in the individual capacity thereof.

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



## ARTICLE IX

### Events of Default

Section 9.1. Events of Default Defined. The following shall be "Events of Default" under this Agreement and the term "Event of Default" shall mean, whenever it is used in this Agreement (unless the context otherwise provides):

(a) any failure by any party to observe or perform any covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement or under any other agreement entered into between the Redeveloper and the Authority in connection with redevelopment of the Redevelopment Property; and

(b) any default by Redeveloper under a Mortgage, if any; and

(c) failure by the Redeveloper to timely pay any ad valorem real property taxes assessed with respect to the Redevelopment Property.

Section 9.2. Remedies on Default. Whenever any Event of Default referred to in Section 9.1 of this Agreement occurs, the non-defaulting party may exercise its rights under this Section 9.2 after providing thirty (30) days written notice to the defaulting party of the Event of Default, but only if the Event of Default has not been cured within said thirty (30) days or, if the Event of Default is by its nature incurable within thirty (30) days, the defaulting party does not provide assurances reasonably satisfactory to the non-defaulting party that the Event of Default will be cured and will be cured as soon as reasonably possible:

(a) Suspend its performance under the Agreement until it receives assurances that the defaulting party will cure its default and continue its performance under the Agreement.

(b) Cancel and rescind or terminate the Agreement.

(c) The Authority may apply the Tax Increments as it determines, including without limitation, to the prepayment of the Interfund Loan.

(d) Take whatever action, including legal, equitable or administrative action, which may appear necessary or desirable to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant under this Agreement.

(e) Notwithstanding anything to the contrary herein, in the case of defaults by Redeveloper described in Section 3.8, the Authority has the additional remedies specified therein, subject to the qualification described in Section 10.3.

Section 9.3. Revesting Title in Authority Upon Happening of Event Subsequent to Conveyance to Redeveloper. In the event that subsequent to conveyance of the Redevelopment Property to the Redeveloper and prior to receipt by the Redeveloper of the Certificate of Completion for the Phase I Minimum Improvements required to be constructed on the Redevelopment Property:

(a) the Redeveloper, subject to Unavoidable Delays, shall fail to begin construction of the Phase I Minimum Improvements in conformity with this Agreement and such failure to begin construction is not cured within 90 days after written notice from the Authority to the Redeveloper to do so; or

(b) subject to Unavoidable Delays, the Redeveloper after commencement of the construction of the Phase I Minimum Improvements, fails to carry out its obligations with respect to the construction of such improvements (including the nature and the date for the completion thereof), or abandons or substantially suspends construction work, and any such failure, abandonment, or suspension shall not be cured, ended, or remedied within 90 days after written demand from the Authority to the Redeveloper to do so; or

(c) the Redeveloper fails to pay real estate taxes or assessments on the parcel or any part thereof when due, or creates, suffers, assumes, or agrees to any encumbrance or lien on the parcel (except to the extent permitted by this Agreement), or shall suffer any levy or attachment to be made, or any materialmen's or mechanics' lien, or any other unauthorized encumbrance or lien to attach, and such taxes or assessments shall not have been paid, or the encumbrance or lien removed or discharged or provision satisfactory to the Authority made for such payment, removal, or discharge, within thirty (30) days after written demand by the Authority to do so; provided, that if the Redeveloper first notifies the Authority of its intention to do so, it may in good faith contest any mechanics' or other lien filed or established and in such event the Authority shall permit such mechanics' or other lien to remain undischarged and unsatisfied during the period of such contest and any appeal and during the course of such contest the Redeveloper shall keep the Authority informed respecting the status of such defense; or

(d) there is, in violation of the Agreement, any transfer of the parcel or any part thereof, or any change in the ownership or distribution thereof of the Redeveloper, or with respect to the identity of the parties in control of the Redeveloper or the degree thereof, and such violation is not cured within sixty (60) days after written demand by the Authority to the Redeveloper, or if the event is by its nature incurable within thirty (30) days, the Redeveloper does not, within such 30-day period, provide assurances reasonably satisfactory to the Authority that the event will be cured as soon as reasonably possible; or

(e) the Redeveloper fails to comply with any of its other covenants under this Agreement related to the Phase I Minimum Improvements and fails to cure any such noncompliance or breach within thirty (30) days after written demand from the Authority to the Redeveloper to do so, or if the event is by its nature incurable within thirty (30) days, the Redeveloper does not, within such 30-day period, provide assurances reasonably satisfactory to the Authority that the event will be cured as soon as reasonably possible; or

(f) the Holder of any Mortgage secured by the subject property exercises any remedy provided by the Mortgage documents or exercises any remedy provided by law or equity in the event of a default in any of the terms or conditions of the Mortgage,

Then the Authority shall have the right to re-enter and take possession of the Redevelopment Property and to terminate (and re-vest in the Authority) the estate conveyed by the deed to the Redeveloper, it being the intent of this provision, together with other provisions of the Agreement, that the conveyance of the Redevelopment Property to the Redeveloper shall be made upon, and that the deed shall contain a condition subsequent to the effect that in the event of any default on the part of the Redeveloper and failure on the part of the Redeveloper to remedy, end, or abrogate such default within the period and in the manner stated in such subdivisions, the Authority at its option may declare a termination in favor of the Authority of the title, and of all the rights and interests in and to the Redevelopment Property conveyed to the Redeveloper, and that such title and all rights and interests of the Redeveloper, and any assigns or successors in interest to and in the parcel, shall revert to the Authority, but only if the events stated in Section 9.3(a)-(f) have not been cured within the time periods provided above.

Section 9.4. Resale of Reacquired Property; Disposition of Proceeds. Upon the re-vesting in the Authority of title to and/or possession of the Redevelopment Property or any part thereof as provided in Section 9.3, the Authority shall, pursuant to its responsibilities under law, use its best efforts to sell the Redevelopment Property or part thereof as soon and in such manner as the Authority shall find feasible and consistent with the objectives of such law and of the Redevelopment Plan and TIF Plan to a qualified and responsible party or parties (as determined by the Authority) who will assume the obligation of making or completing the Minimum Improvements or such other improvements in their stead as shall be satisfactory to the Authority in accordance with the uses specified for such parcel or part thereof in the Redevelopment Plan and TIF Plan. During any time while the Authority has title to and/or possession of a parcel obtained by reverter, the Authority will not disturb the rights of any tenants under any leases encumbering such parcel. Upon resale of the parcel, the proceeds thereof shall be applied:

(a) First, to reimburse the Authority for all costs and expenses incurred by it, including but not limited to salaries of personnel, in connection with the recapture, management, and resale of the parcel (but less any income derived by the Authority from the property or part thereof in connection with such management); all taxes, assessments, and water and sewer charges with respect to the parcel or part thereof (or, in the event the parcel is exempt from taxation or assessment or such charge during the period of ownership thereof by the Authority, an amount, if paid, equal to such taxes, assessments, or charges (as determined by the Authority assessing official) as would have been payable if the parcel were not so exempt); any payments made or necessary to be made to discharge any encumbrances or liens existing on the parcel or part thereof at the time of re-vesting of title thereto in the Authority or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of the Redeveloper, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the subject improvements or any part thereof on the parcel or part thereof; and any amounts otherwise owing the Authority by the Redeveloper and its successor or transferee; and



(b) Second, to reimburse the Redeveloper, its successor or transferee, up to the amount equal to (1) the purchase price paid by Redeveloper under Section 3.2; plus (2) the amount actually invested by it in making any of the subject improvements on the parcel or part thereof, less (2) any gains or income withdrawn or made by it from the Agreement or the parcel.

Any balance remaining after such reimbursements shall be retained by the Authority as its property.

Section 9.5. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority or Redeveloper is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in this Article IX.

Section 9.6. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

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

## ARTICLE X

### Additional Provisions

Section 10.1. Conflict of Interests; Authority Representatives Not Individually Liable. The Authority and the Redeveloper, to the best of their respective knowledge, represent and agree that no member, official, or employee of the Authority shall have any personal interest, direct or indirect, in the Agreement, nor shall any such member, official, or employee participate in any decision relating to the Agreement which affects his personal interests or the interests of any corporation, partnership, or association in which he is, directly or indirectly, interested. No member, official, or employee of the Authority shall be personally liable to the Redeveloper, or any successor in interest, in the event of any default or breach by the Authority or City or for any amount which may become due to the Redeveloper or successor or on any obligations under the terms of the Agreement.

Section 10.2. Equal Employment Opportunity. The Redeveloper, for itself and its successors and assigns, agrees that during the construction of the Minimum Improvements provided for in the Agreement it will comply with all applicable federal, state and local equal employment and non-discrimination laws and regulations.

Section 10.3. Restrictions on Use. The Redeveloper agrees that until the Termination Date, the Redeveloper, and such successors and assigns, shall use the Redevelopment Property and the Minimum Improvements thereon only as a Qualified Facility, provided that after expiration of the five-year period described in Section 3.8(c) (or the comparable five-year period under any subsequent business subsidy agreement described in Section 3.8), the repayment remedy described in Section 3.8(d) may not be imposed on Redeveloper for default under this Section, and Authority is limited to any other remedies available under Article IX hereof, including without limitation Authority's right to collect from the Redeveloper an amount necessary to pay the outstanding balance of the Interfund Loan. Further, until the Termination Date the Redeveloper shall not discriminate upon the basis of race, color, creed, sex or national origin in the sale, lease, or rental or in the use or occupancy of the Redevelopment Property or any improvements erected or to be erected thereon, or any part thereof.

Section 10.4. Provisions Not Merged With Deed. None of the provisions of this Agreement are intended to or shall be merged by reason of any deed transferring any interest in the Redevelopment Property and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement.

Section 10.5. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 10.6. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under the Agreement by either party to

the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally; and

(a) in the case of the Redeveloper, is addressed to or delivered personally to the Redeveloper at Par Real Estate, LLC, 675 Tacoma Boulevard, Norwood Young America, Minnesota 55368; and

(b) in the case of the Authority, is addressed to or delivered personally to the Authority at Economic Development Authority of Norwood Young America, 310 Elm Street West, PO Box 59, Norwood Young America, Minnesota 55368, Attn: Executive Director;

or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this Section.

Section 10.7. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 10.8. Recording. The Authority may record this Agreement and any amendments thereto with the County recorder. The Redeveloper shall pay all costs for recording.

Section 10.9. Amendment. This Agreement may be amended only by written agreement approved by the Authority and the Redeveloper.

Section 10.10. Authority Approvals. Unless otherwise specified, any approval required by the Authority under this Agreement may be given by the Authority Representative.

Section 10.11. Termination. This Agreement terminates on the Termination Date. Within 30 days after the Termination Date, the Authority will deliver to Redeveloper a written release in recordable form satisfactory to Redeveloper, evidencing termination of this Agreement.

Section 10.12. Choice of Law and Venue. This Agreement shall be governed by and construed in accordance with 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.

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

IN WITNESS WHEREOF, the Authority has caused this Agreement to be duly executed in its name and behalf and its seal to be hereunto duly affixed and the Redeveloper has caused this Agreement to be duly executed in its name and behalf on or as of the date first above written.

NORWOOD YOUNG AMERICA ECONOMIC  
DEVELOPMENT AUTHORITY

By \_\_\_\_\_  
Its President

By \_\_\_\_\_  
Its Executive Director

STATE OF MINNESOTA    )  
                                      ) ss  
COUNTY OF CARVER    )

This document was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2018, by \_\_\_\_\_ and \_\_\_\_\_, the President and Executive Director, respectively of the Norwood Young America Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota, on behalf of the public body corporate and politic.

\_\_\_\_\_  
Notary Public

PAR REAL ESTATE, LLC

By \_\_\_\_\_  
Its \_\_\_\_\_

STATE OF MINNESOTA    )  
  ) SS.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2018 by \_\_\_\_\_, the \_\_\_\_\_ of Par Real Estate, LLC, a Minnesota limited liability company, on behalf of the company.

\_\_\_\_\_  
Notary Public

## **SCHEDULE A**

### **DESCRIPTION OF REDEVELOPMENT PROPERTY**

Block 1, Lot 1, Tacoma West Industrial Park 3<sup>rd</sup> Addition, Carver County, Minnesota

## **SCHEDULE B**

### **FORM OF QUIT CLAIM DEED**

THIS INDENTURE, between the Norwood Young America Economic Development Authority, a public body corporate and politic (the "Grantor"), and Par Real Estate, LLC, a Minnesota limited liability company, (the "Grantee").

WITNESSETH, that Grantor, in consideration of the sum of \$412,207 and other good and valuable consideration the receipt whereof is hereby acknowledged, does hereby grant, bargain, quitclaim and convey to the Grantee, its successors and assigns forever, all the tract or parcel of land lying and being in the County of Carver and State of Minnesota described as follows, to-wit (such tract or parcel of land is hereinafter referred to as the "Property");

Block 1, Lot 1, Tacoma West Industrial Park 3<sup>rd</sup> Addition, Carver County, Minnesota

To have and to hold the same, together with all the hereditaments and appurtenances thereunto belonging.

#### **SECTION 1.**

It is understood and agreed that this Deed is subject to the covenants, conditions, restrictions and provisions of an agreement recorded herewith entered into between the Grantor and Grantee on the \_\_\_\_\_ day of \_\_\_\_\_, 2018, identified as "Purchase and Redevelopment Contract" (hereafter referred to as the "Agreement") and that the Grantee shall not convey this Property, or any part thereof, except as permitted by the Agreement until a certificate of completion releasing the Grantee from certain obligations of said Agreement as to this Property or such part thereof then to be conveyed, has been placed of record. This provision, however, shall in no way prevent the Grantee from mortgaging this Property in order to obtain funds for the purchase of the Property hereby conveyed or for erecting the Minimum Improvements thereon (as defined in the Agreement) in conformity with the Agreement, any applicable redevelopment program and applicable provisions of the zoning ordinance of the City of Norwood Young America, Minnesota, or for the refinancing of the same.

It is specifically agreed that the Grantee shall promptly begin and diligently prosecute to completion the Redevelopment of the Property through the construction of the Minimum Improvements thereon, as provided in the Agreement.

Promptly after completion of the Minimum Improvements in accordance with the provisions of the Agreement, the Grantor will furnish the Grantee with an appropriate instrument so certifying. Such certification by the Grantor shall be (and it shall be so provided in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants of the Agreement and of this Deed with respect to the obligation of the Grantee, and its successors and assigns, to construct the Minimum Improvements and the dates for the beginning and completion thereof. Such certifications and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Grantee to any holder of a mortgage, or any insurer of a



mortgage, securing money loaned to finance the purchase of the Property hereby conveyed or the Minimum Improvements, or any part thereof.

All certifications provided for herein shall be in such form as will enable them to be recorded with the County Recorder, or Registrar of Titles, Carver County, Minnesota. If the Grantor shall refuse or fail to provide any such certification in accordance with the provisions of the Agreement and this Deed, the Grantor shall, within thirty (30) days after written request by the Grantee, provide the Grantee with a written statement indicating in adequate detail in what respects the Grantee has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement or is otherwise in default, and what measures or acts it will be necessary, in the opinion of the Grantor, for the Grantee to take or perform in order to obtain such certification.

## SECTION 2.

The Grantee's rights and interest in the Property are subject to the terms and conditions of Section 9.3 of the Agreement relating to the Grantor's right to re-enter and revest in Grantor title to the Property under conditions specified therein, including but not limited to termination of such right upon issuance of a Certificate of Completion as defined in the Agreement.

## SECTION 3.

The Grantee agrees for itself and its successors and assigns to or of the Property or any part thereof, hereinbefore described, that the Grantee and such successors and assigns shall comply with all provisions of the Agreement that relate to the Property or use thereof for the periods specified in the Agreement, including without limitation the covenant set forth in Section 10.3 thereof.

It is intended and agreed that the above and foregoing agreements and covenants shall be covenants running with the land for the respective terms herein provided, and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in this Deed, be binding, to the fullest extent permitted by law and equity for the benefit and in favor of, and enforceable by, the Grantor against the Grantee, its successors and assigns, and every successor in interest to the Property, or any part thereof or any interest therein, and any party in possession or occupancy of the Property or any part thereof.

In amplification, and not in restriction of, the provisions of the preceding section, it is intended and agreed that the Grantor shall be deemed a beneficiary of the agreements and covenants provided herein, both for and in its own right, and also for the purposes of protecting the interest of the community and the other parties, public or private, in whose favor or for whose benefit these agreements and covenants have been provided. Such agreements and covenants shall run in favor of the Grantor without regard to whether the Grantor has at any time been, remains, or is an owner of any land or interest therein to, or in favor of, which such agreements and covenants relate. The Grantor shall have the right, in the event of any breach of any such agreement or covenant to exercise all the rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant, to which it or any other beneficiaries of such agreement or covenant may be entitled; provided that Grantor shall

not have any right to re-enter the Property or re-vest in the Grantor the estate conveyed by this Deed on grounds of Grantee's failure to comply with its obligations under this Section 3.

#### SECTION 4.

This Deed is also given subject to:

(a) Provision of the ordinances, building and zoning laws of the City of Norwood Young America, and state and federal laws and regulations in so far as they affect this real estate.

(b) Declaration of Protective Covenants, Conditions and Protections for Tacoma West Industrial Park filed February 5, 2007 in the Office of the County Recorder for Carver County, Minnesota as Document No. A458361, as amended by the First Amendment to Declaration of Protective Covenants, Conditions and Protections for Tacoma West Industrial Park filed January 4, 2013 in the Office of the County Recorder for Carver County, Minnesota as Document No. A569015.

(c) [Any other permitted encumbrances after Redeveloper's title review]

**[Grantor certifies that it does not know of any wells on the Property.]**

IN WITNESS WHEREOF, the Grantor has caused this Deed to be duly executed in its behalf by its President and Executive Director this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

- ☐ The Seller certifies that the Seller does not know of any wells on the described real property.
- ☐ A well disclosure certificate accompanies this document or has been electronically filed. (If electronically filed, insert WDC number: \_\_\_\_\_).
- ☐ I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

NORWOOD YOUNG AMERICA ECONOMIC  
DEVELOPMENT AUTHORITY

By \_\_\_\_\_  
Its President

By \_\_\_\_\_  
Its Executive Director

STATE OF MINNESOTA    )  
  ) ss  
COUNTY OF CARVER    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2018 by \_\_\_\_\_, the President of the Norwood Young America Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota, on behalf of the Authority.

\_\_\_\_\_  
Notary Public

STATE OF MINNESOTA    )  
  ) SS.  
COUNTY OF CARVER    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2018 by \_\_\_\_\_, the Executive Director of the Norwood Young America Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota, on behalf of the Authority.

\_\_\_\_\_  
Notary Public

Tax Statements should be sent to:

Par Real Estate, LLC  
675 Tacoma Boulevard  
Norwood Young America, MN 55368

This instrument was drafted by:

Kennedy & Graven, Chartered (MNI)  
470 US Bank Plaza  
200 South Sixth Street  
Minneapolis, Minnesota 55402

## **SCHEDULE C**

### **NORWOOD YOUNG AMERICA ECONOMIC DEVELOPMENT AUTHORITY**

**RESOLUTION NO. \_\_\_\_**

#### **AUTHORIZING INTERFUND LOAN FOR ADVANCE OF CERTAIN COSTS IN CONNECTION WITH TAX INCREMENT FINANCING DISTRICT NO. 3-6**

BE IT RESOLVED By the Board of Commissioners of the Norwood Young America Economic Development Authority (the "Authority") as follows:

Section 1. Background.

1.01. The Authority and the City of Norwood Young America, Minnesota (the "City") have established Tax Increment Financing District No. 3-6 (the "TIF District") within the Tacoma West Industrial Park Redevelopment Project (the "Redevelopment Project") pursuant to Minnesota Statutes, Sections 469.174 to 469.1794, as amended (the "TIF Act"), Sections 469.001 to 469.047, as amended (the "HRA Act") and Sections 469.090 to 469.1082, as amended (the "EDA Act").

1.02. The Authority may incur certain costs related to the TIF District, which costs may be financed on a temporary basis from available Authority or City funds.

1.03. Under Section 469.178, Subdivision 7 of the TIF Act, the Authority is authorized to advance or loan money from any fund from which such advances may be legally made in order to finance expenditures that are eligible to be paid with tax increments under the TIF Act.

1.04. The City owns certain property (the "Redevelopment Property") in the TIF District and has incurred or will incur certain costs to prepare such property for redevelopment. The City and the Authority determined that the market price of the improved Redevelopment Property is at least \$1,021,234.50, or \$2.75 per square foot.

1.05. The Authority proposes to enter into a Purchase and Redevelopment Contract (the "Contract") with Par Real Estate, LLC (the "Redeveloper"), under which the City will convey the Redevelopment Property to the Authority for a purchase price of \$1.11, and the Authority will (among other things) convey the Redevelopment Property to the Redeveloper for a purchase price of \$412,207.00.

1.06. When conveying the Redevelopment Property under the Contract, at closing the City and Authority will forgo receipt the full market price of the Redevelopment Property. Such forbearance represents an advance of Authority funds in the amount of \$609,027.50.

1.07. The Authority has also determined that it may be necessary to finance up to \$30,000 in administrative costs associated with the TIF District (the "Administrative Costs") using EDA funds legally authorized for such purpose, and to reimburse such funds from tax increments from the TIF District when received.

1.12. Accordingly, the Authority hereby designates the land write-down related to the Redevelopment Property, together with the payment of Administrative Costs, as an interfund loan in accordance with the terms of this resolution and the TIF Act.

## Section 2. Repayment of Interfund Loan.

2.01. The Authority will reimburse the City for the land write down related to the Redevelopment Property (\$609,027.50) and itself for Administrative Costs (\$30,000), for an aggregate principal amount of \$639,027.50, together with interest at the rate of 4% per annum (the "Interfund Loan"). Interest accrues on the principal amount from the date of closing on conveyance of the Redevelopment Property to the Redeveloper under the Contract (hereafter, the "Closing Date"). The interest rate is no more than the greatest of the rate specified under Minnesota Statutes, Section 270C.40 and Section 549.09, both in effect for calendar year 2018, and will not be adjusted.

2.02. Principal and interest ("Payments") on the Interfund Loan shall be paid semi-annually on each August 1 and February 1 (each a "Payment Date"), commencing on the first Payment Date on which the Authority has Available Tax Increment (defined below), or on any other dates determined by the Executive Director, through the date of last receipt of tax increment from the TIF District.

2.03. Payments on the Interfund Loan will be made solely from Available Tax Increment, defined as the tax increment from the TIF District received by the Authority from Carver County in the six-month period before any Payment Date. Payments shall be applied first to accrued interest, and then to unpaid principal. Simple interest will accrue from the Closing Date, unless otherwise specified by the Executive Director.

2.04. The principal sum and all accrued interest payable under this resolution is prepayable in whole or in part at any time by the Authority without premium or penalty.

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

2.06. The Authority may at any time make a determination to forgive the outstanding

principal amount and accrued interest on the Interfund Loan to the extent permissible under law.

2.07. The Authority may from time to time amend the terms of this Resolution to the extent permitted by law, including without limitation amendment to the payment schedule and the interest rate; provided that the interest rate may not be increased above the maximum specified in Section 469.178. subd. 7 of the TIF Act.

Section 3. Effective Date. This resolution is effective upon execution in full of the Contract.

Adopted this \_\_th day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Executive Director



## **SCHEDULE D**

### **CERTIFICATE OF COMPLETION**

WHEREAS, the Norwood Young America Economic Development Authority, a public body corporate and politic (the "Grantor"), by a deed (the "Deed") recorded in the Office of the County Recorder or the Registrar of Titles in and for the County of Carver and State of Minnesota, as Deed Document Number(s) \_\_\_\_\_ and \_\_\_\_\_, respectively, has conveyed to Par Real Estate, LLC (the "Grantee"), the following described land in County of Carver and State of Minnesota, to-wit:

[To be inserted], Carver County, Minnesota

and

WHEREAS, said Deed contained certain covenants and restrictions set forth in Sections 1 and 2 of said Deed; and

WHEREAS, said Grantee has performed said covenants and conditions insofar as it is able in a manner deemed sufficient by the Grantor to permit the execution and recording of this certification;

NOW, THEREFORE, this is to certify that all building construction and other physical improvements specified to be done and made by the Grantee have been completed and the above covenants and conditions in said Deed and the agreements and covenants in Article IV of the Agreement (as described in said Deed) have been performed by the Grantee therein, and the County Recorder or the Registrar of Titles in and for the County of Carver and State of Minnesota is hereby authorized to accept for recording and to record, the filing of this instrument, to be a conclusive determination of the satisfactory termination of the covenants and conditions of Article IV of the Agreement, but the covenants created by Sections 3 and 4 of said Deed shall remain in full force and effect.

Dated: \_\_\_\_\_, 20\_\_.

**NORWOOD YOUNG AMERICA ECONOMIC  
DEVELOPMENT AUTHORITY**

By \_\_\_\_\_  
Authority Representative

STATE OF MINNESOTA     )  
  ) SS.  
COUNTY OF CARVER     )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_  
by \_\_\_\_\_, the \_\_\_\_\_ of the Norwood Young America  
Economic Development Authority, a public body corporate and politic under the laws of the State  
of Minnesota, on behalf of the Authority.

\_\_\_\_\_  
Notary Public

This document drafted by:

Kennedy & Graven, Chartered (MNI)  
470 U.S. Bank Plaza  
200 South Sixth Street  
Minneapolis, MN 55402

## **SCHEDULE E**

### **FIRST AMENDMENT TO THE DECLARATION OF PROPERTY COVENANTS FOR TACOMA WEST INDUSTRIAL PARK**

#### **PROPERTY SUBJECT TO THIS DECLARATION**

The real property hereinafter referred to as Tacoma West Industrial Park, which is, and shall be, held and shall be conveyed, transferred and sold subject to the conditions, restrictions, Covenants, reservations, easements, liens and charges with the respect to the various portions thereof set forth in the various clauses and subdivisions of this Declaration is located in the County of Carver, State of Minnesota and is more particularly described as in Exhibit A attached hereto. No property other than that described in Exhibit A shall be deemed subject to this Declaration, unless and until specifically made subject thereto. *This Declaration amends that certain Declaration of Property Covenants for Tacoma West Industrial Park adopted July 24, 2006 and filed in the Office of the County Recorder for Carver County on February 5, 2007 as Document No. 4458361.*

#### **GENERAL PURPOSES OF CONDITIONS**

The real property described above hereto is subjected to the Covenants, restrictions, conditions, reservations, liens and charges hereby declared to insure the best use and the most appropriate development and improvement of building sites thereof; to protect the Owners of building sites against such improper use of surrounding building sites as will depreciate the value of their property; to preserve so far as practicable, the natural beauty of such property; to guard against the erection thereon of poor designed or proportioned structures, and structures built of improper or unsuitable materials; to insure the highest and best development of said property; to encourage and secure the erection of attractive buildings thereon, with appropriate locations thereof on building sites; to prevent haphazard and inharmonious improvement of building sites; to secure and maintain proper setbacks from streets and adequately for a high type and quality of improvement in said property, and thereby to enhance the values of investments made by purchasers of building sites therein.

These Covenants are to run with the land and shall be binding on all parties and all persons claiming under them until 7-1-2027, at which time said Covenants shall be automatically extended from year-to-year, provided, however, that after 7-1-2027 said Covenants can be amended at any time by a vote of a majority of the then Owners of lots or tracts. Each lot or tract in the original plat shall have one vote. A  $\frac{2}{3}$  (two-thirds) majority shall be required to pass an

**SCHEDULE F**

**ASSESSMENT AGREEMENT**

**and**

**ASSESSOR'S CERTIFICATION**

**By and Between**

**NORWOOD YOUNG AMERICA ECONOMIC DEVELOPMENT AUTHORITY**

**and**

**PAR REAL ESTATE, LLC**

---

This Document was drafted by:

KENNEDY & GRAVEN, Chartered (MNI)  
470 U.S. Bank Plaza  
Minneapolis, Minnesota 55402

## ASSESSMENT AGREEMENT

THIS AGREEMENT, made on or as of the \_\_\_\_ day of \_\_\_\_\_, 2018, and between the Norwood Young America Economic Development Authority, a public body corporate and politic under the laws of Minnesota (the "Authority"), and Par Real Estate, LLC, a Minnesota limited liability company (the "Developer").

WITNESSETH, that

WHEREAS, on or before the date hereof the Authority and the Developer have entered into a Purchase and Redevelopment Contract dated February \_\_, 2018 (the "Development Contract"), pursuant to which the Authority is to facilitate redevelopment of certain property in the City of Norwood Young America, Minnesota (the "City") hereinafter referred to as the "Property" and legally described in Exhibit A hereto; and

WHEREAS, pursuant to the Development Contract the Developer is obligated to construct certain improvements upon the Property (the "Minimum Improvements"); and

WHEREAS, the Authority and the Developer desire to establish a minimum market value for the Property and the manufacturing facility constructed thereon, pursuant to Minnesota Statutes, Section 469.177, Subdivision 8; and

WHEREAS, the Authority and the Assessor for the County (the "Assessor") have reviewed the preliminary plans and specifications for the manufacturing and warehouse facility and have inspected such improvements;

NOW, THEREFORE, the parties to this Agreement, in consideration of the promises, covenants and agreements made by each to the other, do hereby agree as follows:

1. The minimum market value which shall be assessed for the Property described in Exhibit A, together with the Minimum Improvements thereon, for ad valorem tax purposes, shall be \$5,400,000 as of January 2, 2019 and each January 2 thereafter notwithstanding the progress of construction of such Minimum Improvements by such dates.

2. The minimum market value herein established shall be of no further force and effect and this Agreement shall terminate on the later of the following: (a) the date of receipt by the Authority of the final payment from the County of Tax Increments from TIF District No. 3-6; or (b) the date when the Interfund Loan (as defined in the Development Contract) has been paid in full or terminated in accordance with the resolution set forth in Schedule B of the Development Contract.

The event referred to in Sections 2(b) of this Agreement shall be evidenced by a certificate or affidavit executed by the Authority.

3. This Agreement shall be promptly recorded by the Authority. The Developer shall pay all costs of recording.

4. Neither the preambles nor provisions of this Agreement are intended to, nor shall they be construed as, modifying the terms of the Development Contract between the Authority and the Developer.

5. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.

6. Each of the parties has authority to enter into this Agreement and to take all actions required of it, and has taken all actions necessary to authorize the execution and delivery of this Agreement.

7. In the event any provision of this Agreement shall be held invalid and unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

8. The parties hereto agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements, amendments and modifications hereto, and such further instruments as may reasonably be required for correcting any inadequate, or incorrect, or amended description of the Property or the manufacturing and warehouse facility thereon, or for carrying out the expressed intention of this Agreement, including, without limitation, any further instruments required to delete from the description of the Property such part or parts as may be included within a separate assessment agreement.

9. Except as provided in Section 8 of this Agreement, this Agreement may not be amended nor any of its terms modified except by a writing authorized and executed by all parties hereto.

10. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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



NORWOOD YOUNG AMERICA ECONOMIC  
DEVELOPMENT AUTHORITY

By \_\_\_\_\_  
Its President

By \_\_\_\_\_  
Its Executive Director

STATE OF MINNESOTA    )  
                                      ) ss  
COUNTY OF CARVER    )

This document was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2018, by \_\_\_\_\_ and \_\_\_\_\_, the President and Executive Director, respectively of the Norwood Young America Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota, on behalf of the public body corporate and politic.

\_\_\_\_\_  
Notary Public

PAR REAL ESTATE, LLC

By \_\_\_\_\_  
Its \_\_\_\_\_

STATE OF MINNESOTA    )  
  ) SS.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_,  
2018 by \_\_\_\_\_, the \_\_\_\_\_ of Par Real Estate, LLC, a  
Minnesota limited liability company, on behalf of the company.

\_\_\_\_\_  
Notary Public

### CERTIFICATION BY COUNTY ASSESSOR

The undersigned, having reviewed the plans and specifications for the improvements to be constructed and the market value assigned to the land upon which the improvements are to be constructed, hereby certifies as follows: The undersigned Assessor, being legally responsible for the assessment of the above described property, hereby certifies that the values assigned to the land and improvements are reasonable.

\_\_\_\_\_  
County Assessor for the County of Carver

STATE OF MINNESOTA    )  
                                      ) ss  
COUNTY OF CARVER    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2018 by \_\_\_\_\_, the County Assessor of the County of Carver.

\_\_\_\_\_  
Notary Public

## **EXHIBIT A of ASSESSMENT AGREEMENT**

### **Legal Description of Property**

Block 1, Lot 1, Tacoma West Industrial Park 3<sup>rd</sup> Addition, Carver County, Minnesota

**NORWOOD YOUNG AMERICA ECONOMIC DEVELOPMENT AUTHORITY  
CITY OF NORWOOD YOUNG AMERICA  
CARVER COUNTY  
STATE OF MINNESOTA**

**RESOLUTION NO. 1804**

**RESOLUTION ADOPTING A MODIFICATION TO THE REDEVELOPMENT  
PLAN FOR THE TACOMA WEST INDUSTRIAL PARK REDEVELOPMENT  
PROJECT, ESTABLISHING TAX INCREMENT FINANCING DISTRICT NO.  
3-6 THEREIN AND ADOPTING A TAX INCREMENT FINANCING PLAN  
THEREFOR.**

WHEREAS, it has been proposed that the Board of Commissioners (the "Board") of the Norwood Young America Economic Development Authority (the "EDA") and the City of Norwood Young America (the "City") adopt a Modification to the Redevelopment Plan (the "Redevelopment Plan Modification") for the Tacoma West Industrial Park Redevelopment Project (the "Redevelopment Project") and establish Tax Increment Financing District No. 3-6 (the "TIF District") therein and adopt a Tax Increment Financing Plan (the "TIF Plan") for the TIF District (the Redevelopment Plan Modification and the TIF Plan are referred to collectively herein as the "Plans"), all pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.001 to 469.047, Sections 469.090 to 469.1082, and Sections 469.174 to 469.1794, all as amended (the "Act"), as reflected in the Plans and presented for the Board's consideration; and

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

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

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

1. The EDA hereby finds that the TIF District is in the public interest and is an "economic development district" under Section 469.174, Subd. 12 of the Act, and finds that the Plans conform in all respects to the requirements of the Act and will help fulfill a need to develop an area of the State of Minnesota which is underutilized, and that the adoption of the proposed Plans will help provide employment opportunities in the State and will result in the 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 Plans will afford maximum opportunity, consistent with the sound needs for the City as a whole, for the development or

redevelopment of the Redevelopment Project by private enterprise in that the intent is to provide only that public assistance necessary to make the private development financially feasible.

3. The boundaries of the Redevelopment Project are not being expanded.
4. The reasons and facts supporting the findings in this resolution are described in the Plans.
5. The EDA elects to calculate fiscal disparities for the TIF District in accordance with Section 469.177, Subd. 3, clause b of the Act, which means the fiscal disparities contribution would be taken from inside the TIF District.
6. Subject to approval of the Plans and the creation of the TIF District by the City Council following its public hearing thereon, the Plans, are hereby approved, established, and adopted and shall be placed on file in the office of the EDA Executive Director.
7. Upon approval of the Plans by the City Council, the EDA's staff, advisors and legal counsel are authorized and directed to take all actions necessary to certify the TIF Plan and give effect to its objectives, and are further authorized and directed to negotiate, draft, prepare and present to this Board for its consideration all further plans, resolutions, documents and contracts. Approval of the Plans does not constitute approval of any project or a development agreement with any developer.

Approved by the Board of Commissioners of the Norwood Young America Economic Development Authority this 26<sup>th</sup> day of February, 2018.

---

Carol Lagergren, President

ATTEST:

---

Steven Helget, Executive Director

**NORWOOD YOUNG AMERICA ECONOMIC DEVELOPMENT AUTHORITY  
CITY OF NORWOOD YOUNG AMERICA  
CARVER COUNTY  
STATE OF MINNESOTA**

**RESOLUTION NO. 1805**

**RESOLUTION APPROVING A PURCHASE AND  
REDEVELOPMENT CONTRACT WITH PAR REAL ESTATE, LLC  
INCLUDING THE CONVEYANCE OF LAND AND A BUSINESS  
SUBSIDY AGREEMENT**

BE IT RESOLVED BY the Board of Commissioners ("Council") of the Norwood Young America Economic Development Authority (the "Authority") as follows:

Section 1. Recitals.

1.01. Subject to approval by the City Council of the City of Norwood Young America, Minnesota (the "City") following a duly noticed public hearing, the Authority has approved the establishment of its Tax Increment Financing District No. 3-6, an economic development TIF District (the "TIF District") within the Tacoma West Industrial Park Redevelopment Project ("Redevelopment Project"), and has adopted a tax increment financing plan for the purpose of financing certain improvements within the Redevelopment Project.

1.02. To facilitate development of certain property in the TIF District, the Authority proposes to enter into a Purchase and Redevelopment Contract (the "Contract") with Par Real Estate, LLC, a Minnesota limited liability company, or an affiliate thereof (the "Developer"), under which among other things the City will convey to the EDA, and the EDA will convey to the Developer, certain property described as Lot 1, Block 1 Tacoma West Industrial Park 3<sup>rd</sup> Addition, Carver County, Minnesota (the "Development Property") at a cost below market value.

1.03. The legal description of the Development Property is subject to approval of a plat by the City Council of the City.

1.04. The Authority proposes to sell the Development Property to the Developer at the price of \$412,207 which is less than the fair market value of \$1,021,234.50 and represents a land write down in the amount of \$609,027.50 the "Land Write Down").

1.05. The Land Write Down provided to the Developer under the Contract constitutes a "business subsidy" exceeding \$150,000 within the meaning of Minnesota Statutes, Section 116J.993 to 116J.995 (the "Business Subsidy Act").

1.06. The "business subsidy agreement" as required under the Business Subsidy Act is included as one section of the Contract, and the Authority has on this date conducted a duly noticed public hearing regarding both the sale of the Development Property to Developer and the business subsidy agreement, at which all interested persons were given an opportunity to be heard.



1.07. The Authority finds and determines that conveyance by the Authority of the Development Property to the Developer is for a public purpose and is in the public interest because it will further the objectives of the Project, and the Planning Commission of the City has reviewed the proposed conveyance and finds that it conforms to the City's comprehensive plan.

1.08. The City has reviewed the Contract and business subsidy agreement and finds that the execution of the same and the City's performance of its obligations thereunder are in the best interest of the City and its residents.

Section 2. Business Subsidy, Contract and Land Sale Approved.

2.01 The Board approves the Contract as presented to the Board, including the business subsidy agreement and provisions for the conveyance of the Development Property therein, subject to approval by the City Council of the business subsidy and land sale and subject to modifications that do not alter the substance of the transaction and that are approved by the President and Executive Director, provided that execution of the documents by the those officials shall be conclusive evidence of their approval.

2.02. Authority staff and officials are authorized to take all actions necessary to perform the Authority's obligations under the Contract as a whole, including without limitation execution of any documents to which the Authority is a party referenced in or attached to the Agreement necessary to convey the Development Property to Developer.

Section 3. Certification of Proceedings.

3.01. Certification of Proceedings. The officers of the Authority are hereby authorized and directed to prepare and furnish to the Owner of the Note certified copies of all proceedings and records of the Authority, and such other affidavits, certificates, and information as may be required to show the facts relating to the legality and marketability of the Note as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates, and affidavits, including any heretofore furnished, shall be deemed representations of the Authority as to the facts recited therein.

Section 4. Effective Date. This resolution shall be effective upon approval.

Approved by the Board of Commissioners of the Norwood Young America Economic Development Authority, this 26th day of February, 2018.

---

Carol Lagergren, President

ATTEST:

---

Steven Helget, Executive Director

**NORWOOD YOUNG AMERICA ECONOMIC DEVELOPMENT AUTHORITY  
CITY OF NORWOOD YOUNG AMERICA  
CARVER COUNTY  
STATE OF MINNESOTA**

**RESOLUTION NO. 1806**

**AUTHORIZING INTERFUND LOAN FOR ADVANCE OF CERTAIN COSTS  
IN CONNECTION WITH TAX INCREMENT FINANCING DISTRICT NO. 3-6**

BE IT RESOLVED By the Board of Commissioners of the Norwood Young America Economic Development Authority (the "Authority") as follows:

Section 1. Background.

1.01. Subject to approval by the City Council on the date hereof, the Authority and the City of Norwood Young America, Minnesota (the "City") have established Tax Increment Financing District No. 3-6 (the "TIF District") within the Tacoma West Industrial Park Redevelopment Project (the "Redevelopment Project") pursuant to Minnesota Statutes, Sections 469.174 to 469.1794, as amended (the "TIF Act"), Sections 469.001 to 469.047, as amended (the "HRA Act") and Sections 469.090 to 469.1082, as amended (the "EDA Act").

1.02. The Authority may incur certain costs related to the TIF District, which costs may be financed on a temporary basis from available Authority or City funds.

1.03. Under Section 469.178, Subdivision 7 of the TIF Act, the Authority is authorized to advance or loan money from any fund from which such advances may be legally made in order to finance expenditures that are eligible to be paid with tax increments under the TIF Act.

1.04. The City owns certain property (the "Redevelopment Property") in the TIF District and has incurred or will incur certain costs to prepare such property for redevelopment. The City and the Authority determined that the market price of the improved Redevelopment Property is at least \$1,021,234.50, or \$2.75 per square foot.

1.05. The Authority proposes to enter into a Purchase and Redevelopment Contract (the "Contract") with Par Real Estate, LLC (the "Redeveloper"), under which the City will convey the Redevelopment Property to the Authority, and the Authority will (among other things) convey the Redevelopment Property to the Redeveloper for a purchase price of \$412,207.00.

1.06. When conveying the Redevelopment Property under the Contract, at closing the City and Authority will forgo receipt the full market price of the Redevelopment Property. Such forbearance represents an advance of Authority funds in the amount of \$609,027.50.

1.07. The Authority has also determined that it may be necessary to finance up to \$30,000 in administrative costs associated with the TIF District (the "Administrative Costs") using EDA funds legally authorized for such purpose, and to reimburse such funds from tax increments from the TIF District when received.

1.12. Accordingly, the Authority hereby designates the land write-down related to the Redevelopment Property, together with the payment of Administrative Costs, as an interfund loan in accordance with the terms of this resolution and the TIF Act.

## Section 2. Repayment of Interfund Loan.

2.01. The Authority will reimburse the City for the land write down related to the Redevelopment Property (\$609,027.50) and itself for Administrative Costs (\$30,000), for an aggregate principal amount of \$639,027.50, together with interest at the rate of 4% per annum (the "Interfund Loan"). Interest accrues on the principal amount from the date of closing on conveyance of the Redevelopment Property to the Redeveloper under the Contract (hereafter, the "Closing Date"). The interest rate is no more than the greatest of the rate specified under Minnesota Statutes, Section 270C.40 and Section 549.09, both in effect for calendar year 2018, and will not be adjusted.

2.02. Principal and interest ("Payments") on the Interfund Loan shall be paid semi-annually on each August 1 and February 1 (each a "Payment Date"), commencing on the first Payment Date on which the Authority has Available Tax Increment (defined below), or on any other dates determined by the Executive Director, through the date of last receipt of tax increment from the TIF District.

2.03. Payments on the Interfund Loan will be made solely from Available Tax Increment, defined as the tax increment from the TIF District received by the Authority from Carver County in the six-month period before any Payment Date. Payments shall be applied first to accrued interest, and then to unpaid principal. Simple interest will accrue from the Closing Date, unless otherwise specified by the Executive Director.

2.04. The principal sum and all accrued interest payable under this resolution is pre-payable in whole or in part at any time by the Authority without premium or penalty.

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

2.06. The Authority may at any time make a determination to forgive the outstanding principal amount and accrued interest on the Interfund Loan to the extent permissible under law.

2.07. The Authority may from time to time amend the terms of this Resolution to the extent permitted by law, including without limitation amendment to the payment schedule and the interest rate; provided that the interest rate may not be increased above the maximum specified in Section 469.178. subd. 7 of the TIF Act.

Section 3. Effective Date. This resolution is effective upon execution in full of the Contract.

Approved by the Board of Commissioners of the Norwood Young America Economic Development Authority, this 26th day of February, 2018.

---

Carol Lagergren, President

ATTEST:

---

Steven Helget, Executive Director



## CITY COUNCIL MINUTES

February 12, 2018 – 6:00 p.m.  
City Council Meeting

Attendees: Carol Lagergren, Craig Heher, Mike McPadden, Dick Stolz, Charlie Storms

City Staff: City Administrator Steve Helget, City Clerk/Treasurer Kelly Hayes, Fire Chief Steve Zumberge

Others: Shelly Eldridge, LaVonne Kroells, Randy Schuster, Jeff Hebeisen, Jo Faust, Jon Solberg, Kevin Juille, Tina Diederick

### CITY COUNCIL

#### 1. Call Meeting of City Council to Order

##### 1.1 Pledge of Allegiance

Meeting was called to order by Mayor Lagergren at 6:00pm.

#### 2. Approve Agenda

*Motion: MM/CH to approve the agenda. Vote 5 - 0, motion carried.*

#### 3. Introductions, Presentations, Proclamations, Awards, and Public Comment

##### 3.1 Steve Zumberge, Fire Chief – 2017 Annual Report

Increase in calls compared to the previous year. 2016 = 248 calls, 2017 = 279 call. Of those calls, 199 were within City limits. 15% = fire, 15% = car accident, 70% = medical. A recent change is that only one station is on-call a week at a time. If there is something major, both stations are called – this is to retain firefighters. 2017 was under expense budget by \$7,900 and over \$7,000 in revenues.

Recently had meetings with townships. Ladder 11 is set to be replaced in 2022, approximately \$750,000. Townships are onboard to assist with the purchase.

Lavonne Kroells gave an update of the Heritage Center. This year they are going to focus on the railroad at Stiftungsfest. There is a leak in their building that Tony has been notified of. They plan to recognize the following businesses this year: Methodist Church – 160 years, McBride Funeral Chapel – 80 years.

Lavonne Kroells had requested additional monies for the Senior Advisory Commission so they can pay for transportation for people to Music in the Park and the Carver County Fair.

#### 4. Consent Agenda

##### 4.1 Approve minutes of January 26, 2018 meeting

##### 4.2 Approve payment of claims

##### 4.3 Community Education Donation Request

*Motion: DS/CS to approve the consent agenda. Vote 5 - 0. Motion carried.*

#### 5. Public Hearings

##### 5.1 700 Railroad Street CUP Revocation – Hearing Continuation

Mayor Lagergren reopened the public hearing for the 700 Railroad Street CUP Revocation from the previous City Council meeting. There was no public comment.

*Motion: DS/CS to close the public hearing. Vote 5 - 0. Motion carried.*

##### 5.2 Drainage & Utility Easements Vacation - Tacoma West Industrial Park and Tacoma West Industrial Park 2<sup>nd</sup> Addition

There are easements on the lots that Vickerman is proposing to purchase. A letter was received from Centerpoint Energy stating that they do not have any issues with this. There was no public comment.

*Motion: CH/DS to close the public hearing. Vote 5 - 0. Motion carried.*

#### 6. Old Business

##### 6.1 Resolution 2018-02, 700 Railroad Street CUP Revocation

This CUP has been in place since 2006 and the owner, Greg Brakefield, has not been in compliance. Some landscaping has been completed, but there are additional things that need to be completed. Mr. Brakefield had told the Planning Commission that he will have this completed this year. If the CUP is revoked, there will be no outdoor storage approved.

*Motion: CH/CS To approve Resolution 2018-02, a resolution to revoke the CUP with item #1 having a June 1, 2018 unless the property comes into full compliance. Vote 5 - 0. Motion carried.*

6.2 Resolution 2018-07, Vacating Certain Drainage & Utility Easements in the Tacoma West Industrial Park and Tacoma West Industrial Park 2<sup>nd</sup> Addition

*Motion: MM/CH to adopt Resolution 2018-07, a resolution Vacating Certain Drainage & Utility Easements in the Tacoma West Industrial Park and Tacoma West Industrial Park 2<sup>nd</sup> Addition. Vote 5 – 0. Motion carried.*

6.3 U.S. Highway 212 Underpass Project Preliminary Design Update

Kevin Jullie, SRF Consulting, has been working on creating the design for the underpass project. They are on-track with the timeline. Currently there have not been any big cost changes to the project. There was a design change to the north side of the underpass.

Jon Skolberg, MN Dot, offered suggestions for the intersection at Tacoma and Highway 212. They have about \$1 million to make changes to this intersection. Most of the suggestions included a “J Turn”. The council believes that a J Turn would cause additional confusion and would not be beneficial. A round-about would be well over the \$1 million.

7. New Business

7.1 Vickerman Company Warehouse Project – Land Sale and Terms of Assistance

Vickerman Company is looking at purchasing 3 lots from the City. This would be a warehouse and would add about 10 jobs. Vickerman Company is requesting financial assistance from the City which may include reduced SAC/WAC fees. Councilmember Stolz mentioned that the City hasn’t done this in the past and what would current companies and future companies request, plus the City is selling the lot at \$1 a square foot. Shelly Eldridge, Ehlers Company, reviewed the TIF District and how that would affect the City, schools and county.

*Motion: DS/CS to prepare a purchase agreement between the City of Norwood Young America and Par Real Estate LLC based on the concept of the land sale. Vote 5 – 0. Motion carried.*

7.2 Resolution 2018-08, Resolution Regarding the Support of Vickerman Company’s DEED Job Creation Program Application

Jo Faust, Municipal Development Group LLC, discussed what state programs are available for Vickerman Company to apply for. One of the applications requires a resolution from the City.

*Motion: MM/CH to adopt Resolution 2018-08, a Resolution Regarding the Support of Vickerman Company’s DEED Job Creation Program Application. Vote 5 – 0. Motion carried.*

7.3 Snow Plow Purchase Proposal for Bobcat 3400 Utility Vehicle

Current Bobcat utility vehicle is not a commercial grade and has been repaired numerous times. This would come out of the street budget.

*Motion: CH/DS to purchase a SnowDogg UTV v-plow from Pro Auto Transmission Repair in the amount of \$2829. Vote 5 – 0. Motion carried.*

*Motion: DS/MM to declare the current snow plow as surplus property to be sold or disposed of. Vote 5 – 0. Motion carried.*

7.4 Peace Villa Bus Loan Agreement – Liability Insurance Coverage

Jeff Hebeisen, Citizen’s Insurance, spoke about Peace Villa’s insurance carrier not approving a Liability Insurance Coverage since the City owns the bus. This liability insurance coverage recommendation came from the League of MN Cities. This would not be insuring the bus, but Peace Villa’s drivers. It is the recommendation of the Council that Peace Villa use the City bus drivers.

7.5 Public Service Technician Hiring Proposal – this item was tabled.

8. Council Member & Mayor Reports

CS – nothing new

DS – According to SW Transportation Coalition, last gas tax increase was in 1992.

Councilmember Stolz also brought up social media comments that were recently made. Some of the comments were very negative and could cause damage to people if false information is posted. He recommends that residents contact the City Council representatives if there are questions or suggestions so misinformation is not put out to the public. Do not jump to conclusions before getting all of the facts.

MM – none

CH – Planning Commission reviewed three variances. Recommendations will be brought to the next council meeting.

CL – Comp Plan group looking at potential growth for businesses and housing.

Mayor Lagergren encouraged residents to contact Councilmembers if there are questions.

UPCOMING MEETINGS / EVENTS

February 19 City Offices Closed in Observance of Presidents’ Day

February 20 Parks and Rec. Commission – 5:30 p.m.

February 21 Economic Development Commission – 6:30 p.m.  
February 22 Senior Advisory Committee – 9:00 a.m.  
February 26 Work Session, EDA, City Council – 6:00 p.m.  
March 6 Planning Commission – 6:00 p.m.  
March 12 City Council – 6:00 p.m.  
March 14 Joint Meeting – City Council, EDC, Planning Commission, and Chamber of Commerce Board – 6:30 p.m.

9. Adjournment

Motion: MM/CH to adjourn at 8:52pm. Vote 5 – 0. Motion carried.

Respectfully Submitted:

---

Kelly Hayes, City Clerk / Treasurer

---

Carol Lagergren, Mayor



**CITY OF NORWOOD YOUNG AMERICA**

**VOUCHER LIST / CLAIMS ROSTER  
and CHECK SEQUENCE**

**To Be Approved: February 22, 2018**

<b>Pre-Paid Claims</b> (Check Sequence #504674-504688)	<b><u>\$15,863.05</u></b>
---	---------------------------

<b>Claims Pending Payment</b> (Check Sequence #27817-27861)	<b><u>\$137,995.53</u></b>
--	----------------------------

<b>Grand Total</b>	<b><u>\$153,858.58</u></b>
--------------------	----------------------------

PAYROLL February 22, 2018

CHECK #	NAME	GROSS
504674	ARETZ, BRENT R	\$2,521.60
504675	BIPEs, DEBORAH	\$210.11
504676	CANO, JOEY M	\$1,601.08
504677	FRATUS, DOMINIC	\$371.28
504678	HAAG, HERMAN	\$203.15
504679	HAYES, KELLY	\$2,340.00
504680	HELGET, STEVE	\$3,644.00
504681	Hormann, Duane	\$501.74
504682	JAUS, RODNEY D	\$1,601.07
504683	LENZ, DEBRA A	\$1,924.80
504684	MENZEL, ALICIA	\$1,702.40
504685	SCHNEEDWIND, BRIAN O	\$1,802.25
504686	STENDER, DANIEL H	\$2,291.84
504687	VOIGT, ANTHONY	<u>\$2,911.08</u>
504688	KLEINBANK - NET	\$15,863.05
	GROSS	\$23,626.40

## CITY OF NORWOOD YOUNG AMERICA

02/22/18 9:34 AM

Page 1

**\*Check Detail Register©**

FEBRUARY 2018

		Check Amt	Invoice	Comment
<b>10100 CHECKING</b>				
Paid Chk# 027817	2/26/2018	<b>ABDO, EICK, &amp; MEYERS</b>		
E 101-41500-301	Auditing and Acct g Services	\$3,000.00	393175	5 YEAR PLAN
E 101-41500-301	Auditing and Acct g Services	\$19,000.00	394645	AUDIT
	<b>Total ABDO, EICK, &amp; MEYERS</b>	\$22,000.00		
Paid Chk# 027818	2/26/2018	<b>AUTOMATIC SYSTEMS CO</b>		
E 601-49400-223	Repair/Maintenance Bldg/Ground	\$707.50	32344	WATER PLANT COMPUTER
E 602-49450-223	Repair/Maintenance Bldg/Ground	\$707.50	32344	WATER PLANT COMPUTER
	<b>Total AUTOMATIC SYSTEMS CO</b>	\$1,415.00		
Paid Chk# 027819	2/26/2018	<b>BERKLEY RISK ADMIN COMPANY</b>		
E 101-41400-151	Workers Comp: Insurance Prem	\$1,978.50		
E 101-41940-151	Workers Comp: Insurance Prem	\$652.01		
E 101-42200-151	Workers Comp: Insurance Prem	\$11,353.92		
E 101-43100-151	Workers Comp: Insurance Prem	\$17,572.71		
E 101-45200-151	Workers Comp: Insurance Prem	\$5,045.19		
E 101-45500-151	Workers Comp: Insurance Prem	\$13.49		
E 101-49860-151	Workers Comp: Insurance Prem	\$1,731.19		
E 601-49400-151	Workers Comp: Insurance Prem	\$2,999.23		
E 602-49450-151	Workers Comp: Insurance Prem	\$3,529.83		
E 101-41110-151	Workers Comp: Insurance Prem	\$89.93		
	<b>Total BERKLEY RISK ADMIN COMPANY</b>	\$44,966.00		
Paid Chk# 027820	2/26/2018	<b>CARDMEMBER SERVICE</b>		
E 101-41400-350	Print/Publishing/Postage	\$397.37		
E 101-41400-200	Office Supplies	\$457.78		
E 101-42200-430	Miscellaneous	\$29.95		
E 101-41400-207	Training Instructional	\$303.25		
E 601-49400-207	Training Instructional	\$245.00		
E 101-43100-207	Training Instructional	\$100.00		
E 101-41940-210	Operating Supplies	\$98.12		
E 601-49400-223	Repair/Maintenance Bldg/Ground	\$258.00		
E 602-49450-207	Training Instructional	\$230.00		
E 602-49450-223	Repair/Maintenance Bldg/Ground	\$47.05		
E 101-43100-210	Operating Supplies	\$32.28		
E 602-49450-210	Operating Supplies	\$165.24		
	<b>Total CARDMEMBER SERVICE</b>	\$2,364.04		
Paid Chk# 027821	2/26/2018	<b>CARGILL SALT</b>		
E 101-43100-224	Street Maint Materials	\$3,504.75	2903936303	DEICER SALT
E 101-43100-224	Street Maint Materials	\$1,755.27	2903940447	DEICER SALT
	<b>Total CARGILL SALT</b>	\$5,260.02		
Paid Chk# 027822	2/26/2018	<b>CARVER COUNTY RECORDER</b>		
E 101-41320-430	Miscellaneous	\$46.00		SW PAVING CUP REVOKING
	<b>Total CARVER COUNTY RECORDER</b>	\$46.00		

## CITY OF NORWOOD YOUNG AMERICA

02/22/18 9:34 AM

Page 2

**\*Check Detail Register©**

FEBRUARY 2018

		Check Amt	Invoice	Comment
Paid Chk#	027823	2/26/2018	<b>CENTER POINT</b>	
E 602-49450-383	Gas Utilities	\$18.41		406 2ND AVE
E 601-49400-383	Gas Utilities	\$307.03		104 3RD AVE SE
E 101-41940-383	Gas Utilities	\$68.02		318 ELM ST W
E 101-41940-383	Gas Utilities	\$360.59		310 ELM ST W
E 101-45500-383	Gas Utilities	\$213.31		314 ELM ST W
E 602-49450-383	Gas Utilities	\$54.89		640 TACOMA BLVD
<b>Total CENTER POINT</b>		\$1,022.05		
Paid Chk#	027824	2/26/2018	<b>CITIZEN STATE BANK HSA ACCTS</b>	
G 101-21718	HSA ACCOUNT	\$333.33		MENZEL
G 101-21718	HSA ACCOUNT	\$166.67		LENZ
G 101-21718	HSA ACCOUNT	\$333.33		ARETZ
<b>Total CITIZEN STATE BANK HSA ACCTS</b>		\$833.33		
Paid Chk#	027825	2/26/2018	<b>CURFMAN TRUCKING &amp; REPAIR INC</b>	
E 101-43100-437	Maintenance Contract	\$2,065.00	C18V036	
<b>Total CURFMAN TRUCKING &amp; REPAIR INC</b>		\$2,065.00		
Paid Chk#	027826	2/26/2018	<b>DEZURIK WATER CONTROLS</b>	
E 601-49400-223	Repair/Maintenance Bldg/Ground	\$1,500.10	RPI64000977	REPAIRS
<b>Total DEZURIK WATER CONTROLS</b>		\$1,500.10		
Paid Chk#	027827	2/26/2018	<b>EHLERS AND ASSOCIATES, INC</b>	
E 101-41400-350	Print/Publishing/Postage	\$4,500.00	76246	TIF 3-6 DISTRICT
<b>Total EHLERS AND ASSOCIATES, INC</b>		\$4,500.00		
Paid Chk#	027828	2/26/2018	<b>EMERGENCY RESPONSE SOLUTIONS</b>	
E 101-42200-221	Repair/Maintenance Equipment	\$1,124.55	10306	SMART CHARGER
E 101-42200-210	Operating Supplies	\$516.12	10351	GAUNTLET GLOVE
<b>Total EMERGENCY RESPONSE SOLUTIONS</b>		\$1,640.67		
Paid Chk#	027829	2/26/2018	<b>FASTENAL</b>	
E 101-43100-221	Repair/Maintenance Equipment	\$36.60	MNWAC55719	ALLOY
<b>Total FASTENAL</b>		\$36.60		
Paid Chk#	027830	2/26/2018	<b>FRESHWATER SOCIETY</b>	
E 101-43100-207	Training Instructional	\$135.00	20180206C	ROAD SALT SYMPOSIUM
<b>Total FRESHWATER SOCIETY</b>		\$135.00		
Paid Chk#	027831	2/26/2018	<b>HAYES, KELLY</b>	
E 101-41410-331	Travel/Meeting Expense	\$42.80		
E 101-41400-331	Travel/Meeting Expense	\$23.01		
E 101-41320-331	Travel/Meeting Expense	\$2.94		
E 101-41330-319	Sr. Advisory Committee	\$22.47		
E 101-45200-331	Travel/Meeting Expense	\$3.48		
<b>Total HAYES, KELLY</b>		\$94.70		
Paid Chk#	027832	2/26/2018	<b>HEALTH PARTNERS</b>	

## CITY OF NORWOOD YOUNG AMERICA

02/22/18 9:34 AM

Page 3

**\*Check Detail Register©**

FEBRUARY 2018

			Check Amt	Invoice	Comment
G 101-21706	Hospitalization/Medical Ins		\$6,229.54		INSURANCE
	<b>Total HEALTH PARTNERS</b>		<b>\$6,229.54</b>		
Paid Chk# 027833	2/26/2018	<b>HILGERS PLUMBING &amp; HEATING, IN</b>			
E 101-41940-223	Repair/Maintenance Bldg/Ground		\$200.00	11893	LIBRARY TOILET
E 101-43100-221	Repair/Maintenance Equipment		\$599.00	11925	SHOP HEATER
E 602-49450-223	Repair/Maintenance Bldg/Ground		\$1,022.45	11950	SEWER PLANT
E 101-43100-221	Repair/Maintenance Equipment		\$270.00	11983	SHOP HEATER
	<b>Total HILGERS PLUMBING &amp; HEATING, IN</b>		<b>\$2,091.45</b>		
Paid Chk# 027834	2/26/2018	<b>HYDRO ENGINEERING INC</b>			
E 101-43100-221	Repair/Maintenance Equipment		\$78.80	82841	EXCHANGE ACETYLENE CYLINDER
	<b>Total HYDRO ENGINEERING INC</b>		<b>\$78.80</b>		
Paid Chk# 027835	2/26/2018	<b>KAETER, THOMAS</b>			
E 601-49400-432	Refund		\$140.89		OVERPAYMENT OF UTILITY BILL
	<b>Total KAETER, THOMAS</b>		<b>\$140.89</b>		
Paid Chk# 027836	2/26/2018	<b>KLEINBANK</b>			
G 101-21718	HSA ACCOUNT		\$166.67		SCHNEEWIND
G 101-21718	HSA ACCOUNT		\$458.33		STENDER
G 101-21718	HSA ACCOUNT		\$543.33		HELGET
	<b>Total KLEINBANK</b>		<b>\$1,168.33</b>		
Paid Chk# 027837	2/26/2018	<b>KWIK TRIP INC.</b>			
E 101-42200-212	Motor Fuels		\$62.73		
	<b>Total KWIK TRIP INC.</b>		<b>\$62.73</b>		
Paid Chk# 027838	2/26/2018	<b>LANO EQUIPMENT</b>			
E 101-43100-221	Repair/Maintenance Equipment		\$60.57	19460	BOBCAT SNOWBLOWER
E 101-43100-221	Repair/Maintenance Equipment		\$35.18	19529	BOBCAT OIL
	<b>Total LANO EQUIPMENT</b>		<b>\$95.75</b>		
Paid Chk# 027839	2/26/2018	<b>LOFFLER BUSINESS SYS LLC</b>			
E 101-41400-437	Maintenance Contract		\$320.89	2729977	COPIES
	<b>Total LOFFLER BUSINESS SYS LLC</b>		<b>\$320.89</b>		
Paid Chk# 027840	2/26/2018	<b>MID COUNTRY BANK</b>			
G 101-21718	HSA ACCOUNT		\$453.33		HAYES
	<b>Total MID COUNTRY BANK</b>		<b>\$453.33</b>		
Paid Chk# 027841	2/26/2018	<b>MID-COUNTY CO-OP OIL ASSN</b>			
E 101-43100-212	Motor Fuels		\$612.00	42055	DYED DIESEL
	<b>Total MID-COUNTY CO-OP OIL ASSN</b>		<b>\$612.00</b>		
Paid Chk# 027842	2/26/2018	<b>MINNESOTA VALLEY TESTING LAB</b>			
E 601-49400-217	Lab Fees		\$93.00	904750	COLIFORM
	<b>Total MINNESOTA VALLEY TESTING LAB</b>		<b>\$93.00</b>		

## CITY OF NORWOOD YOUNG AMERICA

02/22/18 9:34 AM

Page 4

**\*Check Detail Register©**

FEBRUARY 2018

			Check Amt	Invoice	Comment
Paid Chk#	027843	2/26/2018	MN DEPT OF HEALTH		
E	601-49400-406	LICENSES	\$175.00		WELL PERMIT
	<b>Total</b>	<b>MN DEPT OF HEALTH</b>	<b>\$175.00</b>		
Paid Chk#	027844	2/26/2018	MN DEPT OF PUB SAFETY ERC		
E	602-49450-406	LICENSES	\$100.00		WWTP
E	601-49400-406	LICENSES	\$100.00		WATER
E	101-49860-406	LICENSES	\$100.00		POOL
	<b>Total</b>	<b>MN DEPT OF PUB SAFETY ERC</b>	<b>\$300.00</b>		
Paid Chk#	027845	2/26/2018	MUNICIPAL DEVELOPMENT GROUP		
E	101-46500-310	Other Professional Services	\$1,652.32	NYA020518	EDC SERVICES
	<b>Total</b>	<b>MUNICIPAL DEVELOPMENT GROUP</b>	<b>\$1,652.32</b>		
Paid Chk#	027846	2/26/2018	NORWOOD ELECTRIC INC		
E	101-43100-221	Repair/Maintenance Equipment	\$31.09	15624	RECYCLE OLD LAMPS
	<b>Total</b>	<b>NORWOOD ELECTRIC INC</b>	<b>\$31.09</b>		
Paid Chk#	027847	2/26/2018	NYA TIMES		
E	101-41400-350	Print/Publishing/Postage	\$120.96	572022	TIF 3-6 HEARING
E	101-46500-350	Print/Publishing/Postage	\$64.26	572023	LAND SALE PH
	<b>Total</b>	<b>NYA TIMES</b>	<b>\$185.22</b>		
Paid Chk#	027848	2/26/2018	OEM SERVICE CO, LLC		
E	101-42200-221	Repair/Maintenance Equipment	\$545.92	024127	ALUM SHELF FOR ENGINE 11
	<b>Total</b>	<b>OEM SERVICE CO, LLC</b>	<b>\$545.92</b>		
Paid Chk#	027849	2/26/2018	PETERS, TAYLOR		
E	101-41320-430	Miscellaneous	\$11.00		OVERPAYMENT OF PLBG PERMIT
	<b>Total</b>	<b>PETERS, TAYLOR</b>	<b>\$11.00</b>		
Paid Chk#	027850	2/26/2018	PRO AUTO & TRANSMISSION REPAIR		
E	101-43100-221	Repair/Maintenance Equipment	\$3,985.00	0039197	UTV BLADE
E	101-43100-221	Repair/Maintenance Equipment	\$2,829.00	0058662	UTV LIFT FRAME, MOUNT, CONTROL
	<b>Total</b>	<b>PRO AUTO &amp; TRANSMISSION REPAIR</b>	<b>\$6,814.00</b>		
Paid Chk#	027851	2/26/2018	QUILL CORPORATION		
E	101-41400-200	Office Supplies	\$78.95	4696989	ERAER, LEAD, PAPER, LYSOL WIPES
	<b>Total</b>	<b>QUILL CORPORATION</b>	<b>\$78.95</b>		
Paid Chk#	027852	2/26/2018	RDO EQUIPMENT CO		
E	101-43100-221	Repair/Maintenance Equipment	\$384.84	P37693	RADIO & TAIL LAMP
	<b>Total</b>	<b>RDO EQUIPMENT CO</b>	<b>\$384.84</b>		
Paid Chk#	027853	2/26/2018	SRF CONSULTING GROUP INC		
E	101-41320-310	Other Professional Services	\$5,149.27	10479.00-8	COMP PLAN UPDATE
E	522-43100-528	Underpass Expenses	\$6,306.70	11012.00-2	212 UNDERPASS
	<b>Total</b>	<b>SRF CONSULTING GROUP INC</b>	<b>\$11,455.97</b>		

## CITY OF NORWOOD YOUNG AMERICA

02/22/18 9:34 AM

Page 5

**\*Check Detail Register©**

FEBRUARY 2018

			Check Amt	Invoice	Comment
Paid Chk#	027854	2/26/2018	STACKEN, PAT		
E 101-42200-207	Training Instructional		\$723.99		HOTEL, MILEAGE, MEALS
E 101-42200-207	Training Instructional		\$424.44		HOTEL, MEALS
Total STACKEN, PAT			\$1,148.43		
Paid Chk#	027855	2/26/2018	STATE BANK OF HAMBURG		
G 101-21718	HSA ACCOUNT		\$453.33		JAUS
Total STATE BANK OF HAMBURG			\$453.33		
Paid Chk#	027856	2/26/2018	SUN LIFE ASSURANCE COMPANY		
G 101-21707	Disability Insurance		\$301.41		SHORT & LONG TERM
Total SUN LIFE ASSURANCE COMPANY			\$301.41		
Paid Chk#	027857	2/26/2018	TELEDYNE INSTRUMENTS, INC		
E 602-49450-210	Operating Supplies		\$343.00	S020233889	DISCHARGE TUBING
Total TELEDYNE INSTRUMENTS, INC			\$343.00		
Paid Chk#	027858	2/26/2018	UNITED FARMERS CO-OP		
E 101-45200-212	Motor Fuels		\$98.80	32824	GAZEBO LP
E 101-43100-210	Operating Supplies		\$249.86	871721	AIR FILTER, SNOW PUSHER
Total UNITED FARMERS CO-OP			\$348.66		
Paid Chk#	027859	2/26/2018	UNUM LIFE INSURANCE CO		
G 101-21715	Life Ins		\$45.45	0421562-001 7 AD&D, DEP LIFE	
G 101-21715	Life Ins		\$57.54	0421563-001 4 LIFE	
Total UNUM LIFE INSURANCE CO			\$102.99		
Paid Chk#	027860	2/26/2018	USA BLUE BOOK		
E 601-49400-216	Chemicals and Chem Products		\$293.48	496396	FLUORIDE, CHLORINE, STORAGE SOLUTION
E 602-49450-216	Chemicals and Chem Products		\$293.49	496396	FLUORIDE, CHLORINE, STORAGE SOLUTION
Total USA BLUE BOOK			\$586.97		
Paid Chk#	027861	2/26/2018	XCEL ENERGY		
E 601-49400-381	Electric Utilities		\$2,224.81		104 3RD AVE SE
E 101-41940-381	Electric Utilities		\$1,372.69		
E 101-42200-381	Electric Utilities		\$300.45		
E 101-42500-381	Electric Utilities		\$11.12		
E 101-43100-380	Street Lighting		\$3,353.65		
E 101-43100-381	Electric Utilities		\$582.46		
E 101-45200-381	Electric Utilities		\$682.83		
E 101-45500-381	Electric Utilities		\$888.75		
E 601-49400-381	Electric Utilities		\$638.81		
E 602-49450-381	Electric Utilities		\$3,421.28		
E 101-49860-381	Electric Utilities		\$374.36		
Total XCEL ENERGY			\$13,851.21		
10100 CHECKING			\$137,995.53		



CITY OF NORWOOD YOUNG AMERICA

02/22/18 9:35 AM

Page 6

**\*Check Detail Register©**

FEBRUARY 2018

Check Amt    Invoice    Comment

**Fund Summary**

**10100 CHECKING**

101 GENERAL FUND	\$112,073.04
522 Underpass Project	\$6,306.70
601 WATER FUND	\$9,682.85
602 SEWER FUND	\$9,932.94
	<hr/>
	\$137,995.53



TO: Mayor and City Council Members

FROM: Debbie Lenz, Deputy Clerk

DATE: February 26, 2018

SUBJECT: 2018-19 township fire contracts

---

The townships contract with the City of Norwood Young America for fire protection. Area townships include Benton, Camden, Hancock, Waconia, and Young America.

The Years 2018-19 township fire contract rate of \$150.00 per unit was adopted on January 8, 2018 per Resolution 2018-01.

Recommendation: Motion to authorize the Mayor and City Clerk to enter into contracts with the townships for 2018-19 fire service protection.



TO: Mayor Lagergren and City Council Members

FROM: Kelly Hayes, City Clerk / Treasurer

DATE: February 26, 2018

RE: Parks & Rec Commission Resignation

---

On February 10, 2018, Lori Trocke submitted her resignation from the Parks & Rec Commission. Lori has been on the Commission since 2014 and most recently has been the Chairperson.

We thank Lori for her years of service to the City of Norwood Young America and we wish her all the best in her future endeavors.

**Suggested Motion:**

**Approving the resignation of Lori Trocke from the Parks & Recreation Commission.**

**AND**

**Posting an opening on the Parks & Recreation Commission.**



TO: Mayor Lagergren and City Council Members

FROM: Kelly Hayes, City Clerk / Treasurer

DATE: February 26, 2018

RE: EDC Resignation

---

Kyle Strickfadden has requested to resign from the EDC due to other commitments that he has. Kyle has been on the commission since 2012. We thank Kyle for his years of service to the City of Norwood Young America and we wish him all the best in his future endeavors.

**Suggested Motion:**

**Approving the resignation of Kyle Strickfadden from the EDC.**

**AND**

**Posting an opening on the EDC.**



To: Honorable Mayor Lagergren  
Members of the City Council  
Administrator Helget

From: Cynthia Smith Strack, Consulting Planner

Date: February 26, 2018

Re: Preliminary and Final Plat – Tacoma West Industrial Park 3<sup>rd</sup> Addition

---

**Applicants:** City of Norwood Young America  
PAR Real Estate LLC (Vickerman Company)

**Property Owner:** City of Norwood Young America

**Subject Property Address:** TBD: 725/735 Tacoma Blvd

**Property ID:** 587510030, 58751070, & 58750080 (subject to change – resubdivision)

**Legal:** Lot 3, Block 1, Tacoma West Industrial Park 2<sup>nd</sup> Addition, Carver County, Minnesota and Lots 4 and 5, Block 2 Tacoma West Industrial Park, Carver County, Minnesota, (Proposed to be platted as Lot 1, Block 1 Tacoma West Industrial Park 3<sup>rd</sup> Addition).

**Zoning Class:** I-1 Light Industrial

**Requests:** Preliminary and Final Plat Approval

**Attachments:** Application  
Proposed Preliminary and Final Plat  
Draft excerpt of minutes Planning Commission February 6, 2018  
Resolution

#### **BACKGROUND**

Vickerman Company proposes purchase of three current, improved lots and construction of a 118,698 square foot warehouse facility on said lots. In order to accommodate the development, the City proposes resubdivision of the improved lots into one lot. Specifically, the City proposes:

Lot 3, Block 1, Tacoma West Industrial Park 2<sup>nd</sup> Addition, Carver County, Minnesota and Lots 4 and 5, Block 2 Tacoma West Industrial Park, Carver County, Minnesota be replatted as Lot 1, Block 1 Tacoma West Industrial Park 3<sup>rd</sup> Addition.

Please find attached an aerial map for reference and the proposed plat. The purpose of platting is to combine three existing improved lots into one parcel to enable development. Vacation of existing drainage and utility easements has been processed under independent action by the City Council. Dedication of new drainage and utility easements on lot perimeters and a proposed easement for the potential relocation of a storm sewer main are illustrated on the final plat.

**REVIEW:**

Submittal of review of the final plat by Carver County (Surveyor's Office and Taxation) has been requested by staff of Vickerman Company.

The preliminary and final plats have been forwarded to the City Engineer and City Attorney for review.

The proposed planned use is consistent with the 2030 Comprehensive Plan. Zoning is to remain Light Industrial. Lot performance standards are achieved as per requirements of the Light Industrial District. No changes to infrastructure is proposed.

The Planning Commission held a public hearing on the preliminary plat on February 6<sup>th</sup>. Please find a copy of the draft PC meeting minutes attached for reference. No comments for or against the plat were received.

**RECOMMENDATION:**

Following public hearing and discussion the Planning Commission approved a motion recommending approval of the preliminary and final plat contingent on the following:

1. Title review by the City Attorney.
2. Incorporation of comments contained in a staff memo dated January 25, 2018 from John Swanson, Bolton-Menk.
3. Incorporation of comments from Carver County Surveyor's Office and Taxation, if applicable.
4. Certification that all taxes are paid.
5. Recording of the final plat at the Carver County Recorder's Office within 120 days of the date of approval by the City Council.

**ACTION**

The City Council is to consider preliminary and final plat approval for Tacoma West Industrial Park 3<sup>rd</sup> Addition. A resolution is attached for consideration.

# **RESOLUTION 2018-09**

## **A RESOLUTION APPROVING PRELIMINARY AND FINAL PLAT OF TACOMA WEST INDUSTRIAL PARK 3<sup>RD</sup> ADDITION**

BE IT RESOLVED by the City Council of Norwood Young America, Carver County, Minnesota as follows:

WHEREAS, the City of Norwood Young America is the Fee Owner of Lot 3, Block 1, Tacoma West Industrial Park 2<sup>nd</sup> Addition, Carver County, Minnesota and Lots 4 and 5, Block 2 Tacoma West Industrial Park, Carver County, Minnesota; and,

WHEREAS, the aforementioned property is proposed to be platted as Lot 1, Block 1 Tacoma West Industrial Park 3<sup>rd</sup> Addition pursuant to Chapter 1120 of the City Code; and,

WHEREAS, preliminary and final plat approval by the City Council is required under Chapter 1120 of the City Code; and,

WHEREAS, the Norwood Young America Planning Commission held a public hearing on the preliminary plat on February 6, 2018; and,

WHEREAS, the Planning Commission following the public hearing and discussion recommended the City Council conditionally approve the preliminary and final plat of Tacoma West Industrial Park 3<sup>rd</sup> Addition; and,

WHEREAS, the City Council reviewed and considered the preliminary plat, the final plat, and the Planning Commission recommendation at a regular meeting February 26, 2018; and,

WHEREAS, the City Council finds:

1. The property being resubdivided has previously been platted and is improved with a full complement of municipal utilities and adequately served by Tacoma Boulevard and Tacoma Circle.
2. Easements defined under previous plats have been vacated and new required easements are illustrated on the corresponding plat.
3. The resubdivision will enable an industrial development project to proceed.

THEREFORE, BE IT FURTHER RESOLVED, that the City Council of Norwood Young America, Carver County, Minnesota, hereby approves a preliminary and final plat for Tacoma West Industrial Park 3<sup>rd</sup> Addition, conditioned on the following:



1. Submittal of revised plats to the City for review as needed.
2. Title review by the City Attorney.
3. Incorporation of comments contained in a staff memo dated January 25, 2018 from John Swanson, Bolton-Menk.
4. Incorporation of comments from Carver County Surveyor's Office and Taxation, if applicable.
5. Certification that all taxes are paid.
6. Recording of the final plat at the Carver County Recorder's Office within 120 days of the date of approval by the City Council.

BE IT FURTHER RESOLVED the Mayor and City Administrator are authorized and directed to execute the final plat.

Adopted by the City Council this 26<sup>th</sup> day of February, 2018.

---

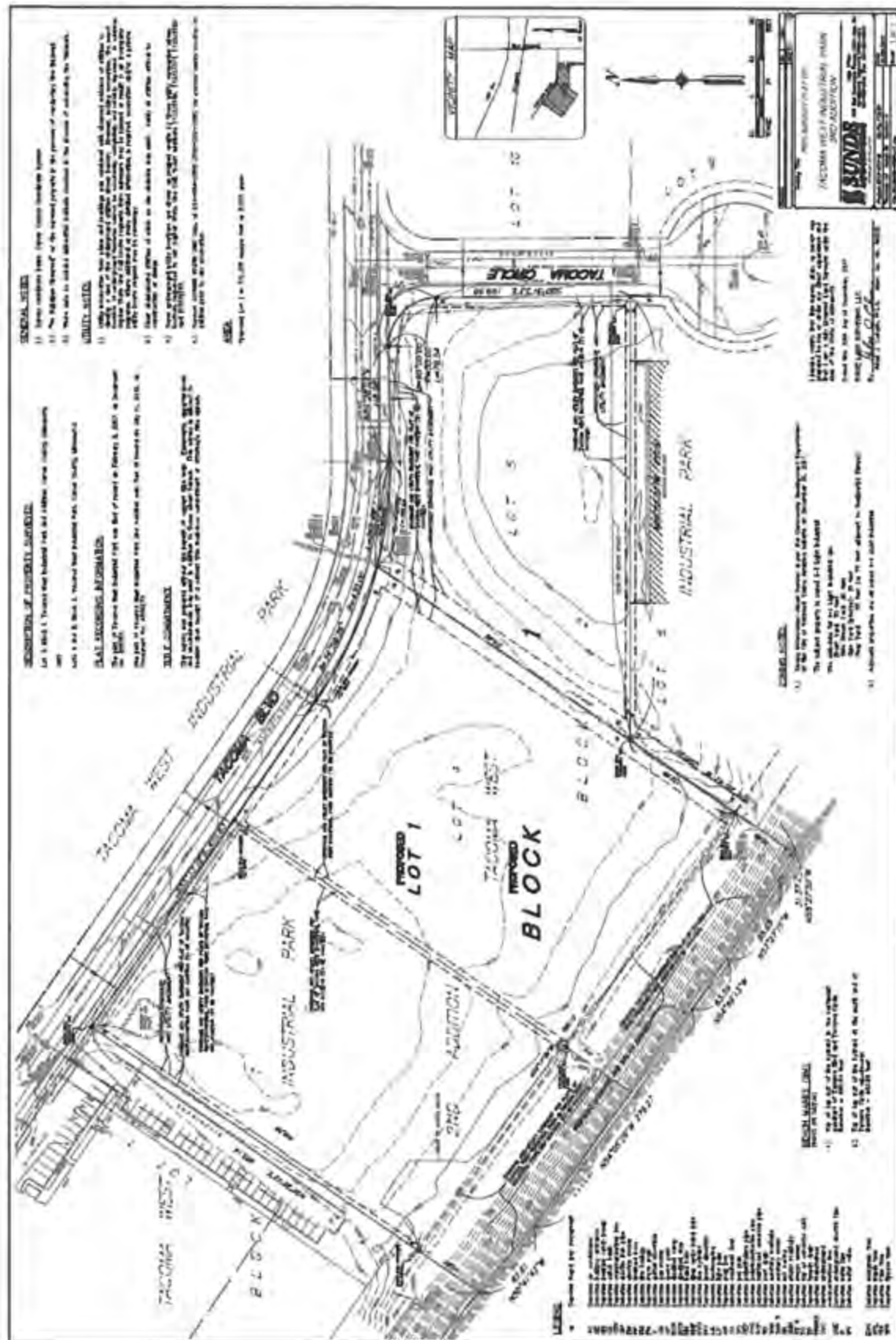
Carol Lagergren, Mayor

Attest:

---

Kelly Hayes, City Clerk/Treasurer

ATTACHMENT A  
PRELIMINARY PLAT  
TACOMA WEST INDUSTRIAL PARK 3<sup>RD</sup> ADDITION



**ATTACHMENT A  
FINAL PLAT**

## TACOMA WEST INDUSTRIAL PARK 3RD ADDITION

PLAT FILE NO.	
C.R. DOC. NO.	

[illegible]

1995-1996, 1997-1998, 1999-2000, 2001-2002, 2003-2004, 2005-2006, 2007-2008, 2009-2010, 2011-2012, 2013-2014, 2015-2016, 2017-2018, 2019-2020, 2021-2022, 2023-2024, 2025-2026, 2027-2028, 2029-2030, 2031-2032, 2033-2034, 2035-2036, 2037-2038, 2039-2040, 2041-2042, 2043-2044, 2045-2046, 2047-2048, 2049-2050, 2051-2052, 2053-2054, 2055-2056, 2057-2058, 2059-2060, 2061-2062, 2063-2064, 2065-2066, 2067-2068, 2069-2070, 2071-2072, 2073-2074, 2075-2076, 2077-2078, 2079-2080, 2081-2082, 2083-2084, 2085-2086, 2087-2088, 2089-2090, 2091-2092, 2093-2094, 2095-2096, 2097-2098, 2099-2100, 2101-2102, 2103-2104, 2105-2106, 2107-2108, 2109-2110, 2111-2112, 2113-2114, 2115-2116, 2117-2118, 2119-2120, 2121-2122, 2123-2124, 2125-2126, 2127-2128, 2129-2130, 2131-2132, 2133-2134, 2135-2136, 2137-2138, 2139-2140, 2141-2142, 2143-2144, 2145-2146, 2147-2148, 2149-2150, 2151-2152, 2153-2154, 2155-2156, 2157-2158, 2159-2160, 2161-2162, 2163-2164, 2165-2166, 2167-2168, 2169-2170, 2171-2172, 2173-2174, 2175-2176, 2177-2178, 2179-2180, 2181-2182, 2183-2184, 2185-2186, 2187-2188, 2189-2190, 2191-2192, 2193-2194, 2195-2196, 2197-2198, 2199-2200, 2201-2202, 2203-2204, 2205-2206, 2207-2208, 2209-2210, 2211-2212, 2213-2214, 2215-2216, 2217-2218, 2219-2220, 2221-2222, 2223-2224, 2225-2226, 2227-2228, 2229-2230, 2231-2232, 2233-2234, 2235-2236, 2237-2238, 2239-2240, 2241-2242, 2243-2244, 2245-2246, 2247-2248, 2249-2250, 2251-2252, 2253-2254, 2255-2256, 2257-2258, 2259-2260, 2261-2262, 2263-2264, 2265-2266, 2267-2268, 2269-2270, 2271-2272, 2273-2274, 2275-2276, 2277-2278, 2279-2280, 2281-2282, 2283-2284, 2285-2286, 2287-2288, 2289-2290, 2291-2292, 2293-2294, 2295-2296, 2297-2298, 2299-2300, 2301-2302, 2303-2304, 2305-2306, 2307-2308, 2309-2310, 2311-2312, 2313-2314, 2315-2316, 2317-2318, 2319-2320, 2321-2322, 2323-2324, 2325-2326, 2327-2328, 2329-2330, 2331-2332, 2333-2334, 2335-2336, 2337-2338, 2339-2340, 2341-2342, 2343-2344, 2345-2346, 2347-2348, 2349-2350, 2351-2352, 2353-2354, 2355-2356, 2357-2358, 2359-2360, 2361-2362, 2363-2364, 2365-2366, 2367-2368, 2369-2370, 2371-2372, 2373-2374, 2375-2376, 2377-2378, 2379-2380, 2381-2382, 2383-2384, 2385-2386, 2387-2388, 2389-2390, 2391-2392, 2393-2394, 2395-2396, 2397-2398, 2399-2400, 2401-2402, 2403-2404, 2405-2406, 2407-2408, 2409-2410, 2411-2412, 2413-2414, 2415-2416, 2417-2418, 2419-2420, 2421-2422, 2423-2424, 2425-2426, 2427-2428, 2429-2430, 2431-2432, 2433-2434, 2435-2436, 2437-2438, 2439-2440, 2441-2442, 2443-2444, 2445-2446, 2447-2448, 2449-2450, 2451-2452, 2453-2454, 2455-2456, 2457-2458, 2459-2460, 2461-2462, 2463-2464, 2465-2466, 2467-2468, 2469-2470, 2471-2472, 2473-2474, 2475-2476, 2477-2478, 2479-2480, 2481-2482, 2483-2484, 2485-2486, 2487-2488, 2489-2490, 2491-2492, 2493-2494, 2495-2496, 2497-2498, 2499-2500, 2501-2502, 2503-2504, 2505-2506, 2507-2508, 2509-2510, 2511-2512, 2513-2514, 2515-2516, 2517-2518, 2519-2520, 2521-2522, 2523-2524, 2525-2526, 2527-2528, 2529-2530, 2531-2532, 2533-2534, 2535-2536, 2537-2538, 2539-2540, 2541-2542, 2543-2544, 2545-2546, 2547-2548, 2549-2550, 2551-2552, 2553-2554, 2555-2556, 2557-2558, 2559-2560, 2561-2562, 2563-2564, 2565-2566, 2567-2568, 2569-2570, 2571-2572, 2573-2574, 2575-2576, 2577-2578, 2579-2580, 2581-2582, 2583-2584, 2585-2586, 2587-2588, 2589-2590, 2591-2592, 2593-2594, 2595-2596, 2597-2598, 2599-2600, 2601-2602, 2603-2604, 2605-2606, 2607-2608, 2609-2610, 2611-2612, 2613-2614, 2615-2616, 2617-2618, 2619-2620, 2621-2622, 2623-2624, 2625-2626, 2627-2628, 2629-2630, 2631-2632, 2633-2634, 2635-2636, 2637-2638, 2639-2640, 2641-2642, 2643-2644, 2645-2646, 2647-2648, 2649-2650, 2651-2652, 2653-2654, 2655-2656, 2657-2658, 2659-2660, 2661-2662, 2663-2664, 2665-2666, 2667-2668, 2669-2670, 2671-2672, 2673-2674, 2675-2676, 2677-2678, 2679-2680, 2681-2682, 2683-2684, 2685-2686, 2687-2688, 2689-2690, 2691-2692, 2693-2694, 2695-2696, 2697-2698, 2699-2700, 2701-2702, 2703-2704, 2705-2706, 2707-2708, 2709-2710, 2711-2712, 2713-2714, 2715-2716, 2717-2718, 2719-2720, 2721-2722, 2723-2724, 2725-2726, 2727-2728, 2729-2730, 2731-2732, 2733-2734, 2735-2736, 2737-2738, 27

These business cards are for use by \_\_\_\_\_ by date of delivery \_\_\_\_\_  
 Issued by \_\_\_\_\_  
 Issued by \_\_\_\_\_

\_\_\_\_\_

© 1994 National Medical Society of the United States. All rights reserved. Reproduction of this article is permitted in any form for educational or research purposes, provided the source is properly cited. For all other uses, permission should be sought from the National Medical Society of the United States. 1000 North 17th Street, Suite 100, Washington, DC 20001. Tel: 202/462-1000. Fax: 202/462-1001. E-mail: [info@nmsus.org](mailto:info@nmsus.org).

1

[illegible]

*to try* — *the first* — *right at a jumping point in past and very close* — *and go* — *a sign of one's big plans*

*leaving* — *when they* — *should follow them*

Abstracting Office: \_\_\_\_\_

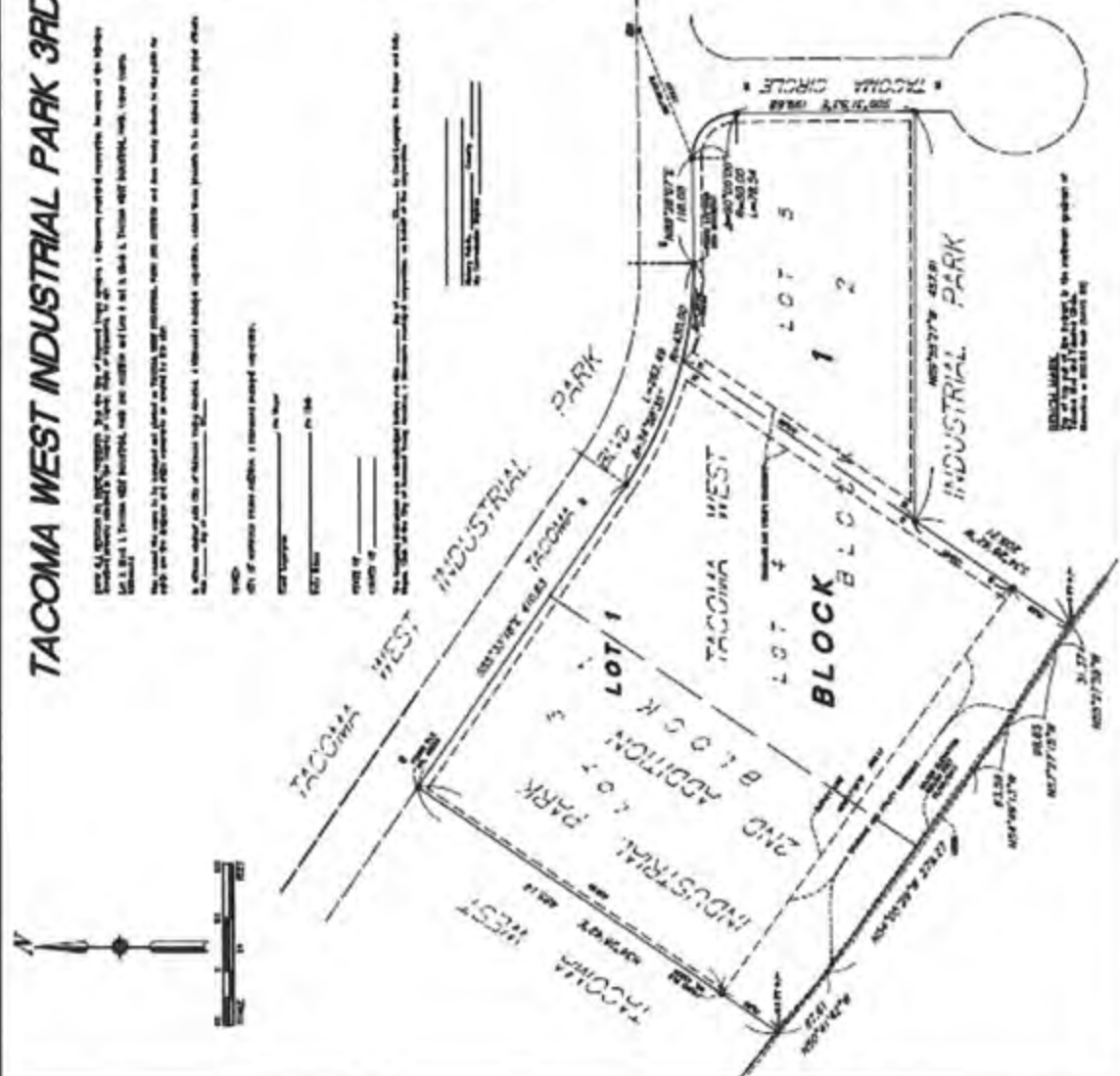
11

THESE ARE THE  
THESE ARE THE  
THESE ARE THE  
THESE ARE THE  
THESE ARE THE

including any other  
numbers and letters from  
NOT TO SCALE

**SECRET**

**SUNDE**  
PRELIMINARY  
1.1.2013



***Norwood Young America  
Planning Commission Minutes  
February 6, 2018***

**Present:** Commissioners Mike Eggers, Craig Heher, Bill Grundahl, Mark Lagergren, and JR Hoernemann.

**Absent:** Commissioner Bill Grundahl

**Staff:** City Attorney Jay Squires, City Administrator Steve Helget, and Planning Consultant Cynthia Smith Strack.

**Public:** Mike Yeager Yeager Machine Inc., Randy Schuster Vickerman Companies, Nick Jeurissen Greystone Construction, Eric Bender Greystone Construction, Megan Tasca Sunde Engineering, Loren Monschen Limner Morschen Architects, Ryan and Nick Molnau from Molnau Trucking.

**1. Call to Order.**

The meeting was called to order by Chair Heher at 6:00 pm. All present stood for the Pledge of Allegiance.

**2. Adoption of Agenda.**

Chairperson Heher introduced the agenda.

Motion – Lagergren, second Eggers to approve the agenda as proposed. The agenda was approved 4-0.

**3. Approval of Minutes from the Regular Meeting January 3, 2018 and the Work Session of January 3, 2018.**

Heher introduced the minutes from the January 3, 2018 regular and work session meetings.

Motion – Eggers to approve the January 3, 2018 regular and work session meeting minutes. Second by Hoernemann. With all in favor the minutes were approved 4-0.

**4. Public Hearings.**

**A. Tacoma West Industrial Park 3<sup>rd</sup> Addition Preliminary Plat.**

Chairperson Heher introduced the agenda topic pertaining to the preliminary plat for Tacoma West Industrial Park 3<sup>rd</sup> Addition. Heher explained the public hearing process the preliminary plat and the next hearing pertaining to variance requests would follow the same process. Heher noted that after he opened the public hearing he would request staff provide background information, he would then allow the Applicant and/or Applicant's Representatives an opportunity to speak. He would then allow Commissioners to seek clarification of the request. Heher stated he would then ask for public comments for or against the proposed action. The hearing would then be closed and addition Commissioner questions/comments would be addressed. Heher noted action on the items would be taken during the business portion of the meeting. Heher opened the public hearing pertaining to the preliminary plat at 6:03 p.m.

Strack stated the City of Norwood Young America and PAR Real Estate LLC, Vickerman Company, were the applicants. The City of Norwood Young America was fee owner of the property being platted. The property was zoned I-1 Light Industrial and proposed to remain I-1.

Strack stated Vickerman Company proposes purchase of three current, improved lots and construction of an 118,698 square foot warehouse facility on said lots. In order to accommodate the development, the City proposes resubdivision of the improved lots into one lot. Specifically the City proposes combining Lot 3, Block 1 Tacoma West Industrial Park 2<sup>nd</sup> Addition and Lots 4 and 5, Block 2 Tacoma West Industrial Park as Lot 1, Block 1 Tacoma West Industrial Park 3<sup>rd</sup> Addition. Vacation of existing drainage and utility easements has been initiated by the City Council. Dedication of new drainage and utility easements on lot perimeters and a proposed easement for the potential relocation of a storm sewer main are illustrated on the final plat.

Strack stated she had requested the plat be forwarded to the Carver County Surveyor's Office and taxation for review/comment. She noted the preliminary and final plats had also been forwarded to the City Engineer and City Attorney for review. Strack stated the proposed use is consistent with the 2030 Comprehensive Plan relating to planned land use. She noted lot performance standards for the I-1 Light Industrial District were achieved. No changes to existing infrastructure is proposed at this time.

Heher asked if Commissioners had any questions. Lagergren confirmed three lots were being combined into one lot under the proposed preliminary plat. Strack confirmed. Heher inquired as to whether or not City Administrator Steve Helget had questions or comments. Helget did not have questions or comments.

Heher invited the public to comment on the preliminary plat. No members of the public spoke for or against the preliminary plat. No previous oral or written comments were received.

Heher inquired as to whether or not City Attorney Squires had comments or questions. Squires did not have comments or questions.

Motion – Lagergren to close the public hearing. Second by Eggers. With all in favor the hearing was closed at 6:09 p.m.

#### B. Tacoma West Industrial Park 3<sup>rd</sup> Addition Preliminary Plat.

Chairperson Heher introduced the agenda topic pertaining to maximum structure height, interior side yard setback, and landscape tree planting variances. Heher opened the public hearing at 6:09 p.m.

Strack stated PAR Real Estate LLC, Vickerman Company, was the Applicant and proposed property owner.

Strack stated the Applicant proposed variances to: Section 1230.12, Subd. 5(D) pertaining to maximum building height in the I-1 Light Industrial District; Section 1230.12, Subd. 5(E) pertaining to interior side yard setback and Section 1255.04(A) pertaining to tree planting at a rate of one tree per 1,000 gross building area. Strack noted the variances were to be acted on in the business portion of the agenda followed by consideration of a site plan.

Strack noted representatives from Vickerman Company, Randy Schuster and Greystone Construction,



Nick Jeurissen were in attendance and able to comment on the request. Strack referenced items included in the meeting packet including: the application, plans, a site map, exterior (north) elevation, turning radius for maneuvers in the loading dock area, a memo from the City Engineer dated January 25, 2018, a memo from the Fire Chief dated January 25, 2018, and email correspondence from Public Services Director Tony Voigt.

Strack stated the Applicant proposes a building height of 42 feet. The maximum height allowed under Section 1230.12, Subd. 5(D) is 40 feet.

The Applicant proposes a zero interior yard setback to accommodate a ground-level link to an existing structure on an adjacent lot. The minimum interior side yard setback prescribed under Section 1230.12, Subd. 5(E) is 15 feet.

The Applicant proposes a reduction of the number of tree plantings required under Section 1255.04(A) of the City Code. The Applicant proposes installation of foundation plantings and ten (10) trees; the Code requires tree planting at a rate of one tree per 1,000 gross building area, or in this case planting of 119 trees.

Strack referenced a letter from an attorney for Mike Yeager as written correspondence received.

Heher asked Strack how long the maximum height of 40 feet was included in the zoning code. Strack noted last wholesale update of zoning code followed 2030 Comprehensive Plan update in 2008. Heher asked Strack for rationale for maximum building height. Strack noted she did not assist with the zoning code update following the 2008 Comprehensive Plan update. She opined fire apparatus availability was formerly a partial rationale for limiting height. She opined code standards requiring fire suppression were later instituted. The proposed building required sprinkling.

Heher invited Jeurissen with Greystone Construction to speak. Heher asked Jeurissen how much of the structure would exceed the maximum height. Jeurissen noted only a small portion of the roof ridgeline would exceed the maximum height. The base height was less than the required maximum and the roof pitch was  $\frac{1}{4}:12$ 's resulting in a roof line just under 42 feet.

Lagergren inquired as to where trees would be planted. Jeurissen noted along the east side of the building and adjacent to Tacoma Boulevard.

Heher referenced the proposed ground-level link between buildings. Heher inquired as to whether or not the link could or would be removed upon sale of the property. Jeurissen noted the link would be removed if the buildings were sold separately. In the event the buildings were sold as a campus the link could possibly stay in place.

Heher inquired as to where downspouts for the sizable roof would be discharged. Jeurissen noted shed from the roof would be routed into central downspouts which discharged into underground drain tile.

Lagergren inquired as to stormwater routing. Jeurissen noted a portion of the site discharge would be discharged into a drainage ditch south of the building. Additional discharge would be routed to a stormwater retention pond east of the building constructed in conjunction with the initial property subdivision. Most of the discharge would be to the existing pond east of the proposed facility.

Heher asked Strack to comment on landscaping at other existing facilities in the industrial park. Strack stated she was not able to answer the question as she didn't specifically investigate. She noted she visited the park earlier in the day and noticed Mr. Yeager had several trees on his lot.

Heher asked Jeurissen how large the existing campus buildings were and how that related to tree plantings. Jeurissen noted the existing campus is approximately 140,000 square feet. A variance was issued to reduce required trees in conjunction with the previous expansion.

Heher invited the public to comment.

Mike Yeager, Yeager Machine, Inc. read a prepared statement in opposition to all three proposed variances. Yeager in his statement opined the variances were created by the property owner and were not unique or impacted by physical conditions of the lot or circumstances unique to the property. Yeager also opined the large building mass and bulk and connections between buildings combined with a proposed lessening of landscape standards specifically impacted the scale of development in the park. Yeager opined the proposed variances were not sympathetic to neighborhood character. Yeager requested the Commission deny all three variances.

Heher referenced a letter from Mr. Yeager's Attorney, Peter J. Coyle, Larkin Hoffman. The letter was in opposition to the requested variances.

Heher asked for additional public comments. No additional comments were received.

Motion – Lagergren to close the public hearing. Second by Eggers. With all in favor the hearing was closed at 6:30 p.m.

## **5. Old Business.**

None.

## **6. New Business.**

### **A. Preliminary and Final Plat Approval: Tacoma West Industrial Park 3<sup>rd</sup> Addition.**

Heher introduced the agenda item for discussion.

Strack noted preliminary and final plats were included in the meeting packet. The plats illustrate resubdivision of three improved lots into one lot. Vacation of existing drainage and utility easements has been initiated by the City Council. Dedication of new drainage and utility easements on lot perimeters and a proposed easement for the potential relocation of a storm sewer main are illustrated on the final plat. The plat was to be forwarded to the Carver County Surveyor's Office and taxation for review/comment. The preliminary and final plats had been forwarded to the City Engineer for comment.

In a memo dated January 25, 2018 the City Engineer noted a need to provide a minimum 20-foot wide drainage and utility easement over all City owned facilities, including the existing and future 48-inch storm sewer, the hydrant lead along Tacoma Boulevard, and the hydrant lead to the southwest corner of the building. Strack noted Fire Chief Steve Zumberge was requiring a third hydrant southeast of the fire land which would necessitate an additional hydrant lead which would require a d/u easement. The City Engineer also recommends an easement over the fire lane.



Strack stated staff's recommend was to recommend approval of the preliminary and final plats to the City Council with several conditions including: title review by the City Attorney, incorporation of comments contained in a staff memo dated January 25, 2018 from John Swanson, Bolton-Menk, incorporation of any/all comments from Carver County Surveyor's Office and taxation, certification all taxes were paid, and recording of the final plat at the Carver County Recorder's Office within 120 days of the date of approval by the City Council.

Motion – Lagergren to recommend the City Council approve the preliminary and final plat for Tacoma West Industrial Park 3<sup>rd</sup> Addition based on recommended conditions, Second Hoernemann. Motion carried 4:0.

B. Variances and Site Plan Approval Vickerman Company.

Heher introduced the agenda item for discussion.

Strack noted the variances should be acted upon prior to consideration of approval of the site plan. She requested action on each individual variance as a point of order. Strack alluded to Code standards pertaining to variance review including: consistency with the comprehensive plan, a 'practical difficulties test', and consistency with existing built environments.

Strack stated the Applicant proposes a building height of 42 feet. The maximum height allowed under Section 1230.12, Subd. 5(D) is 40 feet. She noted the Applicant proposes a building height of 42 feet to allow for full use of standard sized warehouse racking units and the ability to accommodate a required three-foot clear zone for fire suppression system use. Strack referenced sample findings of fact for and against the variance.

For the request: The proposed use is consistent with planned land use in the Comprehensive Plan and development in the adjacent locale; the proposed variance is not for the use of property; the proposed structure is part of warehouse campus with each building physically connected through an at-grade link. Previously existing campus structures are sympathetic in height to the 42' proposed; the additional two feet of building height allows for full use of standard sized warehouse racking units and can accommodate a clear zone needed for a required fire suppression system; the proposed variance is minimal in scope and scale; the proposed variance provides for more efficient development and consumption of land as required under the 2030 Comprehensive Plan; the proposed building height variance makes development more cost-effective by building up as opposed to building a larger footprint; the lot is irregularly shaped and is bounded by two roadways; and, the proposed structure is consistent in size and scale to other industrial structures in the adjacent locale and will not negatively impact the essential character of the industrial district.

Against the request: Several parcels within the adjacent locale have irregular shapes, the parcel shape is not unique; building height is a factor solely under the control of the Applicant and therefore not unique to any given parcel; and, the proposed variance could be avoided if the building size was increased.

Heher asked Attorney Squires if the 42-foot variance was warranted. Squires reviewed statutory requirements for variance consideration. Squires reviewed language pertaining to practical difficulties. He also alluded to a standard pertaining to economic hardship alone not being a reason for granting variance approval. Squires opined the specific statutory language alluded to the potential for the City to

consider economic consequences of a request, provided such reasons were not the sole rationale for variance consideration. For example, if storage space could be increased by ten percent simply by issuing a small variance allowance such cost efficiency could be relative to variance consideration.

Squires further suggested the scale or significance of the variance could also be a factor for the Commission to consider. The height variance proposed applies to a limited portion of the building height.

Squires also noted that zoning code allows for up to 80 percent site coverage as an essential component of the industrial area. The proposed site coverage was less than that allowed. Squires suggested the Commission consider performance standard allowances included in the zoning classification when contemplating whether or not the proposed development was consistent with neighborhood character.

Heher asked for input from Commissioners. Heher noted the two foot variance which was applicable to a portion of the roof ridgeline did not seem extreme. Heher noted it would allow for use of more storage space and be largely unnoticeable. Lagergren concurred. Hoernemann concurred.

**Motion** – Lagergren to recommend the City Council approve the two-foot maximum height variance based on aforementioned findings. Second Eggers. Motion carried 4:0.

Strack stated the Applicant proposes a zero interior yard setback applicable to a 32-foot section of the side yard as a means of accommodating a ground-level link to an existing structure on an adjacent lot. The minimum interior side yard setback prescribed under Section 1230.12, Subd. 5(E) is 15 feet.

Strack referenced sample findings of fact for and against the variance included in the packet and provided for discussion purposes.

For the request: The proposed use is consistent with planned land use in the Comprehensive Plan and development in the adjacent locale; the proposed variance is not for the use of property; the proposed structure is part of warehouse campus with each building physically connected through an at-grade link; the setback variance is applicable only to a 32-foot segment of the structure, the vast majority of the building will exceed the required setback; the proposed variance is minimal in scope and scale; the proposed variance provides for more efficient development and consumption of land as required under the 2030 Comprehensive Plan; the proposed building link makes development more cost-effective by eliminating external trips between separate buildings; the lot is irregularly shaped and is bounded by two roadways; the proposed structure is consistent in size and scale to other industrial structures in the adjacent locale and will not negatively impact the essential character of the industrial district.

Against the request: Several parcels within the adjacent locale have irregular shapes, the parcel shape is not unique; a building link is a factor solely under the control of the Applicant and therefore not unique to any given parcel; and, the proposed variance could be avoided if operations between buildings were conducted externally.

Helget noted the City's Building Official had been present at a pre-construction meeting to address issues associated with the proposed building link. Heher reported the Building Official approved of the link construction which mirrored an existing link between two buildings elsewhere on the Vickerman campus.

Lagergren asked Strack to expound on a finding the variance could be avoided if operations between buildings were constructed externally. Strack stated forklifts could exit one building on the campus, travel down Tacoma Boulevard and/or through parking areas and access a second structure, thereby rendering a link a convenience and not an operational necessity.

Heher inquired as to whether or not the link could be removed at the time of property sale. Strack opined Jeurissen testified to that effect earlier. Heher inquired as to whether or not a condition requiring link removal at the time of property sale could be added to the variance. Strack opined the variance approval ran with 'the land' as opposed to the property owner.

Squires noted Vickerman Company was a large campus and it could be sold as a campus unit. However, if economic conditions didn't support sale of the entire campus as a single entity, the buildings could be sold independently and the link(s) could be removed.

Lagergren requested clarification of whether or not the City would be forcing Vickerman Company to sell the entire campus as a single entity. Squires opined that recommending variance approval would not be forcing Vickerman to sell all the buildings as a single campus unit.

Motion – Eggers to recommend the City Council approve a zero interior side yard setback for a 32' portion of the side yard to accommodate at-grade building link pursuant to aforementioned findings. Second Hoernemann. Motion carried 4:0.

Strack stated the Applicant proposes a reduction of the number of tree plantings required under Section 1255.04(A) of the City Code. The Applicant proposes installation of foundation plantings and ten (10) trees; the Code requires tree planting at a rate of one tree per 1,000 gross building area, or in this case planting of 119 trees.

Strack referenced sample findings of fact for and against the variance included in the packet and provided for discussion purposes.

For the request: The proposed use is consistent with the planned land use contained in the Comprehensive Plan and development in the adjacent locale; the proposed variance is not for the use of property; the proposed structure is part of warehouse campus with each building physically connected through an at-grade links; the Light Industrial District allows for maximum impervious surface coverage of 80% of the lot. Under maximum intensity twenty (20) percent of the lot is available for plantings, research indicates mature overstory trees such as maple and oak can have canopies of up to 1,800 square feet in area, therefore, minimum planting distances of 25-40 feet are encouraged, however, the pervious acreage available is unable to accommodate 119 trees; the 2030 Comprehensive Plan includes policies supporting efficient development and consumption of land and is based on a build out at up to 80 percent impervious surface; the lot is irregularly shaped and is bounded by two roadways which require increased front and corner yard setbacks; and, the proposed development is consistent in size and scale to other industrial structures in the adjacent locale and will not negatively impact the essential character of the industrial district.

Against the request: Several parcels within the adjacent locale have irregular shapes, the parcel shape is not unique; the building could be reduced in size to make room for the required number of trees; and, the planting of trees is not unique to the shape of a parcel but rather the proposed intensity of development on the subject parcel.

Heher asked Jeurissen to review where the ten trees are proposed to be planted. Jeurissen stated the trees would be planted adjacent to Tacoma Boulevard and along the northeast portion of the property. Heher confirmed the width of the building was 400 feet. Jeurissen concurred. Heher inquired as to how Jeurissen determined ten trees would fit on the property. Jeurissen stated the ten trees was identified as a starting point for tree plantings that could reasonably be accommodated on the site.

Eggers inquired if the number of trees required could be doubled, to twenty versus ten. He inquired as to whether or not a fee could be paid which could, in turn, be used to purchase trees for planting in public places. Strack noted the Commission could find additional tree plantings on site were needed. She cautioned enabling language related to a fee in lieu of tree planting was not included in the code.

Randy Schuster opined 30 trees should be able to fit on the lot and that he would commit to installing 30 trees. The Commission discussed potential location of tree plantings. Squires recommended the Commission require a landscape plan illustrating the installation of 30 trees be presented to the City Council prior to their taking action on the requested variance.

Lagergren opined the planting of 30 trees in the area provided, especially adjacent to Yeager Machine was reasonable. Heher concurred opining ten trees was not sufficient but thirty trees seemed reasonable given the performance standards of the zoning district and the allowable space. Heher suggested the Commission review the tree planting standard in the near future so as to create a standard that is scalable for large building footprints.

Motion – Hoernemann to recommend the City Council approve installation of 30 trees (119 code standard) on the site providing a landscape plan was submitted to the Council illustrating the tree plantings prior to consideration of the variance request pursuant to aforementioned findings. Second Lagergren. Motion carried 4:0.

Strack noted the Code requires Planning Commission consideration and Council action to approve all site plans contemplating new building square footage. Strack referenced plans included in the packet pertaining to Vickerman's proposed 118,698 square foot warehouse.

Strack noted with the exception of interior yard setback and building height standards the proposed 118,698 square foot structure appears to meet lot performance standards as proposed. The maximum impervious surface coverage is limited by previous design/grading to 72%, under the 80% maximum under Code.

Access to the proposed structure is from Tacoma Boulevard which is classified as a 'local' street and which has been designed to accommodate truck traffic. The site plan illustrates nine loading bays in the proposed facility. The Applicant represents that the estimated volume of semi-truck traffic is ten trucks per day. The volume of truck traffic as represented by the Applicant appears to be of minimal impact on the transportation system. In the event larger volumes of truck traffic are generated at a point in the future, additional study may be required of the Applicant and/or Property Owner to determine impact on the transportation system. Under Code larger access throat widths may be approved by the City Engineer. The proposed access width exceeds 100 feet. The City Engineer in a review memo dated January 25, 2018 approves of the proposed width. Evidence that all truck traffic maneuvers can be accommodated on site without interfering with employee parking and pedestrian movements has been submitted. Primary points of employee ingress/egress are located in the building front and interior (northwest) side yard. Proposed points of ingress/egress are adjacent to employee parking. Strack



recommended further consideration of pedestrian movement through employee parking to ingress/egress points, consideration of additional signage, striping, and/or installation of sidewalk was recommended.

The plans illustrate a total of 60 parking spaces. Parking areas are proposed to be surfaced with bituminous, surrounded by B-612 curb, and setback a minimum of ten feet from the property line. The volume of parking spaces is consistent with Code requirements. Strack recommended revised plans illustrate stall and drive aisle dimensions. She noted the concept plan illustrated said dimensions and that those dimensions were consistent with the code.

Strack stated the applicant is proposing minimal facade improvements for the building with a little over two-feet of wainscot concrete masonry units along the base of the front building wall adjacent to Tacoma Boulevard. This is consistent with the baseline facade improvements on existing buildings. The remainder of the building will be pre-finished steel wall panels. Colors and materials are intended to compliment the current building and are evident on the north elevation rendering submitted with the plan set.

Building lighting is proposed to be limited to wall-mounted luminaries. Under code, wall mounted luminaries should not be intended to be used to illuminate parking lots; instead pole lights shall be used in order to minimize off-site glare. The height of wall-mounted luminaries shall not exceed 18 feet above ground level at the building line. The attached elevation rendering illustrates intended location and height of wall mounted luminaries.

Handicap and no-parking signs are included in the application materials. In the event any additional signage is contemplated, Strack noted a separate permit is required and the standards contained in Section 1260 (Signs) of the City Code shall apply.

The use shall be required to meet all performance standards set forth in Section 1245.01 of the City Code. In particular, garbage /refuse area shall be kept in an enclosed building or otherwise hidden from public view by a privacy fenced area.

Strack noted the plans were forwarded to the Public Service Director Tony Voigt for review and comment. An email dated January 26, 2018 from Public Service Director Tony Voigt was included in the packet.

The plans were forwarded to the Fire Chief Steve Zumberge for review and comment. Comments contained in a review memo dated January 25, 2018 are incorporated in the record by reference.

The plans were forwarded to the City Engineer for review and comment. Comments contained in a review memo dated January 25, 2018 are incorporated in the record by reference.

Strack opined if the Commission considers a recommendation approving the site plan, certain conditions were recommended including: The "Use" of the property be defined as an 118,698 square foot warehousing facility. All application materials and plan sets be incorporated by reference and accepted in good faith by the City as the Applicant's intended development. Approval of variance requests relating to building height, interior side yard minimum setback, and required tree plantings. Submittal of a revised set of plans illustrating compliance with required conditions of approval. Compliance with all standards required and as set forth within the memo from Consulting Planner, Cynthia Smith Strack, dated February 6, 2018. Compliance with all recommendations as set forth within the memo from John Swanson, Bolton-Menk (City Engineer) dated January 25, 2018. Compliance with all recommendations

as set forth within a memo from Fire Chief Steve Zumberge dated January 25, 2018. Submittal of a landscape plan to the City Council review illustrating foundation plantings and the installation of thirty (30) overstory trees on site. Revised plans illustrating pedestrian movement through employee parking to ingress/egress points and proposed signage, striping, and/or installation of sidewalk. Illustration of stall and drive aisle dimensions on the revised plan set, confirming consistency with code requirements for drive aisle dimension and stall dimension. The height of wall-mounted luminaries shall not exceed 18 feet above ground level at the building line. The use shall continuously meet all performance standards set forth in Section 1245.01 of the City Code, as may be amended. Garbage /refuse area shall be kept in an enclosed building or otherwise hidden from public view by a privacy fenced area. All signage shall require submittal of a sign permit application and approval by the Zoning Administrator and/or Building Official. Building permits shall be required prior to any building construction or improvements on the property. This approval is subject to all applicable codes, regulations and ordinances, and violation thereof shall be grounds for revocation. This approval shall expire one year after date of approval unless the Applicants have commenced construction of the Use on the Property. Approval of this site plan does not approve any future expansion or associated improvements on-site. Any modifications not defined as "minor" pursuant to Section 1210.08, Subd. 4, shall require separate site plan approval.

Motion – Lagergren to recommend the City Council approve the site plan based on aforementioned conditions. Second Eggers. Motion carried 4:0.

## **7. Miscellaneous.**

### **A. January Building Permit Report.**

The commission reviewed the January building permit report.

## **8. Commissioner Reports.**

Hoernemann, Lagergren, and Eggers did not have comments.

Heher noted the Council tabled a hearing to revoke a conditional use permit for Southwest Paving. The Commission placed a comprehensive plan amendment into effect for rezoning/plan amendment relating to ISD 108 property. The Council will be considering new entry monument design.

## **9. Adjourn**

Motion – Lagergren, Second Eggers, with all in favor the meeting adjourned at 7:38 p.m.

Respectfully submitted,

---

Steve Helget

DRAFT



PLAT FILE NO. \_\_\_\_\_  
C.R. DOC. NO. \_\_\_\_\_

I, Artee J. Carlson, do hereby certify that this plat was prepared by me or under my direct supervision, that I am a duly Licensed Land Surveyor in the State of Minnesota; that this plat is a correct representation of the boundary survey; that all mathematical data and labels are correctly designated on this plat; that all monuments depicted on this plat have been or will be correctly set within one year; that all water boundaries and wet lands, as defined in Minnesota Statutes, Section 320.01, Subd. 3, as of the date of this certificate are shown and labeled on this plat; and all public ways are shown and labeled on this plat.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

Arlene J. Carlson, Land Surveyor  
Minnesota License No. 44900

STATE OF MINNESOTA  
COUNTY OF HENNEPIN

This instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by Arlen J. Carlson.

Notary Public, \_\_\_\_\_ County, Minnesota  
My Commission Expires \_\_\_\_\_

CITY COUNCIL, CITY OF NORWOOD YOUNG AMERICA, MINNESOTA

The plat of TACOMA WEST INDUSTRIAL PARK 3RD ADDITION was approved and accepted by the City Council of Norwood Young America, Minnesota, at a regular meeting thereof held this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, and is in compliance with the provisions of Minnesota Statutes, Section 505.03, Subd. 2.

CITY COUNCIL OF NORWOOD YOUNG AMERICA, MINNESOTA

By: \_\_\_\_\_ City Manager  
Kelly Hayes

Pursuant to Chapter 305, Minnesota Laws of 1971, this bill has been approved this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Ref. \_\_\_\_\_

I hereby certify that taxes payable in \_\_\_\_\_ and prior years have been paid for land described on this plat. Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**Fig.**

I hereby certify that this plat of TACOMA WEST INDUSTRIAL PARK 3RD ADDITION was filed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ at \_\_\_\_\_ o'clock \_\_\_\_\_ M. on Document No. \_\_\_\_\_.

86

The northwesterly line of Lot 3, Block 1, TACOMA WEST INDUSTRIAL PARK 2ND ADDITION is assumed to have a bearing of N34°26'40"E.

Being 10 feet in width and adjoining right of way lines and 5 feet in width and adjoining lot lines unless shown otherwise.



**SUNDE**  
LAND SURVEYING



# DESCRIPTION OF PROPERTY SURVEYED

Lot 3, Block 1, Tacoma West Industrial Park 2nd Addition, Carver County, Minnesota.

AND

Lot 4 and 5, Block 2, Tacoma West Industrial Park, Carver County, Minnesota.

# PLAT RECORDING INFORMATION

The plat of Tacoma West Industrial Park was filed of record on February 3, 2007, as Document No. 458361.

The plat of Tacoma West Industrial Park 2nd Addition was filed of record on July 11, 2012, as Document No. 4588170.

# TITLE COMMITMENT

This survey was prepared without the benefit of current title work. Easements, appurtenances, and encumbrances may exist in addition to those shown hereon. This survey is subject to revision upon receipt of a current title insurance commitment or attorney's title opinion.

# GENERAL NOTES

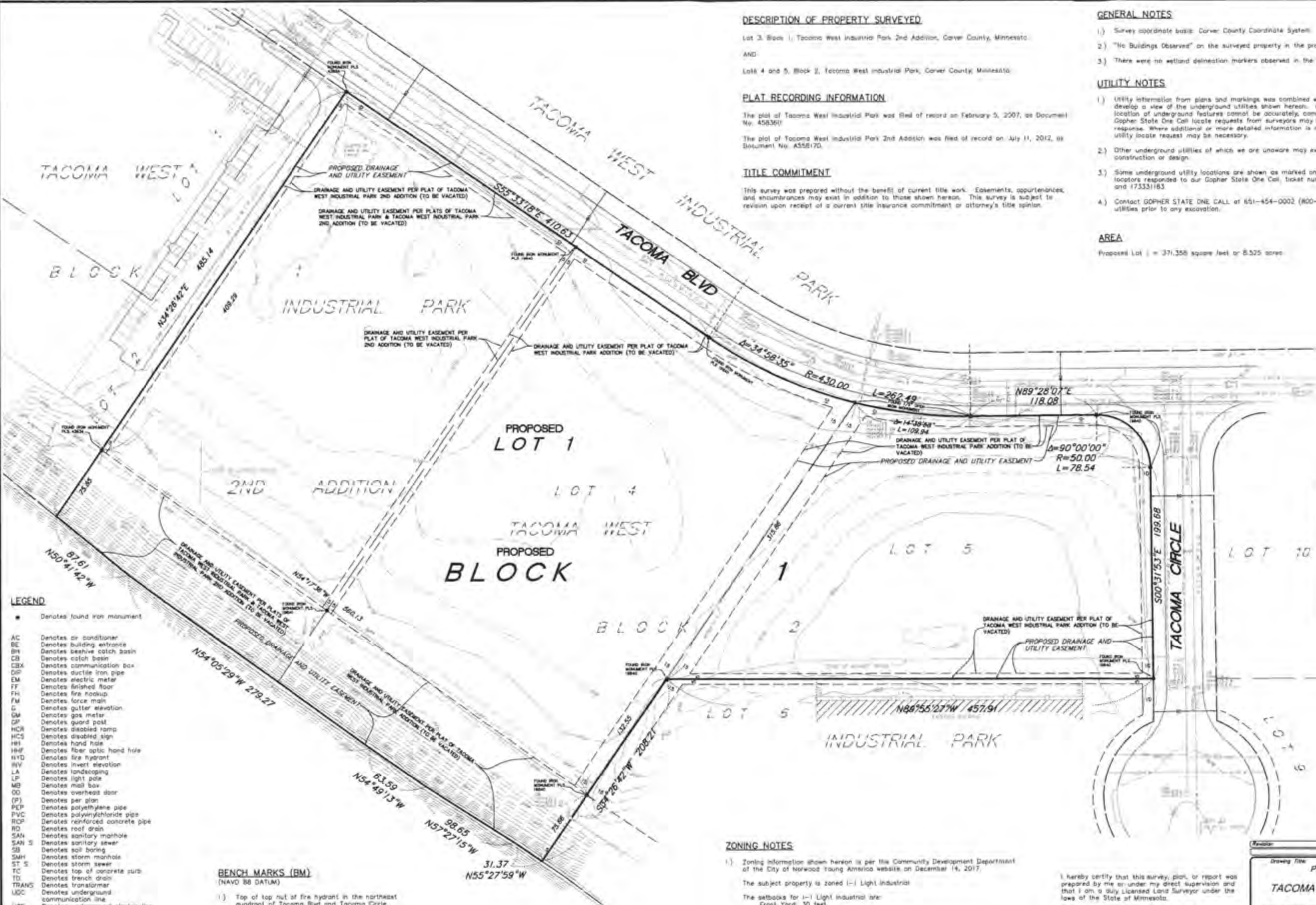
- 1) Survey coordinate basis: Carver County Coordinate System.
- 2) "No Buildings Observed" on the surveyed property in the process of conducting the fieldwork.
- 3) There were no wetland delineation markers observed in the process of conducting the fieldwork.

# UTILITY NOTES

- 1) Utility information from plans and markings was combined with observed evidence of utilities to develop a view of the underground utilities shown hereon. However, lacking excavation, the exact location of underground features cannot be accurately, completely and reliably depicted. In addition, Gopher State One Call locate requests from surveyors may be ignored or result in an incomplete response. Where additional or more detailed information is required, excavation and/or a private utility locate request may be necessary.
- 2) Other underground utilities of which we are unaware may exist. Verify all utilities critical to construction or design.
- 3) Some underground utility locations are shown as marked onsite by those utility companies whose locators responded to our Gopher State One Call, ticket numbers 173331146, 173331171, 173331159 and 173331183.
- 4) Contact GOPHER STATE ONE CALL at 651-454-0002 (800-252-1186) for precise onsite location of utilities prior to any excavation.

# AREA

Proposed Lot 1 = 371,358 square feet or 8.525 acres.



# LEGEND

- Denotes found iron monument
- AC Denotes air conditioner
- BE Denotes building entrance
- BS Denotes bascule catch basin
- CB Denotes catch basin
- CBX Denotes communication box
- DI Denotes ductile iron pipe
- EM Denotes electric meter
- FF Denotes finished floor
- FM Denotes fire main
- FM Denotes force main
- G Denotes gutter elevation
- GM Denotes gas meter
- GP Denotes guard post
- HCR Denotes disabled ramp
- HCS Denotes disabled sign
- HS Denotes hand hole
- HSF Denotes fiber optic hand hole
- HYD Denotes fire hydrant
- INV Denotes invert elevation
- LA Denotes landscaping
- LP Denotes light pole
- MB Denotes mail box
- OD Denotes overhead door
- (P) Denotes per plan
- PEP Denotes polyethylene pipe
- PVC Denotes polyvinylchloride pipe
- ROP Denotes reinforced concrete pipe
- RD Denotes roof drain
- SAH Denotes sanitary manhole
- SAH S Denotes sanitary sewer
- SB Denotes soil boring
- SMH Denotes storm manhole
- ST S Denotes storm sewer
- TC Denotes top of concrete curb
- TD Denotes trench drain
- TRANS Denotes transformer
- UGC Denotes underground communication line
- UGE Denotes underground electric line
- W Denotes water line
- WV Denotes water valve
- EVC Denotes evergreen tree
- MPL Denotes Maple tree
- PI Denotes Pine tree
- SPR Denotes Spruce tree

# BENCH MARKS (BM)

(NAVD 88 DATUM)

- 1) Top of top nut of fire hydrant in the northeast quadrant of Tacoma Blvd and Tacoma Circle. Elevation = 980.63 feet.
- 2) Top of top nut of fire hydrant at the south end of Tacoma Circle cul-de-sac. Elevation = 983.66 feet.

# ZONING NOTES

- 1) Zoning information shown hereon is per the Community Development Department of the City of Newwood Young America website on December 14, 2017.

The subject property is zoned I-1 Light Industrial.

The setbacks for I-1 Light Industrial are:

- Front Yard: 30 feet
- Side Street Yard: 30 feet
- Side Yard (interior): 15 feet
- Rear Yard: 50 feet (or 75 feet adjacent to Residential District)

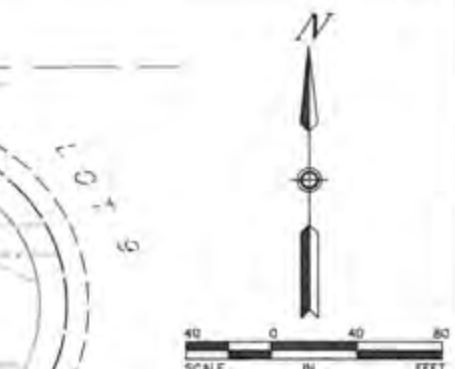
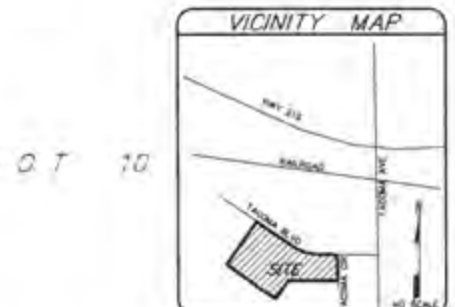
- 2) Adjacent properties are all zoned I-1 Light Industrial.

I hereby certify that this survey, plat, or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

Dated this 20th day of December, 2017

SUNDE LAND SURVEYING, LLC

By: *Alan J. Sunde*  
Alan J. Sunde, P.L.S. Minn. Lic. No. 84900



Revision		By	Date
Drawing Title		PRELIMINARY PLAT OF:	
TACOMA WEST INDUSTRIAL PARK 3RD ADDITION			
SUNDE LAND SURVEYING		Main Office:	
www.sunde.com		8001 East Brownstown Parkway (200) Suite 118	
Project 2017-044-E		Blm/Plg 773/51	
Township 115 Range 26 Section 14		Date 12/20/2017	
File 2017044E-PREPLAT.dwg		Sheet 1 of 1	



To: Honorable Mayor Lagergren  
Members of the City Council  
Administrator Helget

From: Cynthia Smith Strack, Strack Consulting, LLC

Date: February 26, 2018

Re: Vickerman Warehouse Expansion Review

---

**Applicant:** PAR Real Estate LLC (Vickerman Company)

**Property Owner:** PAR Real Estate LLC

**Subject Property Address:** TBD: 725/735 Tacoma Blvd

**Property ID:** 587510030, 58751070, & 58750080 (subject to change – resubdivision)

**Legal:** Lot 3, Block 1, Tacoma West Industrial Park 2<sup>nd</sup> Addition, Carver County, Minnesota and Lots 4 and 5, Block 2 Tacoma West Industrial Park, Carver County, Minnesota. (Proposed to be platted as Lot 1, Block 1 Tacoma West Industrial Park 3<sup>rd</sup> Addition).

**Zoning Class:** I-1 Light Industrial

**Requests:** Variances: (a) Section 1230.12, Subd. 5(D) pertaining to maximum building height in the I-1 Light Industrial District. (b) Section 1230.12, Subd. 5(E) pertaining to interior side yard setback. (c) Section 1255.04(A) pertaining to tree planting at a rate of one tree per 1,000 gross building area

Site Plan Approval

**Representative:** Nick Jeurissen – Greystone Construction  
Randy Schuster – Vickerman Company

**Attachments:** Application  
Civil and Architectural Plan Sets  
Landscape Plan  
Site Map  
Exterior Elevation – North (Facing Tacoma Blvd)  
Turning Radius Exhibits (two)  
Memo from City Engineer dated January 25, 2018  
Memo from Fire Chief dated January 25, 2018  
Email correspondence from Public Works Director dated January 26, 2018  
Letter from Peter Coyle, Attorney on behalf of Mike Yeager (Yeager Machine Inc)  
Draft Planning Commission meeting minutes  
Resolutions (four total)



## **BACKGROUND**

PAR Real Estate LLC (Vickerman Company) has submitted plans for an 118,698 sf facility proposed for a combined three parcel site just east of the existing Vickerman development. The new facility will be linked to the existing network of structures. The building is being designed so as to accommodate a future expansion to the east. This review pertains only to the proposed 118,698 proposed structure.

The City of Norwood Young America is the current fee owner of the subject property. The City has filed preliminary and final plats illustrating resubdivision resulting in one (versus three) lots. The City has a purchase agreement with PAR Real Estate LLC for the resulting lot. In addition, the City will be considering vacation of drainage and utility easements on common lot lines. The Planning Commission will make a recommendation to the Council regarding the aforementioned items prior to consideration of variances (building height, interior side yard setback, and tree planting requirements) and site plan approval.

## **GENERAL INFORMATION**

### **Comprehensive Plan:**

The 2008 (2030) Comprehensive Plan illustrates industrial as the planned land use classification for future development on the subject parcel. The planned use is consistent with the proposed use.

### **District and Use:**

The property is zoned I-1 Light Industrial District. The proposed warehousing use is permitted within the subject district. Surrounding locale is a mix of industrial and public (tower) property. The subject parcel abuts and will be accessed by Tacoma Boulevard.

## **VARIANCE REQUESTS**

The Norwood Young America Planning Commission held a public hearing on three separate variances requests as submitted by the Applicant:

1. As depicted in the elevation rendering, the Applicant proposes a building height of 42 feet. The maximum height allowed under Section 1230.12, Subd. 5(D) is 40 feet.
2. The Applicant proposes a zero interior yard setback to accommodate a ground-level link to an existing structure on an adjacent lot. The minimum interior side yard setback prescribed under Section 1230.12, Subd. 5(E) is 15 feet.
3. The Applicant proposes a reduction of the number of tree plantings required under Section 1255.04(A) of the City Code. As illustrated on the associated landscape plan, the Applicant proposes installation of foundation plantings and thirty (30) trees; the Code requires tree planting at a rate of one tree per 1,000 gross building area, or in this case planting of 119 trees.

Variances from the literal provisions of the Code may be approved where the strict enforcement of the provisions would cause practical difficulties because of circumstances unique to the property under consideration. Variances should only be considered if the resulting development will be in harmony with the general purpose and intent of the Zoning Ordinance, and consistent with the comprehensive plan. *Practical difficulties* as used in connection with the granting of a variance means that:

1. The property owner proposed to use the property in a reasonable manner not permitted by the zoning ordinance.
2. The plight of the landowner is due to circumstances unique to the property not created by the landowner, and

3. The variance, if granted, will not alter the essential character of the locality. Upon the granting of a variance, the City may impose such restrictions and conditions upon the property to ensure compliance and protect the public health, safety and general welfare of adjacent properties. Such restrictions and/or conditions must be directly related to and must bear a rough proportionality to the impact created by the variance.

**Proposed Variance: Building Height**

The Applicant proposes a building height of 42 feet; district limit is 40 feet. The additional two feet of building height allows for full use of standard sized warehouse racking units and can accommodate a clear zone needed for a required fire suppression system.

*Potential findings in favor of the request:*

- A. The proposed use is consistent with the Comprehensive Plan and development in the adjacent locale.
- B. The proposed variance is not for the use of property.
- C. The proposed structure is part of warehouse campus with each building physically connected through an at-grade link. Previously existing campus structures are sympathetic in height to the 42' proposed.
- D. The additional two feet of building height allows for full use of standard sized warehouse racking units and can accommodate a clear zone needed for a required fire suppression system.
- E. The proposed variance is minimal in scope and scale.
- F. The proposed variance provides for more efficient development and consumption of land as required under the 2030 Comprehensive Plan.
- G. The proposed building height variance makes development more cost-effective by building up as opposed to building a larger footprint.
- H. The lot is irregularly shaped and is bounded by two roadways.
- I. The proposed structure is consistent in size and scale to other industrial structures in the adjacent locale and will not negatively impact the essential character of the industrial district.

*Potential findings for denial of the request:*

- A. Several parcels within the adjacent locale have irregular shapes, the parcel shape is not unique.
- B. Building height is a factor solely under the control of the Applicant and therefore not unique to any given parcel.
- C. The proposed variance could be avoided if the building size was increased.

**Proposed Variance: Building Setback**

The Applicant proposes a zero foot interior side yard setback to accommodate an at-grade link to an existing structure. The required standard is 15 feet.

*Potential findings in favor of the request:*

- A. The proposed use is consistent with the Comprehensive Plan and development in the adjacent locale.
- B. The proposed variance is not for the use of property.
- C. The proposed structure is part of warehouse campus with each building physically connected through an at-grade link.
- D. The setback variance is applicable only to a 32-foot segment of the structure, the vast majority of the building will exceed the required setback.
- E. The proposed variance is minimal in scope and scale.
- F. The proposed variance provides for more efficient development and consumption of land as required under the 2030 Comprehensive Plan.
- G. The proposed building link makes development more cost-effective by eliminating external trips between separate buildings.
- H. The lot is irregularly shaped and is bounded by two roadways.
- I. The proposed structure is consistent in size and scale to other industrial structures in the adjacent locale and will not negatively impact the essential character of the industrial district.



*Potential findings for denial of the request:*

- A. Several parcels within the adjacent locale have irregular shapes, the parcel shape is not unique.
- B. A building link is a factor solely under the control of the Applicant and therefore not unique to any given parcel.
- C. The proposed variance could be avoided if operations between buildings were conducted externally.

**Proposed Variance: Tree Plantings Required**

The Applicant proposes foundation plantings and the installation of thirty (30) trees. The required Code standard is planting of one overstory tree for each 1,000 square feet of gross building area. Under the Code standard 119 trees would be required on the 15 feet.

*Potential findings in favor of the request:*

- A. The proposed use is consistent with the Comprehensive Plan and development in the adjacent locale.
- B. The proposed variance is not for the use of property.
- C. The proposed structure is part of warehouse campus with each building physically connected through an at-grade links.
- D. The Light Industrial District allows for maximum impervious surface coverage of 80% of the lot. Under maximum intensity twenty (20) percent of the lot is available for plantings. Research indicates mature overstory trees such as maple and oak can have canopies of up to 1,800 square feet in area. As such minimum planting distances of 25-40 feet are encouraged. The pervious acreage available is unable to accommodate 119 trees.
- E. The 2030 Comprehensive Plan includes policies supporting efficient development and consumption of land and is based on a build out at up to 80 percent impervious surface.
- F. The lot is irregularly shaped and is bounded by two roadways which require increased front and corner yard setbacks.
- G. The proposed development is consistent in size and scale to other industrial structures in the adjacent locale and will not negatively impact the essential character of the industrial district.

*Potential findings for denial of the request:*

- A. Several parcels within the adjacent locale have irregular shapes, the parcel shape is not unique.
- B. The building could be reduced in size to make room for the required number of trees.
- C. The planting of trees is not unique to the shape of a parcel but rather the proposed intensity of development on the subject parcel.

**Public Comment**

The Planning Commission conducted a hearing on the proposed variances on February 6, 2018. A letter signed by Peter Coyle from Larkin Hoffman Attorneys on behalf of Mike Yeager, Yeager Machine Inc. was received as was a verbal statement from Mr. Yeager who opposed all three variance requests.

**Planning Commission Recommendation:**

The Planning Commission recommends approval of all three variances.

**Action on Variances:**

The City Council will take action on each variance request individually. Resolutions relating to each request are contained in the packet.

## **SITE PLAN REVIEW**

### **Lot Performance Standards**

With the exception of interior yard setback and building height standards the proposed 118,698 square foot structure appears to meet lot performance standards as proposed. The maximum impervious surface coverage is limited by previous design/grading to 72%, well under the 80% maximum under Code.

### **Transportation**

Access to the proposed structure is from Tacoma Boulevard which is classified as a 'local' street and which has been designed to accommodate truck traffic. The site plan illustrates nine loading bays in the proposed facility. The Applicant represents that the estimated volume of semi-truck traffic is ten trucks per day. The volume of truck traffic as represented by the Applicant appears to be of minimal impact on the transportation system. In the event larger volumes of truck traffic are generated at a point in the future, additional study may be required of the Applicant and/or Property Owner to determine impact on the transportation system.

Under Code larger access throat widths may be approved by the City Engineer. The proposed access width exceeds 100 feet. The City Engineer in a review memo dated January 25, 2018 approves of the proposed width.

Evidence that all truck traffic maneuvers can be accommodated on site without interfering with employee parking and pedestrian movements has been submitted.

Primary points of employee ingress/egress are located in the building front and interior (northwest) side yard. Proposed points of ingress/egress are adjacent to employee parking.

### **Parking**

The plans illustrate a total of 60 parking spaces. Parking areas are proposed to be surfaced with bituminous, surrounded by B-612 curb, and setback a minimum of ten feet from the property line. The volume of parking spaces is consistent with Code requirements. Stall and drive aisle dimensions should be illustrated on the plans.

### **Architectural Design**

The applicant is proposing minimal facade improvements for the building with a little over two-feet of wainscot concrete masonry units along the base of the front building wall adjacent to Tacoma Boulevard. This is consistent with the baseline facade improvements on existing buildings. The remainder of the building will be pre-finished steel wall panels. Colors and materials are intended to compliment the current building and are evident on the north elevation rendering submitted with the plan set.

### **Lighting**

Building lighting is proposed to be limited to wall-mounted luminaries. Under Code, wall mounted luminaries should not be intended to be used to illuminate parking lots; instead pole lights shall be used in order to minimize off-site glare. The height of wall-mounted luminaries shall not exceed 18 feet above ground level at the building line. The attached elevation rendering illustrates intended location and height of wall mounted luminaries.

### **Building/Site Signage**

Handicap and no-parking signs are included in the application materials. In the event any additional signage is contemplated, a separate permit is required and the standards contained in Section 1260 (Signs) of the City Code shall apply.

### **Industrial Use Performance Standards**

The use shall be required to meet all performance standards set forth in Section 1245.01 of the City Code. In particular, garbage /refuse area shall be kept in an enclosed building or otherwise hidden from public view by a privacy fenced area.



Utilities, Stormwater, and Erosion Control

The City Engineer has reviewed the site plan. Comments included in a memo from the City Engineer dated January 25, 2018 are hereby incorporated by reference.

**ADDITIONAL DEPARTMENT/AGENCY COMMENTS**

Public Service Director: The plans have been forwarded to the Public Works Director Tony Voigt for review and comment. An email dated January 26, 2018 from Public Service Director Tony Voigt is attached for reference.

Fire Department: The plans have been forwarded to the Fire Chief Steve Zumberge for review and comment. Comments contained in a review memo dated January 25, 2018 are hereby incorporated by reference.

City Engineer: The plans have been forwarded to the City Engineer for review and comment. Comments contained in a review memo dated January 25, 2018 are hereby incorporated by reference.

**RECOMMENDATION**

After review and discussion, the Planning Commission recommended approval of the site plan pursuant to the following conditions:

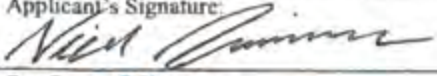

1. The "Use" of the property shall be defined as an 118,698 square foot warehousing facility.
2. All application materials and plan sets are hereby incorporated by reference and accepted in good faith by the City as the Applicant's intended development.
3. Approval of variance requests relating to building height, interior side yard minimum setback, and required tree plantings.
4. Submittal of a revised set of plans illustrating compliance with required conditions of approval.
5. Compliance with all standards required and as set forth within the memo from Consulting Planner, Cynthia Smith Strack, dated February 6, 2018.
6. Compliance with all recommendations as set forth within the memo from John Swanson, Bolton-Menk (City Engineer) dated January 25, 2018.
7. Compliance with all recommendations as set forth within a memo from Fire Chief Steve Zumberge dated January 25, 2018.
8. Submittal of a landscape plan to the City Council review illustrating the installation of thirty (30) overstory trees on site.
9. Revised plans illustrating pedestrian movement through employee parking to ingress/egress points and proposed signage, striping, and/or installation of sidewalk.
10. Illustration of stall and drive aisle dimensions on the revised plan set, confirming consistency with code requirements for drive aisle dimension and stall dimension.
11. The height of wall-mounted luminaries shall not exceed 18 feet above ground level at the building line.
12. The use shall continuously meet all performance standards set forth in Section 1245.01 of the City Code, as may be amended. Garbage /refuse area shall be kept in an enclosed building or otherwise hidden from public view by a privacy fenced area.
13. All signage shall require submittal of a sign permit application and approval by the Zoning Administrator and/or Building Official.
14. Building permits shall be required prior to any building construction or improvements on the property.
15. Approval is subject to all applicable codes, regulations and ordinances, and violation thereof shall be grounds for revocation.
16. This approval shall expire one year after date of approval unless the Applicants have commenced construction of the Use on the Property.
17. Approval of the site plan does not approve any future expansion or associated improvements on-site.
18. Any modifications not defined as "minor" pursuant to Section 1210.08, Subd. 4, shall require separate site plan approval.

**ACTION**

The variance requests are to be acted on prior to consideration of the site plan. Resolutions relating to each variance request and site plan approval are attached.

# Planning and Zoning Application

City of Norwood Young America  
310 Elm St. W, PO Box 59  
Norwood Young America, MN 55368  
Phone: (952) 467-1800 Fax: (952) 467-1818

Applicant's Name <b>Greystone Construction</b>		Telephone Home <b>952-490-2227</b> Work/Cell <b>952-278-1174</b>																														
Address (Street, City, State, ZIP) <b>500 South Marshall Rd. Suite 300. Shakopee, MN 55379</b>																																
Property Owner's Name (If different from above) <b>VICKERMAN company</b>		Telephone Home <b>952-373-2001</b> Work/Cell																														
Location of Project <b>Tacoma Blvd. Norwood Young America.</b>																																
Legal Description <b>Lot 3, Block 1 Tacoma West industrial park and lots 4 &amp; 5 Tacoma West industrial park. Block 2</b>																																
Description of Request (Attach separate sheet, if necessary) - Preliminary and Final Plat - Variances - Site plan Review - Vacate drainage and utility easements along property lines																																
<p><b>Proposed Action(s): Check all that apply</b></p> <table border="0"> <tr> <td><input type="checkbox"/> Annexation \$300.00</td> <td><input type="checkbox"/> Comp Plan Amendment \$500.00 + Escrow</td> <td><input checked="" type="checkbox"/> Storm Water Plan \$250.00</td> </tr> <tr> <td><input type="checkbox"/> Application for Appeal \$150.00</td> <td><input type="checkbox"/> Sketch Plat \$200.00 + Escrow</td> <td><input type="checkbox"/> Rezoning \$350.00</td> </tr> <tr> <td><input type="checkbox"/> City Code Amendment \$250.00</td> <td><input checked="" type="checkbox"/> Site Plan \$300.00 + Escrow</td> <td><input type="checkbox"/> Street/Alley Vacation \$150.00</td> </tr> <tr> <td><input type="checkbox"/> Parking Reduction \$100.00</td> <td><input type="checkbox"/> PUD Sketch Plan \$200.00 + Escrow</td> <td><input type="checkbox"/> Zoning Text Amendment \$300.00</td> </tr> <tr> <td><input type="checkbox"/> CUP/IUP \$200.00 (Residential)</td> <td><input type="checkbox"/> PUD Plan Amendment \$300.00 + Escrow</td> <td><input checked="" type="checkbox"/> Recording Fee \$46.00 x 3</td> </tr> <tr> <td><input type="checkbox"/> CUP/IUP \$300.00 (Non Residential)</td> <td><input type="checkbox"/> PUD Final Plan \$300.00 + Escrow</td> <td><input type="checkbox"/> Boundary Line Adjustment \$100.00</td> </tr> <tr> <td><input type="checkbox"/> Variance \$200.00 (Residential)</td> <td><input type="checkbox"/> PUD Gen. Concept Plan \$400.00 + Escrow</td> <td><input type="checkbox"/> Other</td> </tr> <tr> <td><input checked="" type="checkbox"/> Variance \$300.00 (Non Residential) x 3</td> <td><input checked="" type="checkbox"/> Prelim Plat \$350.00 + \$10.00/Lot + Escrow</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Lot Split \$200.00</td> <td><input checked="" type="checkbox"/> Final Plat \$250.00 + \$10.00/Lot + Escrow</td> <td></td> </tr> <tr> <td><input checked="" type="checkbox"/> Public Hearing Notice \$75.00 x 3</td> <td><input type="checkbox"/> Wetland Mitigation Plan \$100.00 + Escrow</td> <td></td> </tr> </table>			<input type="checkbox"/> Annexation \$300.00	<input type="checkbox"/> Comp Plan Amendment \$500.00 + Escrow	<input checked="" type="checkbox"/> Storm Water Plan \$250.00	<input type="checkbox"/> Application for Appeal \$150.00	<input type="checkbox"/> Sketch Plat \$200.00 + Escrow	<input type="checkbox"/> Rezoning \$350.00	<input type="checkbox"/> City Code Amendment \$250.00	<input checked="" type="checkbox"/> Site Plan \$300.00 + Escrow	<input type="checkbox"/> Street/Alley Vacation \$150.00	<input type="checkbox"/> Parking Reduction \$100.00	<input type="checkbox"/> PUD Sketch Plan \$200.00 + Escrow	<input type="checkbox"/> Zoning Text Amendment \$300.00	<input type="checkbox"/> CUP/IUP \$200.00 (Residential)	<input type="checkbox"/> PUD Plan Amendment \$300.00 + Escrow	<input checked="" type="checkbox"/> Recording Fee \$46.00 x 3	<input type="checkbox"/> CUP/IUP \$300.00 (Non Residential)	<input type="checkbox"/> PUD Final Plan \$300.00 + Escrow	<input type="checkbox"/> Boundary Line Adjustment \$100.00	<input type="checkbox"/> Variance \$200.00 (Residential)	<input type="checkbox"/> PUD Gen. Concept Plan \$400.00 + Escrow	<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Variance \$300.00 (Non Residential) x 3	<input checked="" type="checkbox"/> Prelim Plat \$350.00 + \$10.00/Lot + Escrow		<input type="checkbox"/> Lot Split \$200.00	<input checked="" type="checkbox"/> Final Plat \$250.00 + \$10.00/Lot + Escrow		<input checked="" type="checkbox"/> Public Hearing Notice \$75.00 x 3	<input type="checkbox"/> Wetland Mitigation Plan \$100.00 + Escrow	
<input type="checkbox"/> Annexation \$300.00	<input type="checkbox"/> Comp Plan Amendment \$500.00 + Escrow	<input checked="" type="checkbox"/> Storm Water Plan \$250.00																														
<input type="checkbox"/> Application for Appeal \$150.00	<input type="checkbox"/> Sketch Plat \$200.00 + Escrow	<input type="checkbox"/> Rezoning \$350.00																														
<input type="checkbox"/> City Code Amendment \$250.00	<input checked="" type="checkbox"/> Site Plan \$300.00 + Escrow	<input type="checkbox"/> Street/Alley Vacation \$150.00																														
<input type="checkbox"/> Parking Reduction \$100.00	<input type="checkbox"/> PUD Sketch Plan \$200.00 + Escrow	<input type="checkbox"/> Zoning Text Amendment \$300.00																														
<input type="checkbox"/> CUP/IUP \$200.00 (Residential)	<input type="checkbox"/> PUD Plan Amendment \$300.00 + Escrow	<input checked="" type="checkbox"/> Recording Fee \$46.00 x 3																														
<input type="checkbox"/> CUP/IUP \$300.00 (Non Residential)	<input type="checkbox"/> PUD Final Plan \$300.00 + Escrow	<input type="checkbox"/> Boundary Line Adjustment \$100.00																														
<input type="checkbox"/> Variance \$200.00 (Residential)	<input type="checkbox"/> PUD Gen. Concept Plan \$400.00 + Escrow	<input type="checkbox"/> Other																														
<input checked="" type="checkbox"/> Variance \$300.00 (Non Residential) x 3	<input checked="" type="checkbox"/> Prelim Plat \$350.00 + \$10.00/Lot + Escrow																															
<input type="checkbox"/> Lot Split \$200.00	<input checked="" type="checkbox"/> Final Plat \$250.00 + \$10.00/Lot + Escrow																															
<input checked="" type="checkbox"/> Public Hearing Notice \$75.00 x 3	<input type="checkbox"/> Wetland Mitigation Plan \$100.00 + Escrow																															
<p>ALL ESCROW MUST BE PAID BY CERTIFIED CHECK</p> <p>Escrow Deposit \$2,000.00</p> <p>Escrow Deposit - Site Plan Review: \$15,000 (Tacoma West Industrial Park), \$5,000.00 (All other site plan reviews)</p> <p>Escrow Deposit - Development Review (paid at Sketch Plan): \$10,000.00</p> <p>ALL PLANNING &amp; ZONING APPLICATION FEES ARE IN ADDITION TO LEGAL, ENGINEERING AND ASSOCIATED COSTS.</p> <p><b>*APPLICATIONS WILL BE PROCESSED ONLY IF ALL REQUIRED ITEMS ARE SUBMITTED*</b></p>																																
The undersigned certifies that they are familiar with application fees and other associated costs, and also with the procedural requirements of Chapter 11 and Chapter 12 of the City Code and other applicable ordinances.																																
Applicant's Signature: 		Date <b>1/16/18</b>																														
Fee Owner's Signature: 		Date <b>1-16-18</b>																														
<b>For Office Use Only</b>																																
Accepted By:	Amount	Date																														





Survey 2016, Carver County GIS

This map was created using Carver County's Geographic Information Systems (GIS). It is a compilation of information and data from various City, County, State, and Federal offices. This map is not a surveyed or legally recorded map and is intended to be used as a reference. Carver County is not responsible for any inaccuracies contained herein.

Map Date: 11/28/2017





Larkin Hoffman

8300 Norman Center Drive  
Suite 1000  
Minneapolis, Minnesota 55437-1060

GENERAL: 952-835-3800  
FAX: 952-896-3333  
WEB: [www.larkinhoffman.com](http://www.larkinhoffman.com)

February 5, 2018

Norwood Young America Planning Commission  
c/o Steve Helget, City Administrator  
City of Norwood Young America  
310 Elm Street West - PO Box 59  
Norwood Young America, MN 55368

Re: **Opposition to Vickerman Companies' Variance Request**

Dear Chairperson Heher and Planning Commission Members,

This firm represents Mr. Mike Yeager of Yeager Machine, Inc. ("Yeager"), the owner of 415 Tacoma Circle, regarding the variance application (the "Application") for the Vickerman Companies property (address unassigned) (the "Applicant") located directly to the north and west of the Yeager property in the Tacoma West Industrial Park in the City of Norwood Young America (the "City").

#### Introduction and Background

The Applicant is currently requesting three variances as part of its development proposal. Specifically, the Applicant is requesting: a variance from City Code Section 1230.12, subd. 5(D) pertaining to maximum building height in the I-1 Light Industrial District; a variance from City Code Section 1230.12, subd. 5(E) pertaining to interior side yard setback; and a variance from City Code Section 1255.04(A) pertaining to tree planting requirements.

The City Code establishes a maximum height for buildings in the I-1 Light Industrial District of 40 feet. *City Code 1230.12, subd. 5(D)*. The Applicant is requesting a variance from 40 feet to 42 feet. Similarly, the City Code establishes a side yard setback requirement of 15 feet in the I-1 Light Industrial District. *City Code 1230.12, subd. 5(E)*. The Applicant's variance request would allow zero setback along an interior lot line. Finally, the City Code requires that one tree be planted for each 1,000 square feet of gross building area. *City Code 1255.04(A)*. As the Applicant is seeking to construct an 118,698 square foot facility, the Applicant should, by Code, be required to plant 119 trees. However, the Applicant's variance request would allow the Applicant to plant only 10 trees, roughly 8.5% of the required amount.



Required Findings

Subject to City Code § 1210.04, variances from the literal provisions of the Zoning Code may only be granted where strict enforcement "would cause practical difficulties because of circumstances unique to the individual property under consideration" and a variance would be both "in harmony with the general purpose and intent" of the zoning ordinance and consistent with the comprehensive plan. *City Code § 1210.04, subd. 1*. The following findings must be satisfied prior to confirming the existence of practical difficulties and approval of the variance. Under the proposed circumstances, however, the findings cannot be met.

- 1. The Applicant's request is not a reasonable use of the Property and approval of the variance will substantially conflict with the spirit and intent of the City Ordinance.**

The purpose of the City's I-1, Light Industrial District is to "create industrial areas within the City that will be acceptable and will not adversely affect adjacent business or residential neighborhoods." *City Code, § 1230.12, subd. 1*. Approval of the height and interior side yard variances, as well as the tree planting variance, would adversely affect the Yeager property and deviate from the intended design of light industrial areas such as the Tacoma West Industrial Park.

As noted above, the height variance sought by the Applicant is for two feet from 40 feet to 42 feet and the setback request is for zero setback instead of 15 feet. Taken together, these two variances allow for a significantly larger and more physically imposing building on the Applicant's property than would otherwise be allowable. That deviation from the allowed building limitations has a direct and negative impact on the Yeager property. The new building would sit north and west of the Yeager facility and, at 42 feet, would tower over the 17 foot tall Yeager building.

Additionally, the Applicant's requested variance from the tree planting ordinance would have a substantial visual impact on the intended look and feel of the Tacoma West Industrial Park. Instead of planting 119 trees, the applicant is seeking to only plant 10 trees. If the variances are granted, not only will it allow for a larger building than otherwise allowed, but one which (especially without the required trees being installed) dominates the lot in an imposing manner. This clearly conflicts with the City Ordinance's intent to create industrial areas that do not "adversely affect adjacent businesses."

- 2. There are no circumstances unique to the Property that warrant a variance and the plight of the landowner is entirely of their own making.**

The circumstances of the property are not unique. The Applicant's property is currently undeveloped and, as such, is a blank slate. It contains no topographical or other natural features that are known to impact a project's design. Instead the Applicant is seeking variances from the building height, setback, and tree planting requirements out of mere convenience.



In her report to the Planning Commission, Ms. Cynthia Smith Strack of Strack Consulting, LLC, notes that the height variance "allows for full use of standard sized warehouse racking units and can accommodate a clear zone needed for a required fire suppression system." Clearly, the additional two feet makes the project easier to complete for the Applicant. However, that is not the standard for granting a variance. There is nothing unique about the proposed site that supports the variance request. In addition, the Applicant's reluctance to design its building to support both the desired warehouse equipment and fire suppression system within a 40 foot building is a problem entirely of the Applicant's own making and therefore does not justify a variance.

The Applicant's requested variance from the City's setback requirement is one of convenience as well. The Applicant is seeking to construct a large warehouse next to its existing facility and, in effect, turns the two parcels into one massive facility. Allowing two buildings, on two separate parcels, which share common ownership to be connected at grade, is a measure of convenience for the current owner. But again, that is insufficient for the granting of a variance under the standard set forth in the City Code. The desire (and inability under the City Code) to link two separate buildings on adjoining properties is a problem entirely of the Applicant's making and as such is insufficient to support the granting of the variance.

Finally, and perhaps most clearly, the Applicant's desire to only plant 10 trees when the City Code requires the planting of 119 trees is a problem of the Applicant's own making. Instead of scaling the proposed building to accommodate the required tree planting, the Applicant has essentially elected to simply ignore the requirement. Not only did the Applicant not take the tree planting requirement into account when designing the building, but the sheer magnitude of the variance requested (a 91.5% decrease) demonstrates the Applicant's disregard for the rules imposed on other property owners within the Tacoma West Industrial Park. There is absolutely zero "circumstances unique to the property" that warrant such a variance and the Applicant's alleged inability to comply with Section 1255.04(A) is entirely of its own making.

### **3. Granting the variance would alter the essential character of the locality.**

The Applicant's proposal would significantly alter the essential character of the industrial development. The size of the proposed facility, its encroachment on adjoining parcels (even though they are currently of common ownership) and the stark absence of trees required under the City Code will have a significantly negative impact on the Tacoma West Industrial Park. In creating the zoning requirements, the City had a vision for the character and feel it wished to see in its industrial parks. The Applicant's proposal simply disregards that vision and therefore the variances should not be approved.

### Conclusion

When reviewed alongside the City Code's requirements for evaluating variances, the Applicant's proposal falls far short. The ability for a landowner to seek a variance is intended to recognize that real estate is nuanced and the world is not made up of uniform parcels. It is the nature of the property itself that must drive the need for a variance, not the proposed design of the

Norwood Young America Planning  
Commission  
February 5, 2018  
Page 4

---

development. In this case, all three requested variances arise, not out of some inherent issue with the property itself, but rather as a result of the Applicant's simple desire to do something not allowed under the City Code. The Applicant's alleged "practical difficulties" in complying with the City Code are entirely of their own making and are therefore insufficient, under the criteria set out in City Code 1210.04, to support the granting of the variances requested.

If you have any questions about this letter or any of the above findings, please feel free to contact me directly.

Sincerely,  


Peter J. Coyle, for  
Larkin Hoffman

Enclosure

cc: Mike Yeager, Yeager Machine, Inc.



**BOLTON  
& MENK**

Real People. Real Solutions.

2638 Shadow Lane  
Suite 200  
Chaska, MN 55318-1172

Ph: (952) 448-8838  
Fax: (952) 448-8805  
Bolton-Menk.com

1/25/18

City of Norwood Young America  
Attn: Steve Helget  
310 W. Elm St.  
P.O. Box 59  
Norwood Young America, MN 55368

RE: 2018 Vickerman Company Warehouse Expansion  
Site Plan Review  
Tacoma West Industrial Park 3<sup>rd</sup> Addition  
Project No.: C14115308

Dear Mr. Helget:

Pursuant to your request, we have completed an engineering review for the proposed building addition at Vickerman Company located in the Tacoma West Industrial Park. Our review is based on plans prepared by Sunde Engineering bearing the general title "Vickerman Company", including sheets C1 through C5, dated January 16, 2018, and plat documents prepared by Sunde Land Surveying, bearing the general title "Tacoma West Industrial Park 3<sup>rd</sup> Addition", dated December 20, 2017. We offer the following comments and recommendations for your consideration:

**General:**

- 1) It is our understanding that the proposed project consists of the construction of an 118,698 sf warehouse including 2 bathrooms and a mechanical room, an enclosed building connection to the adjacent facilities, and associated sewer, water, storm sewer and parking facilities.

An appropriate ERU determination for the proposed addition is needed.

- 2) Our review assumes that onsite utilities will be owned and maintained by the Owner, with the exception of the existing and future 48" storm sewer, and non-service water facilities that will be owned and operated by the City. Should this assumption be incorrect, additional review comments may be appropriate.
- 3) Construction activity and /or storage of construction equipment, materials, stock piles, concrete washouts, contractor vehicle parking, etc, shall not be allowed within public R/W without approval by the City.
- 4) City inspection of all work within the R/W and for City owned and operated facilities will be required at the City's sole discretion. The Owner and Contractor shall coordinate with the City.
- 5) Copies of all permits and approvals shall be submitted for the project files. The Fire Chief should review the proposed expansion plans for fire protection and access needs.
- 6) The Fire Chief should review the proposed expansion plans for fire protection and access needs.

**Sewer and Water Service:**

- 1) Sewer service is provided by the existing stub.
- 2) The plans indicate the extension of an 8" fire service to the mechanical room by connecting to the existing 10" watermain located within Tacoma Boulevard. Excavation within Tacoma Boulevard will significantly impact, and essentially eliminate access to both the Vickerman property and Waconia Manufacturing property during construction. The following will be required for excavation in Tacoma Boulevard:
  - a. Pavement shall be sawcut
  - b. One 12 foot wide lane shall be open to traffic at all times during construction. Traffic control and flaggers will be required. An alternative to this is to complete construction at night or when both business are closed.
  - c. The street shall be open to traffic with a temporary aggregate surface at the end of each work day.
  - d. The Owner shall maintain the aggregate surface until paving is completed.
  - e. The bituminous surface shall be restored within 7 days of pavement removal as indicated on the plans.
  - f. The pavement restoration section includes the following:
    - i. 2.5" Bituminous Wear Course
    - ii. 3" Bituminous Base Course
    - iii. 14" Aggregate C1 5 (100 % crushed)
    - iv. Geotextile fabric – Type V

Considering the above, it is recommended the Owner evaluate if extension of the 8" fire service from the existing 6" stub provides acceptable flow and pressure for the building's needs, to avoid the expense of excavating Tacoma Boulevard. In general, the additional head loss differential between a 6" and 8" pipe at the 45 foot stub length is relatively minor.

- 3) The plans show the installation of a 6" hydrant lead from the existing stub to Lot 5, along the south side of the building to the southwest building corner. The length of the hydrant lead is in excess of 1200 feet. The hydrant lead shall be 8" diameter from the stub location to the hydrant assembly.
- 4) A hydrant shall be added on the lead near the south east corner of the building.
- 5) The hydrant lead shall have 3 feet of separation below the 48" storm sewer and insulated with a minimum 4" insulation.
- 6) Acceptable watermain pipe materials include DIP CL 52 and C900 PVC DR 25. All fittings shall be DIP epoxy coated in accordance with City Standards. Fitting bolts shall be Cor Blu T- Bolts, or equal.
- 7) Hydrant and gate valves shall be in accordance with city standards. Details shall be shown on the plan. All exposed bolts shall be 304 stainless steel. City Standard details are available from our office.

- 8) The plans call for the use of marking tape for utility location. Utility location devices required shall include tracer wire access boxes, and access posts, in accordance with City Standards. Wire box covers and posts shall be color coded per industry standards. City Standard Details are available from our office.

**Drainage / Erosion Control:**

- 1) CCWMO and NPDES permits may be required. To date we have not received comments from CCWMO.
- 2) The SWPPP narrative does not appear to be for the proposed project. The SWPPP should be revised accordingly.
- 3) Ponding to accommodate the proposed improvements was constructed as part of the site development project. The proposed impervious surface appears to be consistent with the original pond design.
- 4) The easterly most flared end behind the building should be directed to the southeast into the existing swale.
- 5) Existing drainage facilities shall be inspected prior to construction. The Owner shall protect all existing facilities from sediment deposition. Upon completion of the project, and as required by permitting agencies, existing drainage facilities shall be restored to their pre-construction condition.

**Access:**

- 1) The plans include a typical passenger vehicle access on the west side of the property, and an access in excess of 100' wide at the east end of the property in the loading dock area. This configuration appears to be consistent with the previous additions.
- 2) The plans include a 20' wide fire lane along the back of the building. The proposed fire lane section is unclear, as the plan notes and detail shown are not consistent. The fire lane section shall be 12" Class 5 Aggregate Base (100% crushed) and geotextile fabric -Type V. Recycled bituminous is an acceptable material.
- 3) Turning movements for a fire truck along the fire lane and at the turn around shall be submitted.

**Plat:**

- 1) A minimum 20' wide drainage and utility easement shall be provided over all City owned facilities, including the existing and future 48" storm sewer, the hydrant lead along Tacoma Boulevard, and the hydrant lead to the southwest corner of the building.
- 2) The fire lane should be covered by an easement.

City of Norwood Young America  
1/25/18

The submitted plans and plat documents appear to be acceptable from an engineering perspective subject to the comments addressed herein. Revised plans and plat documents should be submitted.

We are available to discuss this matter at your convenience.

Sincerely,

Bolton & Menk, Inc.

A handwritten signature in black ink, appearing to read 'John K. Swanson', with a long horizontal flourish extending to the right.

**John K. Swanson, P.E.**  
Senior Project Engineer

Cc: Cynthia Smith-Strack  
Kreg Schmidt  
Jake Saulsbury





January 25, 2018

City of Norwood Young America  
Attn: Steve Helget  
310 W. Elm St.  
P.O. Box 59  
Norwood Young America, MN 5536

Re: Vickerman Warehouse Expansion Review

Dear Steve,

The purposed Vickerman warehouse expansion at TBD: 725/735 Tacoma Blvd will be required to have the following additions. My review is based on the preliminary plan submitted by Sunde Engineering and Greystone Construction, dated December 20, 2017.

1. A third new fire hydrant: To be located at the southeast corner of the purposed fire lane.
2. Indicator signs identifying the Fire Lane.
3. Fire Department Entry Key Lock Box.

Sincerely,

Steven Zumberge

NYA Fire Chief  
PO Box 85  
310 Elm St. W  
Norwood Young America  
MN 55368  
Office: (952)-467-1806

*Norwood Young America*

1/28/2018

Gmail - Draft review memo - Vickerman site plan



Cynthia Smith-Strack <csmithstrack@gmail.com>

## Draft review memo - Vickerman site plan

Tony Voigt <tvoigt@cityofnyc.com>

To: Cynthia Smith-Strack <csmithstrack@gmail.com>

Fri, Jan 26, 2018 at 3:18 PM

Cynthia,

I reviewed the plans and the memo. I do not have a problem with the extended access from the street, it looks like all the water and sewer will be acceptable, my only concern is the drainage. It looks like a lot of water from roof drains and parking lot dumping into existing storm sewer. I am slightly concerned with this amount of permeable surface loss with no on-site retention. I assume the storm sewer was designed for large buildings and parking lots in an industrial area so this is only a question or slight concern. Thanks.

Tony Voigt

Public Service Director



City Of Norwood Young America

310 Elm Street West – PO Box 59

Norwood Young America, MN 55368

Phone: (952)467-1830

1/28/2018

Gmail - Draft review memo - Vickerman site plan

Email: [tvoigt@cityofnyc.com](mailto:tvoigt@cityofnyc.com)

Website: [www.cityofnyc.com](http://www.cityofnyc.com)

From: Cynthia Smith-Strack [mailto:[csmithstrack@gmail.com](mailto:csmithstrack@gmail.com)]  
Sent: Saturday, January 20, 2018 7:38 PM  
To: Nick Jeurissen; John Swanson; Steve Zumberge; Tony Voigt  
Cc: City Admin  
Subject: Re: Draft review memo - Vickerman site plan

All - please use this version for reference. I incorporated a few changes. Here again was my previous email text:

[Quoted text hidden]

[Quoted text hidden]

*Norwood Young America  
Planning Commission Minutes  
February 6, 2018*

**Present:** Commissioners Mike Eggers, Craig Heher, Bill Grundahl, Mark Lagergren, and JR Hoernemann.

**Absent:** Commissioner Bill Grundahl

**Staff:** City Attorney Jay Squires, City Administrator Steve Helget, and Planning Consultant Cynthia Smith Strack.

**Public:** Mike Yeager Yeager Machine Inc., Randy Schuster Vickerman Companies, Nick Jeurissen Greystone Construction, Eric Bender Greystone Construction, Megan Tasca Sunde Engineering, Loren Monschen Limner Morschen Architects, Ryan and Nick Molnau from Molnau Trucking.

**1. Call to Order.**

The meeting was called to order by Chair Heher at 6:00 pm. All present stood for the Pledge of Allegiance.

**2. Adoption of Agenda.**

Chairperson Heher introduced the agenda.

Motion – Lagergren, second Eggers to approve the agenda as proposed. The agenda was approved 4-0.

**3. Approval of Minutes from the Regular Meeting January 3, 2018 and the Work Session of January 3, 2018.**

Heher introduced the minutes from the January 3, 2018 regular and work session meetings.

Motion – Eggers to approve the January 3, 2018 regular and work session meeting minutes. Second by Hoernemann. With all in favor the minutes were approved 4-0.

**4. Public Hearings.**

**A. Tacoma West Industrial Park 3<sup>rd</sup> Addition Preliminary Plat.**

Chairperson Heher introduced the agenda topic pertaining to the preliminary plat for Tacoma West Industrial Park 3<sup>rd</sup> Addition. Heher explained the public hearing process the preliminary plat and the next hearing pertaining to variance requests would follow the same process. Heher noted that after he opened the public hearing he would request staff provide background information, he would then allow the Applicant and/or Applicant's Representatives an opportunity to speak. He would then allow Commissioners to seek clarification of the request. Heher stated he would then ask for public comments for or against the proposed action. The hearing would then be closed and addition Commissioner questions/comments would be addressed. Heher noted action on the items would be taken during the business portion of the meeting. Heher opened the public hearing pertaining to the preliminary plat at 6:03 p.m.

Strack stated the City of Norwood Young America and PAR Real Estate LLC, Vickerman Company, were the applicants. The City of Norwood Young America was fee owner of the property being platted. The property was zoned I-1 Light Industrial and proposed to remain I-1.

Strack stated Vickerman Company proposes purchase of three current, improved lots and construction of an 118,698 square foot warehouse facility on said lots. In order to accommodate the development, the City proposes resubdivision of the improved lots into one lot. Specifically the City proposes combining Lot 3, Block 1 Tacoma West Industrial Park 2<sup>nd</sup> Addition and Lots 4 and 5, Block 2 Tacoma West Industrial Park as Lot 1, Block 1 Tacoma West Industrial Park 3<sup>rd</sup> Addition. Vacation of existing drainage and utility easements has been initiated by the City Council. Dedication of new drainage and utility easements on lot perimeters and a proposed easement for the potential relocation of a storm sewer main are illustrated on the final plat.

Strack stated she had requested the plat be forwarded to the Carver County Surveyor's Office and taxation for review/comment. She noted the preliminary and final plats had also been forwarded to the City Engineer and City Attorney for review. Strack stated the proposed use is consistent with the 2030 Comprehensive Plan relating to planned land use. She noted lot performance standards for the I-1 Light Industrial District were achieved. No changes to existing infrastructure is proposed at this time.

Heher asked if Commissioners had any questions. Lagergren confirmed three lots were being combined into one lot under the proposed preliminary plat. Strack confirmed. Heher inquired as to whether or not City Administrator Steve Helget had questions or comments. Helget did not have questions or comments.

Heher invited the public to comment on the preliminary plat. No members of the public spoke for or against the preliminary plat. No previous oral or written comments were received.

Heher inquired as to whether or not City Attorney Squires had comments or questions. Squires did not have comments or questions.

Motion – Lagergren to close the public hearing. Second by Eggers. With all in favor the hearing was closed at 6:09 p.m.

**B. Tacoma West Industrial Park 3<sup>rd</sup> Addition Preliminary Plat.**

Chairperson Heher introduced the agenda topic pertaining to maximum structure height, interior side yard setback, and landscape tree planting variances. Heher opened the public hearing at 6:09 p.m.

Strack stated PAR Real Estate LLC, Vickerman Company, was the Applicant and proposed property owner.

Strack stated the Applicant proposed variances to: Section 1230.12, Subd. 5(D) pertaining to maximum building height in the I-1 Light Industrial District; Section 1230.12, Subd. 5(E) pertaining to interior side yard setback and Section 1255.04(A) pertaining to tree planting at a rate of one tree per 1,000 gross building area. Strack noted the variances were to be acted on in the business portion of the agenda followed by consideration of a site plan.

Strack noted representatives from Vickerman Company, Randy Schuster and Greystone Construction,

Nick Jeurissen were in attendance and able to comment on the request. Strack referenced items included in the meeting packet including: the application, plans, a site map, exterior (north) elevation, turning radius for maneuvers in the loading dock area, a memo from the City Engineer dated January 25, 2018, a memo from the Fire Chief dated January 25, 2018, and email correspondence from Public Services Director Tony Voigt.

Strack stated the Applicant proposes a building height of 42 feet. The maximum height allowed under Section 1230.12, Subd. 5(D) is 40 feet.

The Applicant proposes a zero interior yard setback to accommodate a ground-level link to an existing structure on an adjacent lot. The minimum interior side yard setback prescribed under Section 1230.12, Subd. 5(E) is 15 feet.

The Applicant proposes a reduction of the number of tree plantings required under Section 1255.04(A) of the City Code. The Applicant proposes installation of foundation plantings and ten (10) trees; the Code requires tree planting at a rate of one tree per 1,000 gross building area, or in this case planting of 119 trees.

Strack referenced a letter from an attorney for Mike Yeager as written correspondence received.

Heher asked Strack how long the maximum height of 40 feet was included in the zoning code. Strack noted last wholesale update of zoning code followed 2030 Comprehensive Plan update in 2008. Heher asked Strack for rationale for maximum building height. Strack noted she did not assist with the zoning code update following the 2008 Comprehensive Plan update. She opined fire apparatus availability was formerly a partial rationale for limiting height. She opined code standards requiring fire suppression were later instituted. The proposed building required sprinkling.

Heher invited Jeurissen with Greystone Construction to speak. Heher asked Jeurissen how much of the structure would exceed the maximum height. Jeurissen noted only a small portion of the roof ridge line would exceed the maximum height. The base height was less than the required maximum and the roof pitch was  $\frac{1}{4}:12$ 's resulting in a roof line just under 42 feet.

Lagergren inquired as to where trees would be planted. Jeurissen noted along the east side of the building and adjacent to Tacoma Boulevard.

Heher referenced the proposed ground-level link between buildings. Heher inquired as to whether or not the link could or would be removed upon sale of the property. Jeurissen noted the link would be removed if the buildings were sold separately. In the event the buildings were sold as a campus the link could possibly stay in place.

Heher inquired as to where downspouts for the sizable roof would be discharged. Jeurissen noted shed from the roof would be routed into central downspouts which discharged into underground drain tile.

Lagergren inquired as to stormwater routing. Jeurissen noted a portion of the site discharge would be discharged into a drainage ditch south of the building. Additional discharge would be routed to a stormwater retention pond east of the building constructed in conjunction with the initial property subdivision. Most of the discharge would be to the existing pond east of the proposed facility.



Heher asked Strack to comment on landscaping at other existing facilities in the industrial park. Strack stated she was not able to answer the question as she didn't specifically investigate. She noted she visited the park earlier in the day and noticed Mr. Yeager had several trees on his lot.

Heher asked Jeurissen how large the existing campus buildings were and how that related to tree plantings. Jeurissen noted the existing campus is approximately 140,000 square feet. A variance was issued to reduce required trees in conjunction with the previous expansion.

Heher invited the public to comment.

Mike Yeager, Yeager Machine, Inc. read a prepared statement in opposition to all three proposed variances. Yeager in his statement opined the variances were created by the property owner and were not unique or impacted by physical conditions of the lot or circumstances unique to the property. Yeager also opined the large building mass and bulk and connections between buildings combined with a proposed lessening of landscape standards specifically impacted the scale of development in the park. Yeager opined the proposed variances were not sympathetic to neighborhood character. Yeager requested the Commission deny all three variances.

Heher referenced a letter from Mr. Yeager's Attorney, Peter J. Coyle, Larkin Hoffman. The letter was in opposition to the requested variances.

Heher asked for additional public comments. No additional comments were received.

Motion – Lagergren to close the public hearing. Second by Eggers. With all in favor the hearing was closed at 6:30 p.m.

## **5. Old Business.**

None.

## **6. New Business.**

### **A. Preliminary and Final Plat Approval: Tacoma West Industrial Park 3<sup>rd</sup> Addition.**

Heher introduced the agenda item for discussion.

Strack noted preliminary and final plats were included in the meeting packet. The plats illustrate resubdivision of three improved lots into one lot. Vacation of existing drainage and utility easements has been initiated by the City Council. Dedication of new drainage and utility easements on lot perimeters and a proposed easement for the potential relocation of a storm sewer main are illustrated on the final plat. The plat was to be forwarded to the Carver County Surveyor's Office and taxation for review/comment. The preliminary and final plats had been forwarded to the City Engineer for comment.

In a memo dated January 25, 2018 the City Engineer noted a need to provide a minimum 20-foot wide drainage and utility easement over all City owned facilities, including the existing and future 48-inch storm sewer, the hydrant lead along Tacoma Boulevard, and the hydrant lead to the southwest corner of the building. Strack noted Fire Chief Steve Zumberge was requiring a third hydrant southeast of the fire land which would necessitate an additional hydrant lead which would require a d/u easement. The City Engineer also recommends an easement over the fire lane.

Strack stated staff's recommend was to recommend approval of the preliminary and final plats to the City Council with several conditions including: title review by the City Attorney, incorporation of comments contained in a staff memo dated January 25, 2018 from John Swanson, Bolton-Menk, incorporation of any/all comments from Carver County Surveyor's Office and taxation, certification all taxes were paid, and recording of the final plat at the Carver County Recorder's Office within 120 days of the date of approval by the City Council.

Motion – Lagergren to recommend the City Council approve the preliminary and final plat for Tacoma West Industrial Park 3<sup>rd</sup> Addition based on recommended conditions. Second Hoernemann. Motion carried 4:0.

B. Variances and Site Plan Approval Vickerman Company.

Heher introduced the agenda item for discussion.

Strack noted the variances should be acted upon prior to consideration of approval of the site plan. She requested action on each individual variance as a point of order. Strack alluded to Code standards pertaining to variance review including: consistency with the comprehensive plan, a 'practical difficulties test', and consistency with existing built environments.

Strack stated the Applicant proposes a building height of 42 feet. The maximum height allowed under Section 1230.12, Subd. 5(D) is 40 feet. She noted the Applicant proposes a building height of 42 feet to allow for full use of standard sized warehouse racking units and the ability to accommodate a required three-foot clear zone for fire suppression system use. Strack referenced sample findings of fact for and against the variance.

For the request: The proposed use is consistent with planned land use in the Comprehensive Plan and development in the adjacent locale; the proposed variance is not for the use of property; the proposed structure is part of warehouse campus with each building physically connected through an at-grade link. Previously existing campus structures are sympathetic in height to the 42' proposed; the additional two feet of building height allows for full use of standard sized warehouse racking units and can accommodate a clear zone needed for a required fire suppression system; the proposed variance is minimal in scope and scale; the proposed variance provides for more efficient development and consumption of land as required under the 2030 Comprehensive Plan; the proposed building height variance makes development more cost-effective by building up as opposed to building a larger footprint; the lot is irregularly shaped and is bounded by two roadways; and, the proposed structure is consistent in size and scale to other industrial structures in the adjacent locale and will not negatively impact the essential character of the industrial district.

Against the request: Several parcels within the adjacent locale have irregular shapes, the parcel shape is not unique; building height is a factor solely under the control of the Applicant and therefore not unique to any given parcel; and, the proposed variance could be avoided if the building size was increased.

Heher asked Attorney Squires if the 42-foot variance was warranted. Squires reviewed statutory requirements for variance consideration. Squires reviewed language pertaining to practical difficulties. He also alluded to a standard pertaining to economic hardship alone not being a reason for granting variance approval. Squires opined the specific statutory language alluded to the potential for the City to

consider economic consequences of a request, provided such reasons were not the sole rationale for variance consideration. For example, if storage space could be increased by ten percent simply by issuing a small variance allowance such cost efficiency could be relative to variance consideration.

Squires further suggested the scale or significance of the variance could also be a factor for the Commission to consider. The height variance proposed applies to a limited portion of the building height.

Squires also noted that zoning code allows for up to 80 percent site coverage as an essential component of the industrial area. The proposed site coverage was less than that allowed. Squires suggested the Commission consider performance standard allowances included in the zoning classification when contemplating whether or not the proposed development was consistent with neighborhood character.

Heher asked for input from Commissioners. Heher noted the two foot variance which was applicable to a portion of the roof ridgeline did not seem extreme. Heher noted it would allow for use of more storage space and be largely unnoticeable. Lagergren concurred. Hoernemann concurred.

**Motion** – Lagergren to recommend the City Council approve the two-foot maximum height variance based on aforementioned findings. Second Eggers. Motion carried 4:0.

Strack stated the Applicant proposes a zero interior yard setback applicable to a 32-foot section of the side yard as a means of accommodating a ground-level link to an existing structure on an adjacent lot. The minimum interior side yard setback prescribed under Section 1230.12, Subd. 5(E) is 15 feet.

Strack referenced sample findings of fact for and against the variance included in the packet and provided for discussion purposes.

For the request: The proposed use is consistent with planned land use in the Comprehensive Plan and development in the adjacent locale; the proposed variance is not for the use of property; the proposed structure is part of warehouse campus with each building physically connected through an at-grade links; the setback variance is applicable only to a 32-foot segment of the structure, the vast majority of the building will exceed the required setback; the proposed variance is minimal in scope and scale; the proposed variance provides for more efficient development and consumption of land as required under the 2030 Comprehensive Plan; the proposed building link makes development more cost-effective by eliminating external trips between separate buildings; the lot is irregularly shaped and is bounded by two roadways; the proposed structure is consistent in size and scale to other industrial structures in the adjacent locale and will not negatively impact the essential character of the industrial district.

Against the request: Several parcels within the adjacent locale have irregular shapes, the parcel shape is not unique; a building link is a factor solely under the control of the Applicant and therefore not unique to any given parcel; and, the proposed variance could be avoided if operations between buildings were conducted externally.

Helget noted the City's Building Official had been present at a pre-construction meeting to address issues associated with the proposed building link. Heher reported the Building Official approved of the link construction which mirrored an existing link between two buildings elsewhere on the Vickerman campus.

Lagergren asked Strack to expound on a finding the variance could be avoided if operations between buildings were constructed externally. Strack stated forklifts could exit one building on the campus, travel down Tacoma Boulevard and/or through parking areas and access a second structure, thereby rendering a link a convenience and not an operational necessity.

Heher inquired as to whether or not the link could be removed at the time of property sale. Strack opined Jeurissen testified to that effect earlier. Heher inquired as to whether or not a condition requiring link removal at the time of property sale could be added to the variance. Strack opined the variance approval ran with 'the land' as opposed to the property owner.

Squires noted Vickerman Company was a large campus and it could be sold as a campus unit. However, if economic conditions didn't support sale of the entire campus as a single entity, the buildings could be sold independently and the link(s) could be removed.

Lagergren requested clarification of whether or not the City would be forcing Vickerman Company to sell the entire campus as a single entity. Squires opined that recommending variance approval would not be forcing Vickerman to sell all the buildings as a single campus unit.

Motion – Eggers to recommend the City Council approve a zero interior side yard setback for a 32' portion of the side yard to accommodate at-grade building link pursuant to aforementioned findings. Second Hoernemann. Motion carried 4:0.

Strack stated the Applicant proposes a reduction of the number of tree plantings required under Section 1255.04(A) of the City Code. The Applicant proposes installation of foundation plantings and ten (10) trees; the Code requires tree planting at a rate of one tree per 1,000 gross building area, or in this case planting of 119 trees.

Strack referenced sample findings of fact for and against the variance included in the packet and provided for discussion purposes.

For the request: The proposed use is consistent with the planned land use contained in the Comprehensive Plan and development in the adjacent locale; the proposed variance is not for the use of property; the proposed structure is part of warehouse campus with each building physically connected through an at-grade links; the Light Industrial District allows for maximum impervious surface coverage of 80% of the lot. Under maximum intensity twenty (20) percent of the lot is available for plantings, research indicates mature overstory trees such as maple and oak can have canopies of up to 1,800 square feet in area, therefore, minimum planting distances of 25-40 feet are encouraged, however, the pervious acreage available is unable to accommodate 119 trees; the 2030 Comprehensive Plan includes policies supporting efficient development and consumption of land and is based on a build out at up to 80 percent impervious surface; the lot is irregularly shaped and is bounded by two roadways which require increased front and corner yard setbacks; and, the proposed development is consistent in size and scale to other industrial structures in the adjacent locale and will not negatively impact the essential character of the industrial district.

Against the request: Several parcels within the adjacent locale have irregular shapes, the parcel shape is not unique; the building could be reduced in size to make room for the required number of trees; and, the planting of trees is not unique to the shape of a parcel but rather the proposed intensity of development on the subject parcel.



Heher asked Jeurissen to review where the ten trees are proposed to be planted. Jeurissen stated the trees would be planted adjacent to Tacoma Boulevard and along the northeast portion of the property. Heher confirmed the width of the building was 400 feet. Jeurissen concurred. Heher inquired as to how Jeurissen determined ten trees would fit on the property. Jeurissen stated the ten trees was identified as a starting point for tree plantings that could reasonably be accommodated on the site.

Eggers inquired if the number of trees required could be doubled, to twenty versus ten. He inquired as to whether or not a fee could be paid which could, in turn, be used to purchase trees for planting in public places. Strack noted the Commission could find additional tree plantings on site were needed. She cautioned enabling language related to a fee in lieu of tree planting was not included in the code.

Randy Schuster opined 30 trees should be able to fit on the lot and that he would commit to installing 30 trees. The Commission discussed potential location of tree plantings. Squires recommended the Commission require a landscape plan illustrating the installation of 30 trees be presented to the City Council prior to their taking action on the requested variance.

Lagergren opined the planting of 30 trees in the area provided, especially adjacent to Yeager Machine was reasonable. Heher concurred opining ten trees was not sufficient but thirty trees seemed reasonable given the performance standards of the zoning district and the allowable space. Heher suggested the Commission review the tree planting standard in the near future so as to create a standard that is scalable for large building footprints.

Motion – Hoernemann to recommend the City Council approve installation of 30 trees (119 code standard) on the site providing a landscape plan was submitted to the Council illustrating the tree plantings prior to consideration of the variance request pursuant to aforementioned findings. Second Lagergren. Motion carried 4:0.

Strack noted the Code requires Planning Commission consideration and Council action to approve all site plans contemplating new building square footage. Strack referenced plans included in the packet pertaining to Vickerman's proposed 118,698 square foot warehouse.

Strack noted with the exception of interior yard setback and building height standards the proposed 118,698 square foot structure appears to meet lot performance standards as proposed. The maximum impervious surface coverage is limited by previous design/grading to 72%, under the 80% maximum under Code.

Access to the proposed structure is from Tacoma Boulevard which is classified as a 'local' street and which has been designed to accommodate truck traffic. The site plan illustrates nine loading bays in the proposed facility. The Applicant represents that the estimated volume of semi-truck traffic is ten trucks per day. The volume of truck traffic as represented by the Applicant appears to be of minimal impact on the transportation system. In the event larger volumes of truck traffic are generated at a point in the future, additional study may be required of the Applicant and/or Property Owner to determine impact on the transportation system. Under Code larger access throat widths may be approved by the City Engineer. The proposed access width exceeds 100 feet. The City Engineer in a review memo dated January 25, 2018 approves of the proposed width. Evidence that all truck traffic maneuvers can be accommodated on site without interfering with employee parking and pedestrian movements has been submitted. Primary points of employee ingress/egress are located in the building front and interior (northwest) side yard. Proposed points of ingress/egress are adjacent to employee parking. Strack

recommended further consideration of pedestrian movement through employee parking to ingress/egress points, consideration of additional signage, striping, and/or installation of sidewalk was recommended.

The plans illustrate a total of 60 parking spaces. Parking areas are proposed to be surfaced with bituminous, surrounded by B-612 curb, and setback a minimum of ten feet from the property line. The volume of parking spaces is consistent with Code requirements. Strack recommended revised plans illustrate stall and drive aisle dimensions. She noted the concept plan illustrated said dimensions and that those dimensions were consistent with the code.

Strack stated the applicant is proposing minimal facade improvements for the building with a little over two-feet of wainscot concrete masonry units along the base of the front building wall adjacent to Tacoma Boulevard. This is consistent with the baseline facade improvements on existing buildings. The remainder of the building will be pre-finished steel wall panels. Colors and materials are intended to compliment the current building and are evident on the north elevation rendering submitted with the plan set.

Building lighting is proposed to be limited to wall-mounted luminaries. Under code, wall mounted luminaries should not be intended to be used to illuminate parking lots; instead pole lights shall be used in order to minimize off-site glare. The height of wall-mounted luminaries shall not exceed 18 feet above ground level at the building line. The attached elevation rendering illustrates intended location and height of wall mounted luminaries.

Handicap and no-parking signs are included in the application materials. In the event any additional signage is contemplated, Strack noted a separate permit is required and the standards contained in Section 1260 (Signs) of the City Code shall apply.

The use shall be required to meet all performance standards set forth in Section 1245.01 of the City Code. In particular, garbage /refuse area shall be kept in an enclosed building or otherwise hidden from public view by a privacy fenced area.

Strack noted the plans were forwarded to the Public Service Director Tony Voigt for review and comment. An email dated January 26, 2018 from Public Service Director Tony Voigt was included in the packet.

The plans were forwarded to the Fire Chief Steve Zumberge for review and comment. Comments contained in a review memo dated January 25, 2018 are incorporated in the record by reference.

The plans were forwarded to the City Engineer for review and comment. Comments contained in a review memo dated January 25, 2018 are incorporated in the record by reference.

Strack opined if the Commission considers a recommendation approving the site plan, certain conditions were recommended including: The "Use" of the property be defined as an 118,698 square foot warehousing facility. All application materials and plan sets be incorporated by reference and accepted in good faith by the City as the Applicant's intended development. Approval of variance requests relating to building height, interior side yard minimum setback, and required tree plantings. Submittal of a revised set of plans illustrating compliance with required conditions of approval. Compliance with all standards required and as set forth within the memo from Consulting Planner, Cynthia Smith Strack, dated February 6, 2018. Compliance with all recommendations as set forth within the memo from John Swanson, Bolton-Menk (City Engineer) dated January 25, 2018. Compliance with all recommendations



as set forth within a memo from Fire Chief Steve Zumberge dated January 25, 2018. Submittal of a landscape plan to the City Council review illustrating foundation plantings and the installation of thirty (30) overstory trees on site. Revised plans illustrating pedestrian movement through employee parking to ingress/egress points and proposed signage, striping, and/or installation of sidewalk. Illustration of stall and drive aisle dimensions on the revised plan set, confirming consistency with code requirements for drive aisle dimension and stall dimension. The height of wall-mounted luminaries shall not exceed 18 feet above ground level at the building line. The use shall continuously meet all performance standards set forth in Section 1245.01 of the City Code, as may be amended. Garbage /refuse area shall be kept in an enclosed building or otherwise hidden from public view by a privacy fenced area. All signage shall require submittal of a sign permit application and approval by the Zoning Administrator and/or Building Official. Building permits shall be required prior to any building construction or improvements on the property. This approval is subject to all applicable codes, regulations and ordinances, and violation thereof shall be grounds for revocation. This approval shall expire one year after date of approval unless the Applicants have commenced construction of the Use on the Property. Approval of this site plan does not approve any future expansion or associated improvements on-site. Any modifications not defined as "minor" pursuant to Section 1210.08, Subd. 4, shall require separate site plan approval.

Motion – Lagergren to recommend the City Council approve the site plan based on aforementioned conditions. Second Eggers. Motion carried 4:0.

## **7. Miscellaneous.**

### **A. January Building Permit Report.**

The commission reviewed the January building permit report.

## **8. Commissioner Reports.**

Hoernemann, Lagergren, and Eggers did not have comments.

Heher noted the Council tabled a hearing to revoke a conditional use permit for Southwest Paving. The Commission placed a comprehensive plan amendment into effect for rezoning/plan amendment relating to ISD 108 property. The Council will be considering new entry monument design.

## **9. Adjourn**

Motion – Lagergren, Second Eggers, with all in favor the meeting adjourned at 7:38 p.m.

Respectfully submitted,

---

Steve Helget

## **RESOLUTION 2018-10**

### **A RESOLUTION APPROVING A VARIANCE TO MAXIMUM BUILDING HEIGHT IN THE LIGHT INDUSTRIAL DISTRICT FOR VICKERMAN COMPANY**

BE IT RESOLVED by the City Council of Norwood Young America, Carver County, Minnesota as follows:

WHEREAS, PAR Real Estate LLC (Vickerman Company) has applied for a variance to allow a maximum building height of forty-two (42) feet in the I-1 Industrial District, the Code standard is forty (40) feet; and

WHEREAS, if approved the variance would allow the placement of a 118,698 square foot warehouse facility on Lot 1, Block 1 Tacoma West Industrial Park 3<sup>rd</sup> Addition (the “Property”); and

WHEREAS, the Property is zoned I-1 Light Industrial; and

WHEREAS, the Applicant makes the following representations which the City accepts as a good faith representation of the proposed operation:

1. The proposed variance will apply to only a portion of the structure near the ridgeline.
2. The proposed variance will allow storage space within the facility to increase approximately ten (10) percent while maintaining a three-foot clear zone for a fire suppression system.

WHEREAS, the City of Norwood Young America Planning Commission on February 6, 2018 held a public hearing regarding the variance request after the hearing notice was posted, published, and distributed as required under law; and,

WHEREAS, the Planning Commission, after review and discussion, recommended the City Council conditionally approve the variance based on the following facts:

1. The proposed use is consistent with the planned land use contained in the Comprehensive Plan and development in the adjacent locale as allowed under I-1 District performance standards.
2. The proposed variance is not for the use of property.
3. The proposed structure is part of warehouse campus with each building physically connected through an at-grade link. Previously existing campus structures are sympathetic in height to the 42’ proposed.
4. The additional two feet of building height allows for full use of standard sized warehouse racking units and can accommodate a clear zone needed for a required fire suppression system.
5. The proposed variance is minimal in scope and scale impacting only a portion of the roof.

6. The proposed variance provides for more efficient development and consumption of land as required under the 2030 Comprehensive Plan by prioritizing vertical expansion versus a larger building footprint.
7. The proposed building height variance makes development more cost-effective by building up as opposed to building a larger footprint and by increasing the volume of warehouse storage available by as much as ten (10) percent.
8. The lot is irregularly shaped and is bounded by two roadways.
9. The proposed structure is consistent in size and scale to other industrial structures in the adjacent locale and will not negatively impact the essential character of the industrial district.

WHEREAS, at a regular meeting held on February 26, 2018, the City Council considered the application materials on file with the City, the Planning Commission's findings, and Planning Commission's recommendation.

NOW THEREFORE, BE IT RESOLVED, that the City Council of Norwood Young America, Carver County, Minnesota, hereby makes and adopts the following findings of fact:

1. The proposed use is consistent with the planned land use contained in the Comprehensive Plan and development in the adjacent locale as allowed under I-1 District performance standards.
2. The proposed variance is not for the use of property.
3. The proposed structure is part of warehouse campus with each building physically connected through an at-grade link. Previously existing campus structures are sympathetic in height to the 42' proposed.
4. The additional two feet of building height allows for full use of standard sized warehouse racking units and can accommodate a clear zone needed for a required fire suppression system.
5. The proposed variance is minimal in scope and scale impacting only a portion of the roof.
6. The proposed variance provides for more efficient development and consumption of land as required under the 2030 Comprehensive Plan by prioritizing vertical expansion versus a larger building footprint.
7. The proposed building height variance makes development more cost-effective by building up as opposed to building a larger footprint and by increasing the volume of warehouse storage available by as much as ten (10) percent.
8. The lot is irregularly shaped and is bounded by two roadways.
9. The proposed structure is consistent in size and scale to other industrial structures in the adjacent locale and will not negatively impact the essential character of the industrial district.

BE IT FURTHER RESOLVED, that the City Council of Norwood Young America, Carver County, Minnesota, hereby approves a variance authorizing a two foot variance to the maximum building height in the I-1 District allowing a maximum height of forty-two (42) feet, subject to the following conditions:

1. The "Use" of the property is an 118,698 square foot warehouse facility on a single parcel of record.
2. Variance approval is contingent on approval of a site plan and approval of variances to interior side yard setback and required landscaping.
3. The maximum building height is 42 feet.
4. The variance shall expire one year after date of approval unless the Applicant has commenced construction of the principal structure.

Adopted by the City Council this 26<sup>th</sup> day of February, 2018.

Attest:

---

Carol Lagergren, Mayor

---

Kelly Hayes, City Clerk/Treasurer

## **RESOLUTION 2018-11**

### **A RESOLUTION APPROVING A VARIANCE TO THE REQUIRED INTERIOR SIDE YARD SETBACK REQUIREMENT IN THE LIGHT INDUSTRIAL DISTRICT FOR VICKERMAN COMPANY**

BE IT RESOLVED by the City Council of Norwood Young America, Carver County, Minnesota as follows:

WHEREAS, PAR Real Estate LLC (Vickerman Company) has applied for a variance to allow a zero interior side yard setback to accommodate a link between an existing structure and a proposed structure; and

WHEREAS, if approved the variance would allow the placement of a 118,698 square foot warehouse facility on Lot 1, Block 1 Tacoma West Industrial Park 3<sup>rd</sup> Addition (the “Property”) which would be connected by a link to an adjacent existing structure; and

WHEREAS, the requested variance is applicable to approximately 32 feet of the interior side property line; and

WHEREAS, the Property is zoned I-1 Light Industrial; and

WHEREAS, the Applicant makes the following representations which the City accepts as a good faith representation of the proposed operation:

1. The proposed variance will apply to only a portion of the side property line, approximately 32 feet in length.
2. The proposed variance will allow movement between an existing and proposed structure without the need to exit either structure.
3. The variance will cease in the event the structural link is removed.
4. The structural link is designed to be removed should the connected structures ultimately be sold as individual units.

WHEREAS, the City of Norwood Young America Planning Commission on February 6, 2018 held a public hearing regarding the variance request after the hearing notice was posted, published, and distributed as required under law; and

WHEREAS, the Planning Commission, after review and discussion, recommended the City Council conditionally approve the variance based on the following facts:

1. The proposed use is consistent with the planned land use contained in the Comprehensive Plan and development in the adjacent locale as allowed under I-1 District performance standards.
2. The proposed variance is not for the use of property.
3. The proposed structure is part of warehouse campus with each building physically connected through an at-grade links.
4. The setback variance is applicable only to a 32-foot segment of the structure, the vast majority of the building will exceed the required setback.
5. The proposed variance is minimal in scope and scale.
6. The proposed variance provides for more efficient development and consumption of land as required under the 2030 Comprehensive Plan.
7. The proposed building link makes development more cost-effective by eliminating external trips between separate buildings.
8. The lot is irregularly shaped and is bounded by two roadways.
9. The proposed structure is consistent in size and scale to other industrial structures in the adjacent locale and will not negatively impact the essential character of the industrial district.

WHEREAS, at a regular meeting held on February 26, 2018, the City Council considered the application materials on file with the City, the Planning Commission's findings, and Planning Commission's recommendation.

NOW THEREFORE, BE IT RESOLVED, that the City Council of Norwood Young America, Carver County, Minnesota, hereby makes and adopts the following findings of fact:

1. The proposed use is consistent with the planned land use contained in the Comprehensive Plan and development in the adjacent locale as allowed under I-1 District performance standards.
2. The proposed variance is not for the use of property.
3. The proposed structure is part of warehouse campus with each building physically connected through an at-grade links.
4. The setback variance is applicable only to a 32-foot segment of the structure, the vast majority of the building will exceed the required setback.
5. The proposed variance is minimal in scope and scale.
6. The proposed variance provides for more efficient development and consumption of land as required under the 2030 Comprehensive Plan.
7. The proposed building link makes development more cost-effective by eliminating external trips between separate buildings.
8. The lot is irregularly shaped and is bounded by two roadways.
9. The proposed structure is consistent in size and scale to other industrial structures in the adjacent locale and will not negatively impact the essential character of the industrial district.

BE IT FURTHER RESOLVED, that the City Council of Norwood Young America, Carver County, Minnesota, hereby approves a variance authorizing a zero interior side yard setback in the I-1 District allowing a maximum height of forty-two (42) feet, subject to the following conditions:

1. The "Use" of the property is an 118,698 square foot warehouse facility on a single parcel of record.
2. Variance approval is contingent on approval of a site plan and approval of variances to building height and required landscaping.
3. The zero side yard setback variance is applicable to an approximately 32-foot building link.



4. The variance shall expire one year after date of approval unless the Applicant has commenced construction of the principal structure.

Adopted by the City Council this 26<sup>th</sup> day of February, 2018.

---

Carol Lagergren, Mayor

Attest:

---

Kelly Hayes, City Clerk/Treasurer

## **RESOLUTION 2018-12**

### **A RESOLUTION APPROVING A VARIANCE TO REQUIRED OVERSTORY TREE PLANTINGS FOR VICKERMAN COMPANY**

BE IT RESOLVED by the City Council of Norwood Young America, Carver County, Minnesota as follows:

WHEREAS, PAR Real Estate LLC (Vickerman Company) has applied for a variance to reduce the number of overstory trees to be planted at a site in the I-1 Industrial District, the Code standard requires 119 trees; thirty (30) overstory trees are proposed; and

WHEREAS, if approved the variance would allow the placement of a 118,698 square foot warehouse facility on Lot 1, Block 1 Tacoma West Industrial Park 3<sup>rd</sup> Addition (the “Property”); and

WHEREAS, the Property is zoned I-1 Light Industrial; and

WHEREAS, the Applicant makes the following representations which the City accepts as a good faith representation of the proposed operation:

1. A total of 30 overstory trees will be installed on site as illustrated in the landscape plan attached hereto as Attachment A.

WHEREAS, the City of Norwood Young America Planning Commission on February 6, 2018 held a public hearing regarding the variance request after the hearing notice was posted, published, and distributed as required under law; and,

WHEREAS, the Planning Commission, after review and discussion, recommended the City Council conditionally approve the variance based on the following facts:

1. The proposed structure is part of warehouse campus with each building physically connected through an at-grade links.
2. The Light Industrial District allows for maximum impervious surface coverage of 80% of the lot. Under maximum intensity twenty (20) percent of the lot is available for plantings. Research indicates mature overstory trees such as maple and oak can have canopies of up to 1,800 square feet in area. As such minimum planting distances of 25-40 feet are encouraged. The pervious acreage available is unable to accommodate 119 trees.
3. The 2030 Comprehensive Plan includes policies supporting efficient development and consumption of land and is based on a build out at up to 80 percent impervious surface.
4. The lot is irregularly shaped and is bounded by two roadways which require increased front and corner yard setbacks.
5. The proposed development is consistent in size and scale to other industrial structures in the adjacent locale and will not negatively impact the essential character of the industrial district.

WHEREAS, at a regular meeting held on February 26, 2018, the City Council considered the application materials on file with the City, the Planning Commission's findings, and Planning Commission's recommendation.

NOW THEREFORE, BE IT RESOLVED, that the City Council of Norwood Young America, Carver County, Minnesota, hereby makes and adopts the following findings of fact:

1. The proposed structure is part of warehouse campus with each building physically connected through an at-grade links.
2. The Light Industrial District allows for maximum impervious surface coverage of 80% of the lot. Under maximum intensity twenty (20) percent of the lot is available for plantings. Research indicates mature overstory trees such as maple and oak can have canopies of up to 1,800 square feet in area. As such minimum planting distances of 25-40 feet are encouraged. The pervious acreage available is unable to accommodate 119 trees.
3. The 2030 Comprehensive Plan includes policies supporting efficient development and consumption of land and is based on a build out at up to 80 percent impervious surface.
4. The lot is irregularly shaped and is bounded by two roadways which require increased front and corner yard setbacks.
5. The proposed development is consistent in size and scale to other industrial structures in the adjacent locale and will not negatively impact the essential character of the industrial district.

BE IT FURTHER RESOLVED, that the City Council of Norwood Young America, Carver County, Minnesota, hereby approves a variance authorizing the installation of thirty (30) overstory trees rather than 119 overstory trees, subject to the following conditions:

1. The "Use" of the property is an 118,698 square foot warehouse facility on a single parcel of record.
2. Variance approval is contingent on approval of a site plan and approval of variances to interior side yard setback and building height.
3. The variance shall expire one year after date of approval unless the Applicant has commenced construction of the principal structure.

Adopted by the City Council this 26<sup>th</sup> day of February, 2018.

---

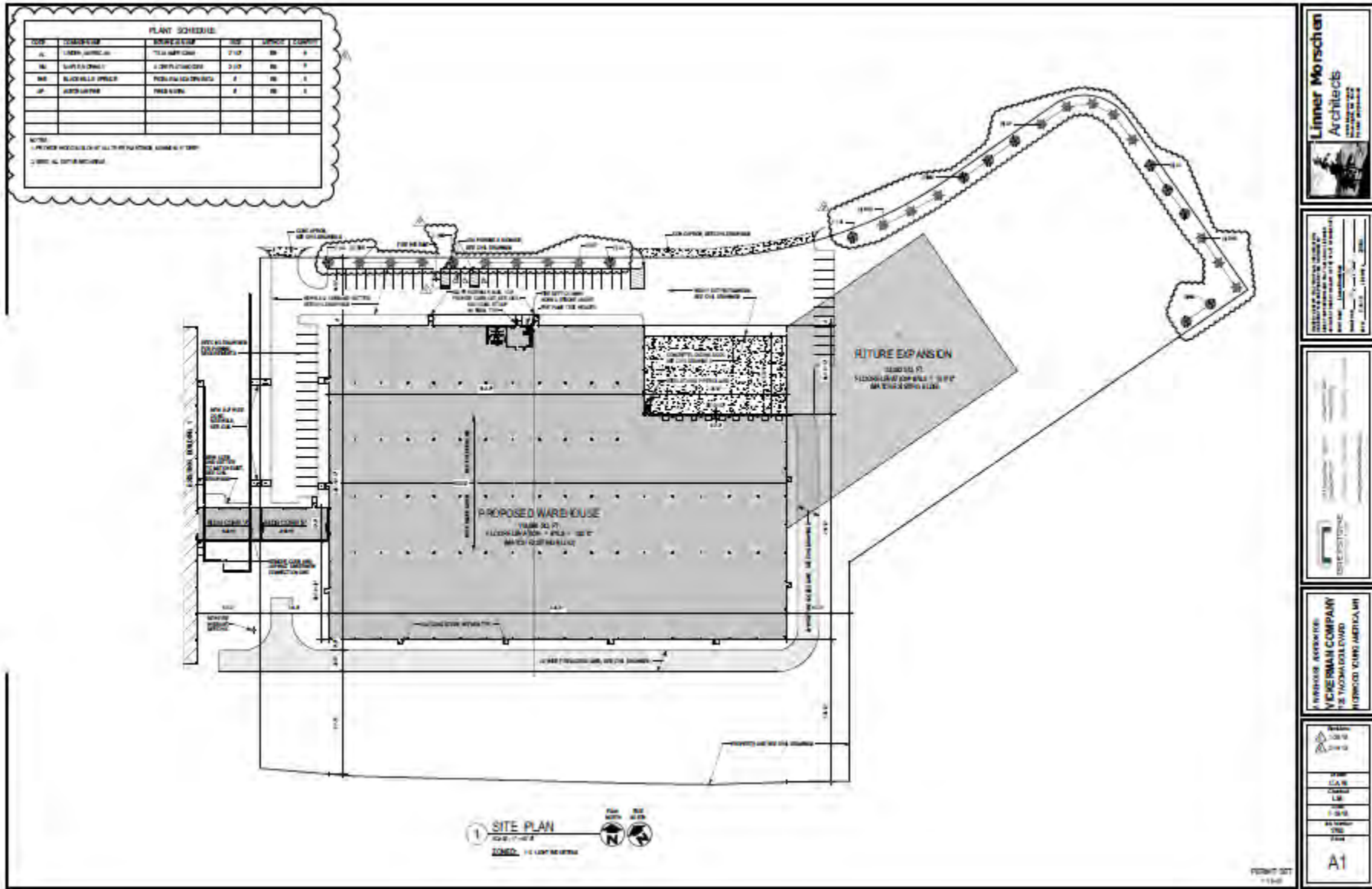
Carol Lagergren, Mayor

Attest:

---

Kelly Hayes, City Clerk/Treasurer

ATTACHMENT A  
NORWOOD YOUNG AMERICA CITY COUNCIL RESOLUTION 2018-12



## **RESOLUTION 2018-13**

### **A RESOLUTION APPROVING A SITE PLAN FOR A 118,698 SQUARE FOOT WAREHOUSE FOR VICKERMAN COMPANY**

BE IT RESOLVED by the City Council of Norwood Young America, Carver County, Minnesota as follows:

WHEREAS, PAR Real Estate LLC (Vickerman Company) has applied for approval of a site plan to allow the placement of a 118,698 square foot warehouse facility on Lot 1, Block 1 Tacoma West Industrial Park 3<sup>rd</sup> Addition (the "Property"); and

WHEREAS, the Property is zoned I-1 Light Industrial; and

WHEREAS, the City of Norwood Young America Planning Commission on February 6, 2018 reviewed, discussed, and considered civil plans and other associated materials submitted with the request for site plan approval; and

WHEREAS, the Planning Commission, after review and discussion, recommended the City Council conditionally approve the site plan based on the following facts; and

1. The proposed use is consistent with planned future land use prescribed in the 2008 Comprehensive Plan.
2. The subject property is zoned I-1 Light Industrial. The proposed warehouse use is a permitted use in the I-1 Light Industrial District.
3. With the exception of interior yard setback and building height standards the proposed 118,698 square foot structure appears to meet lot performance standards as proposed. The maximum impervious surface coverage is limited by previous design/grading to 72%, under the 80% maximum under Code.
4. Access to the proposed structure is from Tacoma Boulevard which is classified as a 'local' street and which has been designed to accommodate truck traffic. The Applicant represents that the estimated volume of semi-truck traffic is ten trucks per day. The volume of truck traffic as represented by the Applicant appears to be of minimal impact on the transportation system. In the event larger volumes of truck traffic are generated at a point in the future, additional study may be required of the Applicant and/or Property Owner to determine impact on the transportation system.
5. Under Code larger access throat widths may be approved by the City Engineer. The proposed access width exceeds 100 feet. The City Engineer in a review memo dated January 25, 2018 approves of the proposed width.

6. Evidence that all truck traffic maneuvers can be accommodated on site without interfering with employee parking and pedestrian movements has been submitted.
7. The plans illustrate a total of 60 parking spaces. Parking areas are proposed to be surfaced with bituminous, surrounded by B-612 curb, and setback a minimum of ten feet from the property line. The volume of parking spaces is consistent with Code requirements.
8. The applicant is proposing minimal facade improvements for the building with a little over two-feet of wainscot concrete masonry units along the base of the front building wall adjacent to Tacoma Boulevard. This is consistent with the baseline facade improvements on existing buildings. The remainder of the building will be pre-finished steel wall panels. Colors and materials are intended to compliment the current building and are evident on the north elevation rendering submitted with the plan set.

WHEREAS, at a regular meeting held on February 26, 2018, the City Council considered the application materials on file with the City, the Planning Commission's findings, and Planning Commission's recommendation; and

WHEREAS, the site plan is attached hereto as Attachment A.

NOW THEREFORE, BE IT RESOLVED, that the City Council of Norwood Young America, Carver County, Minnesota, hereby approves a site plan for an 118,698 square foot warehouse facility on Lot 1, Block 1 Tacoma West Industrial Park 3<sup>rd</sup> Addition, subject to the following conditions:

1. The "Use" of the property shall be defined as an 118,698 square foot warehousing facility.
2. All application materials and plan sets, as may be required to be amended, are hereby incorporated by reference and accepted in good faith by the City as the Applicant's intended development.
3. Approval of variance requests relating to building height, interior side yard minimum setback, and required tree plantings.
4. Submittal of a revised set of plans illustrating compliance with required conditions of approval.
5. Compliance with all standards required and as set forth within the memo from Consulting Planner, Cynthia Smith Strack, dated February 6, 2018.
6. Compliance with all recommendations as set forth within the memo from John Swanson, Bolton-Menk (City Engineer) dated January 25, 2018.
7. Compliance with all recommendations as set forth within a memo from Fire Chief Steve Zumberge dated January 25, 2018.
8. Submittal of a landscape plan to the City Council review illustrating the installation of thirty (30) overstory trees on site.



9. Revised plans illustrating pedestrian movement through employee parking to ingress/egress points and proposed signage, striping, and/or installation of sidewalk.
10. Illustration of stall and drive aisle dimensions on the revised plan set, confirming consistency with code requirements for drive aisle dimension and stall dimension.
11. The height of wall-mounted luminaries shall not exceed 18 feet above ground level at the building line.
12. The use shall continuously meet all performance standards set forth in Section 1245.01 of the City Code, as may be amended. Garbage /refuse area shall be kept in an enclosed building or otherwise hidden from public view by a privacy fenced area.
13. All signage shall require submittal of a sign permit application and approval by the Zoning Administrator and/or Building Official.
14. Building permits shall be required prior to any building construction or improvements on the property.
15. Approval is subject to all applicable codes, regulations and ordinances, and violation thereof shall be grounds for revocation.
16. This approval shall expire one year after date of approval unless the Applicants have commenced construction of the Use on the Property.
17. Approval of the site plan does not approve any future expansion or associated improvements on-site.
18. Any modifications not defined as “minor” pursuant to Section 1210.08, Subd. 4, shall require separate site plan approval.

Adopted by the City Council this 26<sup>th</sup> day of February, 2018.

Attest:

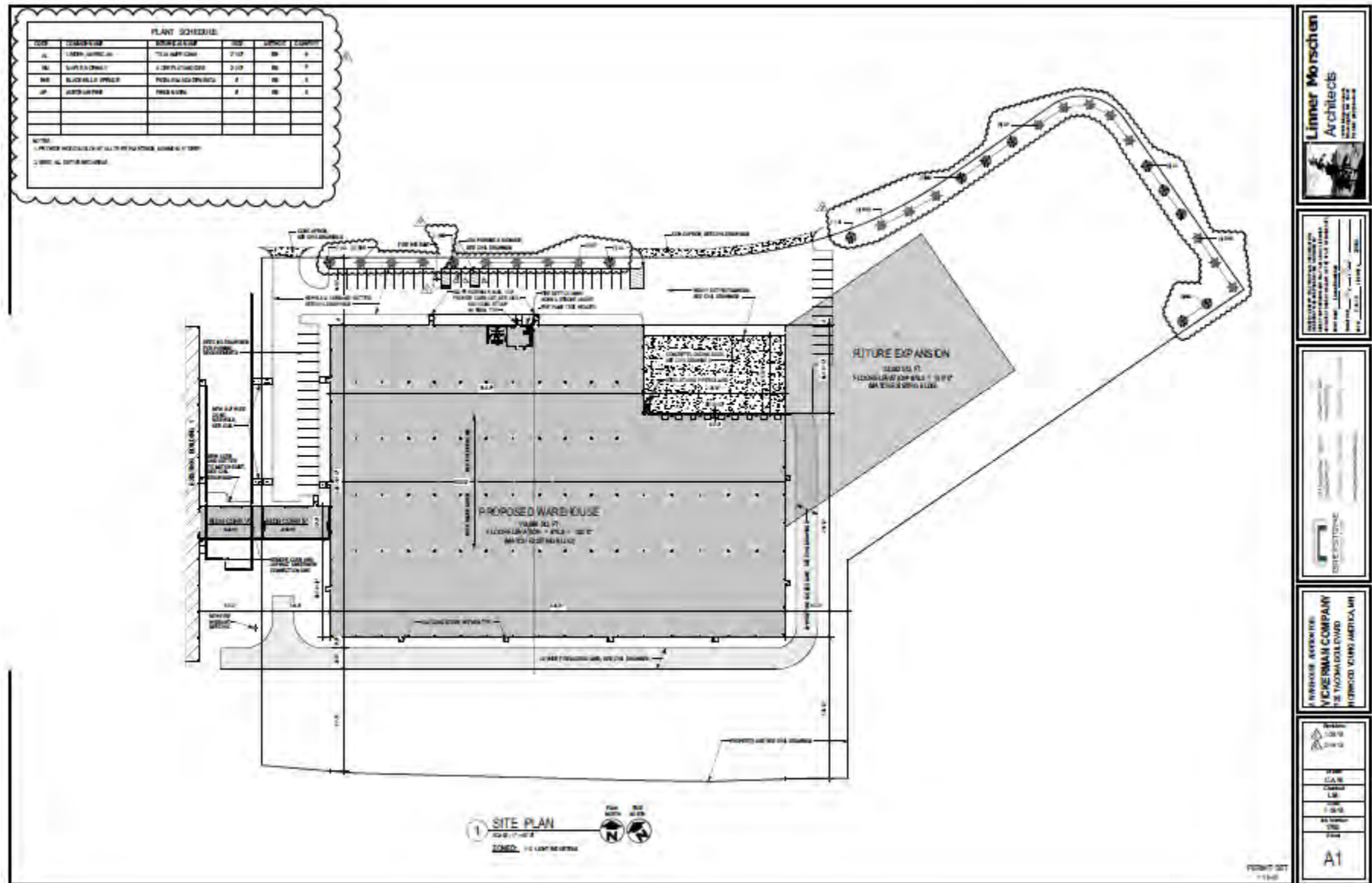
---

Carol Lagergren, Mayor

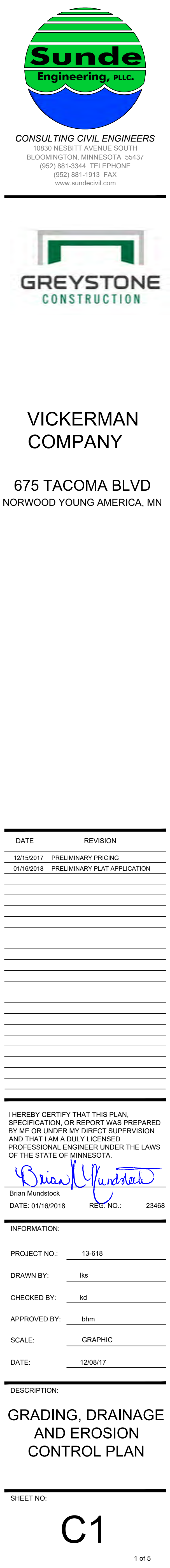
---

Kelly Hayes, City Clerk/Treasurer

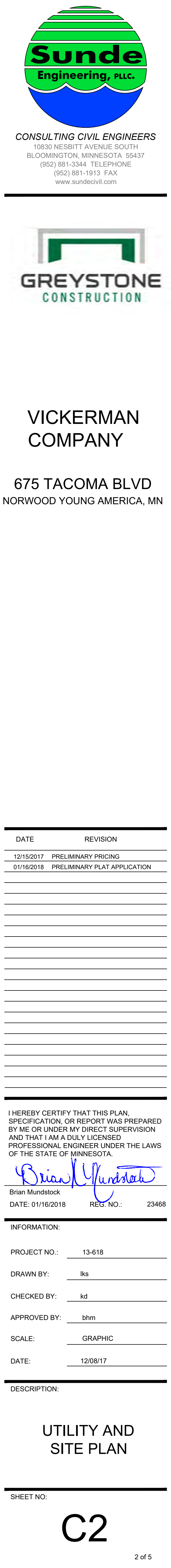
ATTACHMENT A  
NORWOOD YOUNG AMERICA CITY COUNCIL RESOLUTION 2018-13

















1. Visit the site. Become familiar with the site and existing site conditions including available soil reports. Examine all local conditions at the site, and assume responsibility as to the grades, contours, and the character of the earth, existing conditions, and other items that may be encountered during excavation work above and below the existing grades. Review the drawings and specifications covering this work and become familiar with the anticipated site conditions.
2. Unless otherwise noted, all proposed grades shown are finished grades. Finished grades at points between spot elevations or contours are determined by uniform slopes between the given grades. All proposed spot elevations shown at curbsides are to bottom of curb (gutterline) unless otherwise indicated.
3. At locations where new work connects to existing work, field verify existing elevations and grades prior to beginning the new work. Match existing grades at connection limits.
4. If groundwater is encountered in the excavation or if the exposed soils are wet and unstable, contact the Owner or the Engineer for recommendations from the Geotechnical Engineer.
5. Remove all unsuitable material (organic soils, uncontrolled fill, debris, and natural or artificial obstructions) in the zone from 1 m (3.28 feet) below the finished subgrade to finished subgrade in the proposed pavement areas.
6. Compact backfill in all utility trenches to 95% Standard Proctor maximum dry density (ASTM D698-78 or AASHTO T-99) from the pipe zone to within 1 m (3.28 feet) below the finished subgrade, and 100% Standard Proctor maximum dry density in the final 1 m (3.28 feet). Provide density tests in backfills and fills placed beneath slabs and pavements. At least one compaction test is required for every 100 feet of trench at vertical intervals not exceeding one foot.
7. Compact all fill placed in pavement areas in accordance with MNDOT Standard Specification 2105.3.F1 (Specified Density Method). Compact all fill placed under buildings in accordance with the recommendations of the Geotechnical Engineer.
8. Comply with the requirements of O.S.H.A. 29 CFR, Part 1926, Subpart P, "Excavations and Trenches." ([www.osha.gov](http://www.osha.gov))
9. Construct all proposed side slopes from grades not exceeding 3:1 (3 horizontal to 1 vertical), unless otherwise indicated.
10. Provide positive drainage away from buildings at all times.

11. Test roll the building and pavement areas in the presence of the Geotechnical Engineer. Perform base preparation and test rolling prior to curb and gutter construction, placing of gravel base, sand/gravel sub-base, bluminoous stabilized base, or plant mixed bluminoous base on all street and pavement areas. The test roller shall consist of the 3000 lb. roller with a minimum tire width of 6 inches. The roller shall be pulled by a heavy pneumatic-tired roller, towed by suitable tractive equipment, with two wheels spaced not less than 1,800 mm (71 inches) apart (transversely center to center), tire size equal to 18x24 or 18x25 (18" wide x 25" deep). The roller shall have a gross mass of no more than 13.5 metric tons (14.9 tons), and not more than 13.7 metric tons (15.1 tons). The roller shall be inflated to a pressure of 650 kPa (94 psi), and a gross mass of the roller not less than 13.5 metric tons (14.9 tons) and not more than 13.7 metric tons (15.1 tons). The roller shall be operated at a speed of not less than 4 km/h (2.5 mph) and not more than 8 km/h (5 mph). The subgrade shall be considered unstable if, at the time that the heavy roller passes over the subgrade, the surface shows yielding or rutting of more than 50 mm (2 inches), measured from the original surface to the bottom of the rut, and/or if there are cracks or other defects in the material beneath the roller. If such conditions exist, stopping, and recompact as required to obtain stability; or by excavating to solid material and replacing with suitable soil for base construction. Remove loose materials such as vegetation, rubbish, large stones, etc., and wet clay. Repeat the area after backfilling.
12. Perform soil correction procedures and compaction in accordance with the soils report.
13. Coordinate inspection and approval of all subgrades within the building and pavement areas with the Geotechnical Engineer. Coordinate inspection and approval of all fill materials prior to placement within the building and pavement areas with the Geotechnical Engineer. Use only uncontaminated fill material.
14. Conduct all grading operations in a manner that minimizes the potential for site erosion.
15. Grade the site to the finished elevations shown on the plan. Import embankment material, or remove and dispose of excess excavation material as required. The Contractor shall ensure that any existing material or excavated material or broken concrete that is not desirable to be incorporated into the work involved on this project. Determination of material import and export quantities is solely the responsibility of the Contractor and the cost of material import and export is incidental to the contract.
16. Scarify areas to receive aggregate surfacing to a minimum depth of 8 inches and compact to 95% Standard Proctor Maximum Dry Density (ASTM D698) with the maximum depth of the soil at the time of compaction not less than 2 percentage points below and no more than 2 percentage points above the optimum moisture content.
17. Field verify the elevation of the existing building's floor slab at the building expansion location prior to construction.
18. Structurally support exterior steps, stoops, and slabs at each entry into the building on frost-free foundations bearing on footings at least five feet below final grade. Securely tie the foundation walls to the footings with steel reinforcing so that any frozen soil adhering to them does not heave them off of their footings. Place insulation along all sides of the vertical foundation walls in order to prevent freezing of the backfill to the walls. Provide at least 4 inches of void space between the foundation wall and the backfill. Compact the backfill in lifts not greater than 12 inches thick. Do not shove backfill directly into the stoeps.
19. Tolerances. The completed subgrade under slabs and pavement areas shall be compacted, free from irregular surface changes, and fine-graded not more than 16 mm (0.05 feet) above or below the specified subgrade elevation. The completed subgrade in other areas shall be compacted, free from irregular surface changes, and fine-graded not more than 30 mm (0.10 feet) above or below the specified subgrade elevation. The completed top of topsoil shall be compacted, free from irregular surface changes, and fine-graded not more than 16 mm (0.05 feet) above or below the specified finished grade elevation.
20. Those equipment and work procedures that will not disturb the subgrade soils. Route construction traffic away from foundation soils and areas of pavements and sidewalks and curbs. Do not compact subgrade soils with construction equipment in cases rutting or soil removal. Then switch to other types of equipment or methods. The Contractor is solely responsible for the proper selection of construction equipment in order to avoid disturbing soils on the site.
21. It is typical to abbreviate spot elevations. Elevations shown as 12.8 or 12.1 are understood to mean 912.8 or 912.1 respectively.

Unless otherwise indicated, use reinforced, precast, concrete maintenance holes and catchbasins conforming to ASTM C478, furnished with water stop rubber gaskets and precast bases. Joints for all precast maintenance hole sections shall be confined, rubber "O"-ring gaskets in accordance with ASTM C923. The inside bore diameter of the pipe shall be less than 48 inches.

2. Install catchbasin castings with specified top elevation at the front rim.

3. All joints and connections in the storm sewer system shall be gasketed or watertight in accordance with Minnesota Rules part 4715.0700. Approved resilient rubber joints or watertop gaskets must be used in order to make watertight connections to manholes, catchbasins, and other structures. Cement mortar joints are not allowed.

4. Reinforced concrete pipe (RCP) and fittings shall conform to ASTM C76, Design C, with circular reinforcing for the class of pipe specified. Use Class IV RCP for pipes 21" and larger. Use Class V RCP for pipes 18" and smaller. Joints shall be Bureau of Reclamation type R-4, with confined rubber "O"-ring gaskets in accordance with ASTM C361.

5. **BC Aggregates:** Install a reinforced concrete apron on the free end of all daylighted RCP storm sewer pipes. Tie the last three sections (including apron) of all daylighted RCP storm sewer pipe a minimum of two tie bar fasteners per pipe. This requirement applies to both upstream and downstream pipe inlets and outlets. For concrete culverts, tie all joints. Ties to be used only to hold the pipe sections together, not for pulling the sections tight. Nuts and washers are not required on inside of 675 mm (27 inch) or less diameter pipes. Install safety-trash racks on all concrete aprons.

6. **PVC Pipe:** Use solid-core, ASTM D3034 Polyvinyl Chloride (PVC) pipe for designated PVC storm sewer services 4 to 15-inches in diameter. Use solid-core, SDR-35, ASTM F679 Polyvinyl Chloride (PVC) pipe for designated PVC storm sewer services 18 to 27-inches in diameter. Joints for all storm sewer pipe shall be gasketed with rubber O-ring gaskets. Use of solvent cement joints is allowed for building services. All PVC pipe must include use of a primer which is of contrasting color to the pipe and cement in accordance with Minnesota Rules, part 4715.0810, subpart 2. Pipe with solvent cement joints shall be joined with PVC cement conforming to ASTM D2264. Lay all PVC pipe on a continuous granular bed. Installation must comply with ASTM D2239.

7. **Testing:** Test all portions of storm sewer that are within 10 feet of buildings, within 10 feet of buried water lines, within 50 feet of water wells, or that pass through soil or water identified as being contaminated in accordance with the Minnesota Rules part 4715.2820. Test all flexible storm sewer lines for deflection after the sewer line has been installed and backfill has been in place for at least 30 days. No pipe shall exceed a deflection of 5%. If the test fails, make necessary repairs and retest.

8. **Drainage:** Perforated under-drains shall be slotted single wall corrugated HDPE without sock.

9. **Cleanouts:** Install cleanouts as indicated on the plans. Cleanouts shall be of the same nominal size as the pipes they serve. Include frost sleeves and concrete cover and pipe support. Install a meter box frame and solid lid (Nenech R-1914-A, or approved equal) over all cleanouts.

10. Use Nenech Foundry Co. R-1642 casting with self-sealing, solid, type B lid, or approved equal, on all storm sewer maintenance holes. Covers shall bear the "Storm Sewer" label.

11. Use Nenech R-3067-V grate and frame, or approved equal, on CB 1, CB 2, CB 3 and CB 8.

12. Install detectable underground marking tape directly above all pvc, polyethylene, and other nonconductive underground utilities at a depth of 457 mm (18 inches) below finished grade, unless otherwise indicated. Tracer wire and marking tape is not required on pipe that is linear between M&E's and flared ends. Bring the tape to the surface at various locations in order to provide connection points for locating underground utilities. Install green Rhino Trivex Test Stations, or approved equal, with black caps at each surface location.

13. Pipe shall be installed in accordance with the manufacturer's recommendations. The pipe shall be laid with the outside laps of circumferential joints pointing upstream along the longitudinal laps at the sides at about the vertical midheight of the pipe. Field welding of corrugated galvanized iron or steel pipe shall not be permitted.

Install dual-wall, smooth interior, corrugated high-density polyethylene (HDPE) pipe at locations indicated on the plan.

2. Dual-wall, smooth interior, corrugated high-density polyethylene (HDPE) pipe shall conform to the requirements of ASHTO M252 for pipe sizes 4=inch to 10=inch diameter.

3. Dual-wall, smooth interior, corrugated high-density polyethylene (HDPE) pipe shall conform to the requirements of ASTM F2306 for pipe sizes 12=inch to 60=inch diameter.

4. All fittings must comply with ASTM DStandard D3212.

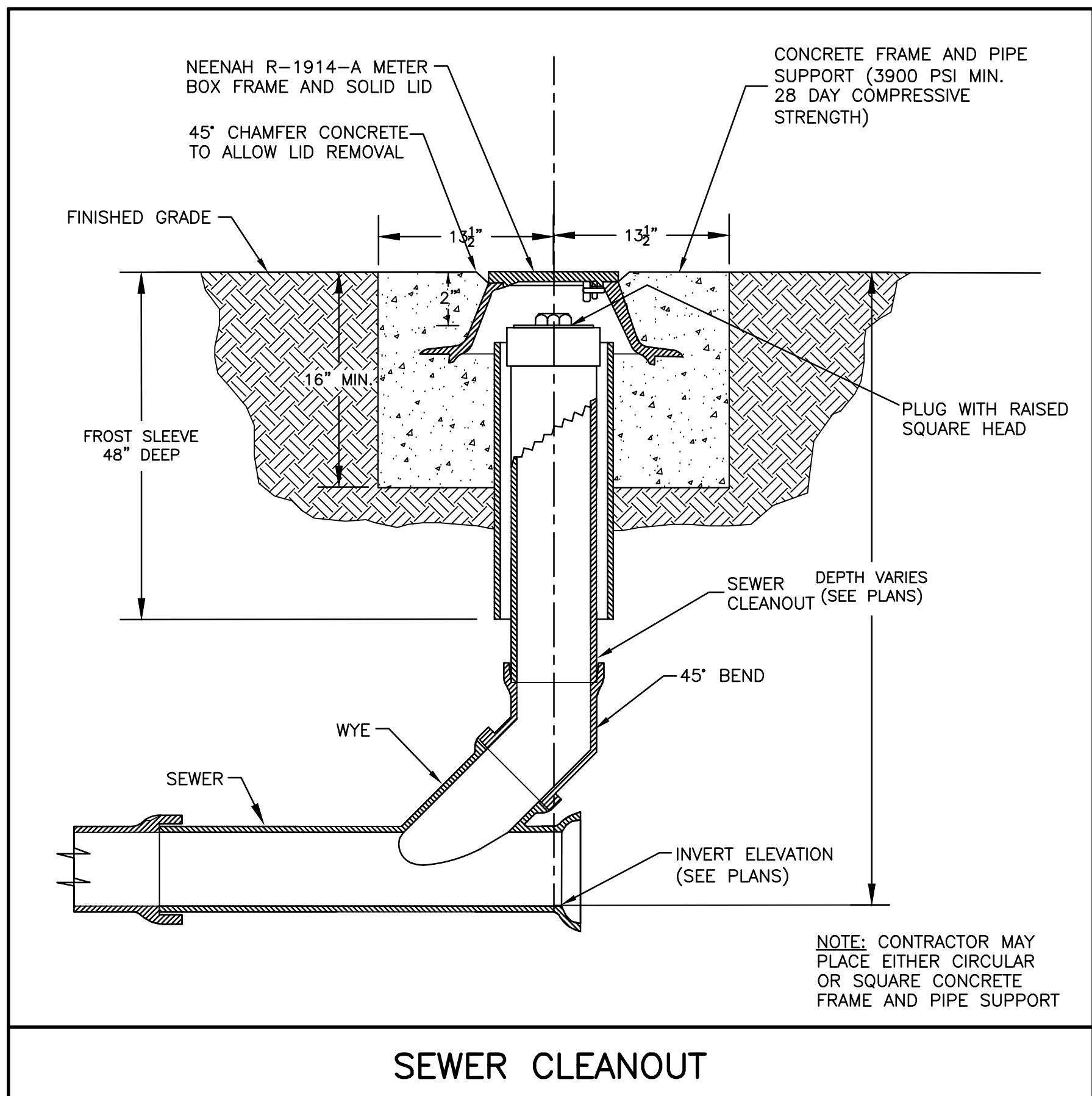
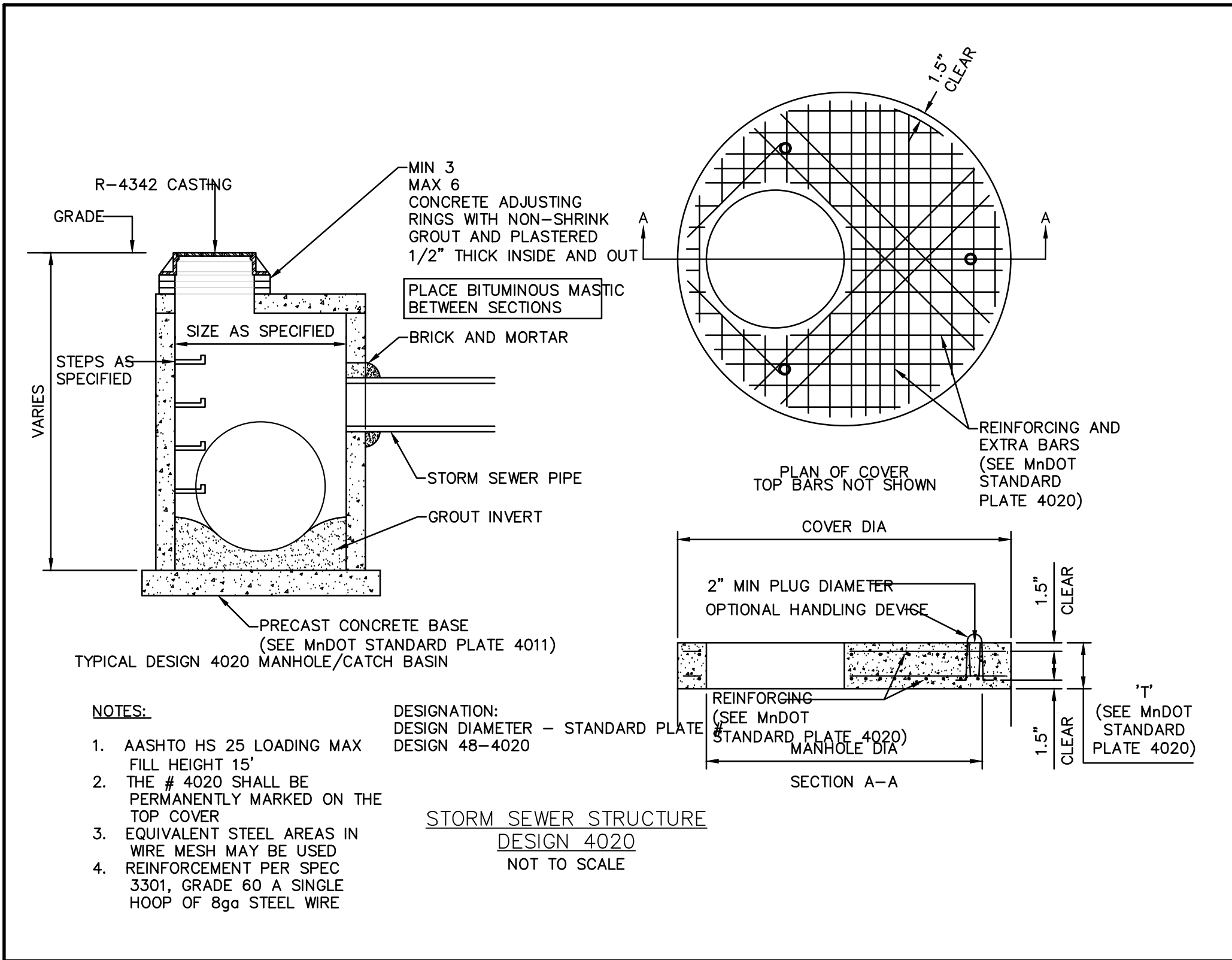
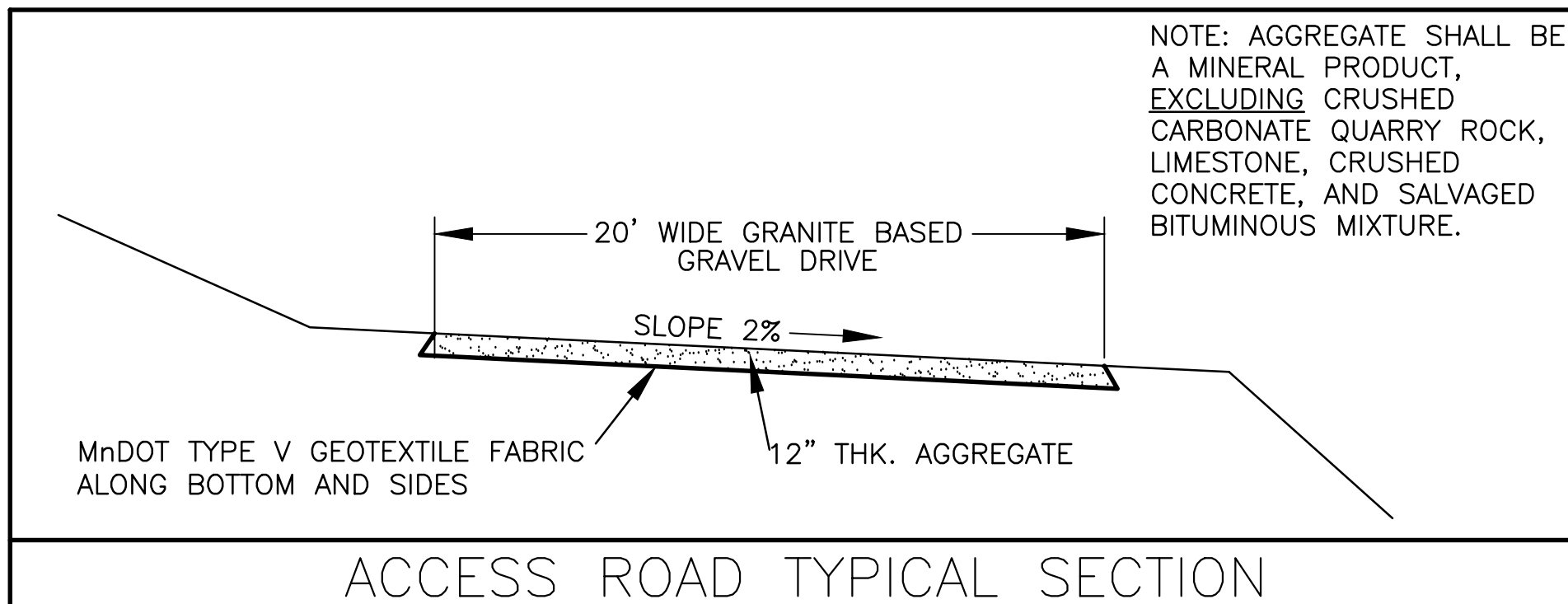
5. Water-tight joints must be used at all connections including structures.

6. Lay all HDPE pipe on a continuous granular bed. Installation must comply with ASTM D2321. All sections of the corrugated HDPE pipe shall be coupled in order to provide water tight joints.

7. Perform deflection tests on all HDPE pipe after the sewer lines have been installed and backfill has been in place for at least 30 days. No pipe shall exceed a deflection of .5%. If the test fails, make necessary repairs and perform the test again until acceptable. Supply the mandrel for deflection testing. If the deflection test is to be run using a rigid ball or mandrel, it shall have a diameter equal to 85% of the inside diameter of the pipe. The ball or mandrel shall be clearly stamped with the diameter. Perform the tests without mechanical pulling devices.

1. Comply with all applicable local, state, and federal safety regulations. Comply with the work safety practices specified by the Occupational Safety and Health Administration (OSHA). OSHA prohibits entry into "confined spaces," such as manholes and inlets (see 29 CFR Section 1910.146), without undertaking certain safety measures and procedures. Perform excavations in accordance with the requirements of O.S.H.A. 29 CFR, Part 1926, Subpart P, Excavations, Shoring or benching for excavations greater than 20 feet deep must be approved by a registered professional engineer ([www.osha.gov](http://www.osha.gov)).
2. Construction safety is solely the responsibility of the Contractor, who is also solely responsible for the means, methods, and sequencing of the construction operations.
3. Existing boundary, location, topographic, and utility information shown on this plan is from a field survey by Sundt Land Surveying, LLC, dated December 11, 2017. The Engineer is not responsible for inaccuracies related to the survey information.
4. Refer to the architectural plans for building and stoop dimensions, site layout and dimensions, pavement sections and details, striping, and other site features.
5. Perform all construction work in accordance with State and Local requirements.
6. City inspection of all work within the right-of-way and for City owned and operated facilities will be required at the City's sole discretion. The Owner and Contractor shall coordinate with the City.
7. Construction activity and/or storage of construction equipment, materials, stock piles, concrete washouts, etc. shall not be allowed within the public right-of-way without approval by the City.
8. A licensed surveyor shall perform construction staking. The Contractor shall provide and be responsible for the staking. Verify all plan and detail dimensions prior to construction staking. Stake the limits of walkways and curbing prior to valvebox, maintenance hole, and catchbasin installation. Adjust valvebox and maintenance hole locations in order to avoid conflicts with curb and gutter. Adjust catchbasin locations in order to dig properly with curb and gutter.
9. Provide temporary fences, barricades, coverings, and other protections in order to preserve existing items to remain, and to prevent injury or damage to person or property.
10. Completely remove existing concrete and masonry structures that are located within the proposed building expansion area.

- Testing and Inspections:** All Minnesota Rules Chapter 4715, Coordinate testing and inspection with the requirements of the Minnesota Plumbing Code (Minnesota Rules Chapter 4715). Coordinate testing and inspection with the State Health Department and the City Public Works Department. No drainage or plumbing work may be completed until the required tests and inspections.
12. Coordinate building utility connection locations at 5 ft. out from the proposed building with the with the interior Plumbing Contractor prior to construction. Verify water and sewer service locations, sizes, and elevations with the Mechanical Engineer prior to construction.
13. The subsurface utility information shown on this plan is utility Quality Level D. This quality level was determined according to the guidelines of C/ASCE 38-02, entitled "Standard Guideline for the Collection and Depiction of Existing Subsurface Utility Data."
14. The Contractor is solely responsible for all utility locations. Coordinate utility companies for locations of all public and private utilities within the work area prior to beginning construction. Contact Gopher STATE ONE CALL at (651) 454-0002 in the Minneapolis/ST. Paul metro area, or 1-800-252-1166 elsewhere in Minnesota to locate existing utilities at least two weeks (not including weekends and holidays) before beginning any construction in accordance with Minnesota Statute 216D. Obtain permit numbers and meet with representatives of the various utilities at the site. Provide the Owner with the ticket number information. Gopher State One Call is a free service that locates municipal and utility company lines, but does not locate private utility lines. Use an independent contractor or other utility locator in aerial photography stations private utility lines including, but not limited to, underground electric cables, telephone, TV, and lawn sprinkler lines.
15. Pot-hole to verify the positions of existing underground facilities at a sufficient number of locations in order to assure that no conflict with the proposed work exists and that sufficient clearance is available.
16. Where existing gas, electric, cable, or telephone utilities conflict with the Work, coordinate the abandonment, relocation, offset, or support of the existing utilities with the appropriate local utility companies. Coordinate new gas meter and gas line installation, electric meter and electric service installation, cable service, and telephone service installation with the local utility companies.
17. Arrange for and secure suitable disposal areas off-site. Dispose of all excess soil, waste material, debris, and all materials not designated for salvage. Waste material and debris includes trees, stumps, pipe, concrete, asphaltic concrete, cans, or other waste material from the construction operations. Obtain the rights to dispose of all materials and debris at an approved disposal site. Do not dispose of any material shown or not shown on the plans. All work in disposing of such material shall be considered incidental to the work. All disposal must conform to applicable solid waste disposal permit regulations. Obtain all necessary permits at no cost to the OWNER.
18. Straight line saw-cut existing bituminous or concrete surfacing at the perimeter of pavement removal areas. Use saws that provide water to the blade. Tack coat the exposed aggregate surface with a water emulsion of asphalt.
19. Relocate overhead power, telephone, and cable lines as required. Abandon and report existing on-site wells and septic systems in accordance with Minnesota Department of Health (MDH) requirements.
20. All materials required for this work shall be new material conforming to the requirements for class, kind, grade, size, quality, and other details specified herein or as shown on the Plans. Do not use recycled or salvaged aggregate, asphaltic pavement, crushed concrete, or scrap shingles. Unless otherwise indicated, the Contractor shall furnish all required materials.
21. Reconstruct driveways and patch street to match existing pavement section and grade. Sod right-of-way. The work area shown is general and may need to be adjusted in the field.
22. Restore the public right-of-way at temporary construction entrance locations. Replace any concrete curb and gutter, bituminous pavement, sidewalk, or vegetative cover damaged by the construction activity. Restore damaged turf with sod within the public right-of-way. The work area shown is general and may need to be adjusted in the field.
23. Provide positive drainage away from buildings at all times. Provide and maintain temporary drainage throughout construction until the permanent drainage system is installed. If the drainage system is in place and functioning, piping, pumps, or other means as necessary in order to insure proper drainage at all times.
24. Protect sub grades from damage by surface water runoff.
25. Full design strength is not available in bituminous pavement areas until the final fill of asphalt is compacted into place. Protect pavement areas from overloading by delivery trucks, construction equipment, and other vehicles.
26. When sawing or drilling concrete or masonry, use saws that provide water to the blade. Do not allow the slurry produced by this process to be tracked outside of the immediate work area or discharged into the sewer system.
27. Adjust all curb steps, valve boxes, maintenance hole castings, catchbasin castings, cleanout covers, and similar items to finished grade.
28. Maximum slope in all directions in handcompacted accessible parking areas.
29. Install all pipes with the ASTM identification numbers on the top for inspection. Commence pipe laying at the lowest point in the proposed sewer line. Lay the pipe with the bell end or receiving groove end of the pipe pointing up. When connecting to an existing pipe, uncover the existing pipe in order to allow for proper fit and alignment. Install the pipe with the bell end pointing up. Do not lay pipes in water or on wet soil. Do not install pipe in frost or such work.
30. Obtain and pay for all permits, tests, inspections, etc. provided by agencies that have jurisdiction over the project. The Contractor is responsible for all bonds, letters of credit, or cash sureties related to the work. Execute and inspect work in accordance with all local and state codes, rules, ordinances, or regulations pertaining to the particular type of work involved.
31. Obtain permits from the City for work in the public right-of-way.
32. Refer to the geotechnical report by the Soils Engineer for dewatering requirements.
33. Construct sanitary sewer, watermain, and storm sewer utilities in accordance with the City Engineer's Association of Minnesota Standard Specifications sections 2600, 2611, and 2621 dated 1999, or the latest revised edition.
34. These plans, prepared by Sundt Engineering, PLLC, do not extend to or include systems pertaining to the safety of the construction contractor or its employees, agents, or representatives in the performance of the work. The seal of Sundt Engineering's registered professional engineer hereon does not extend to any such systems that are or may hereafter be incorporated into the plans. The construction contractor shall prepare or obtain the appropriate safety systems which may be required by U.S. Occupational Safety and Health Administration (OSHA) and/or local regulations.
35. Existing utilities shown on this plan are located as accurately as possible. However, the Engineer does not guarantee that all utilities are shown, or if shown are in the exact locations indicated on the plan. It is the Contractor's responsibility to ascertain the final vertical and horizontal location of all existing utilities. The Contractor shall be responsible for the location of all existing utilities and for the location of all utilities to be installed or relocated before starting construction in a given area, requesting location in the field, as exact as possible, of all utilities which may be affected by the construction.
- Concrete Pavement Tolerances:** When the concrete has hardened sufficiently, check it with straightedge. Surface smoothness deviations shall not exceed 1/4 inch (6 mm) from the straightedge placed in any direction, including placement along and spanning any pavement joint edge. Immediately grind down with an approved grinding machine used in a slab showing high spots of more than 1/4 inch (6 mm) but not exceeding 1/2 inch (13 mm) to an elevation that will fall within the tolerance of 1/4 inch (6 mm) or less. Remove and replace pavement where the departure from the specified cross-section exceeds 1/2 inch (13 mm).
- Bituminous Pavement Tolerances:** Check bituminous pavement surfaces with a 10-foot (3-meter) straightedge. Remove and replace any part of the bituminous pavement where the deviation of surface finish in excess of 1/4 inch (6 mm). After compaction, the thickness of each bituminous course shall be within plus or minus 1/2 inch (13 mm) of the thickness shown on the Plans. Remove and replace any part of the bituminous pavement that is constructed with less than 1 1/2 inches (38 mm) of aggregate.
- Pavement Alignment Tolerances:** Lateral deviation from established alignment of the pavement edge shall not exceed plus or minus 0.10 foot (30 mm). Vertical deviation from established grade of the pavement shall not exceed plus or minus 0.04 foot (13 mm) at any point.



675 TACOMA BLVD  
NORWOOD YOUNG AMERICA, MN

[illegible]

I HEREBY CERTIFY THAT THIS PLAN,  
SPECIFICATION, OR REPORT WAS PREPARED  
BY ME OR UNDER MY DIRECT SUPERVISION  
AND THAT I AM A DULY LICENSED  
PROFESSIONAL ENGINEER UNDER THE LAWS  
OF THE STATE OF MINNESOTA.

  
Brian Mundstock  
DATE: 01/16/2018 REG. NO.: 23468

PROJECT NO.:	13-618
DRAWN BY:	lks
CHECKED BY:	kd
APPROVED BY:	bhm
SCALE:	GRAPHIC
DATE:	12/08/17
DESCRIPTION:	

## PHASE 3

### NOTES AND DETAILS

# C4







**CITY OF NORWOOD YOUNG AMERICA  
CARVER COUNTY  
STATE OF MINNESOTA**

Council member \_\_\_\_\_ introduced the following resolution and moved its adoption:

**RESOLUTION NO. 2018-14**

**RESOLUTION ADOPTING A MODIFICATION TO THE REDEVELOPMENT  
PLAN FOR THE TACOMA WEST INDUSTRIAL PARK REDEVELOPMENT  
PROJECT; AND ESTABLISHING TAX INCREMENT FINANCING DISTRICT  
NO. 3-6 THEREIN AND ADOPTING A TAX INCREMENT FINANCING PLAN  
THEREFOR.**

BE IT RESOLVED by the City Council (the "Council") of the City of Norwood Young America, Minnesota (the "City"), as follows:

Section 1.      Recitals.

1.01.   The Board of Commissioners of the Norwood Young America Economic Development Authority (the "EDA") has heretofore established the Tacoma West Industrial Park Redevelopment Project (the "Redevelopment Project") and adopted the redevelopment plan (the "Redevelopment Plan") therefor. It has been proposed that the EDA and the City that the City adopt a Modification to the Redevelopment Plan (the "Redevelopment Plan Modification") for the Redevelopment Project (the "Redevelopment Project") and establish Tax Increment Financing District No. 3-6 (the "TIF District") therein and adopt a Tax Increment Financing Plan (the "TIF Plan") therefor (the Redevelopment Plan Modification and the TIF Plan are referred to collectively herein as the "Plans"); all pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.001 to 469.047, Sections 469.090 to 469.1082, and Sections 469.174 to 469.1794, all as amended (the "Act"), all as reflected in the Plans, and presented for the Council's consideration.

1.02.   The EDA and City have investigated the facts relating to the Plans and have caused the Plans to be prepared.

1.03.   The EDA and City have performed all actions required by law to be performed prior to the establishment of the TIF District and the adoption and approval of the proposed Plans, including, but not limited to, notification of Carver County and Independent School District No. 108 having taxing jurisdiction over the property to be included in the TIF District, a review of and written comment on the Plans by the Norwood Young America Planning Commission, approval of the Plans by the EDA on the date hereof, and the holding of a public hearing upon published notice as required by law.

1.04.   Certain written reports (the "Reports") relating to the Plans and the activities contemplated have heretofore been prepared by staff and consultants and submitted to the Council and/or made a part of the City files and proceedings on the Plans. The Reports include data, information and/or substantiation constituting or relating to the basis for the findings and determinations made in this resolution. The Council hereby confirms, ratifies and adopts the Reports, which are hereby incorporated into and made as fully a part of this resolution to the same extent as if set forth in full herein.

1.05 The City and the EDA elect to calculate fiscal disparities for the TIF 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 TIF District.

1.06. The City is not modifying the boundaries of the Redevelopment Project, but is modifying the Redevelopment Plan to include the establishment of the TIF District.

Section 2. Findings for the Adoption and Approval of the Redevelopment Plan Modification.

2.01. The Council approves the Redevelopment Plan Modification, and specifically finds that: (a) the land within the Redevelopment Project would not be available for development or redevelopment without the financial aid to be sought under the Redevelopment Plan; (b) the Redevelopment Plan Modification will afford maximum opportunity, consistent with the needs of the City as a whole, for the development of the Redevelopment Project by private enterprise; and (c) that the Redevelopment Plan Modification conforms to the general plan for the development of the City as a whole.

Section 3. Findings for the Establishment of Tax Increment Financing District No. 3-6.

3.01. The Council hereby finds that the TIF District is in the public interest and is an "economic development district" under Section 469.174, Subd. 12 of the Act.

3.02. The Council further finds that: the proposed development would not occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the TIF District permitted by the TIF Plan; the Plans conform to the general plan for the development or redevelopment of the City as a whole; and the Plans will afford maximum opportunity consistent with the sound needs of the City as a whole, for the redevelopment or development of the TIF District by private enterprise.

3.04. The Council further finds, declares and determines that the City made the findings stated in this Section and in Section 2 and based on the reasons and supporting facts for each finding, attached hereto as Exhibit A.

Section 4. Public Purpose.

4.01. The adoption of the Plans conforms in all respects to the requirements of the Act and will help discourage commerce, industry, or manufacturing from moving their operations to another state or municipality; will result in increased employment in the state; and will result in preservation and enhancement of the tax base of the State and thereby serves a public purpose. For the reasons described in Exhibit A, the City believes these benefits directly derive from the tax increment assistance provided under the TIF Plan. A private developer will receive only the assistance needed to make this development financially feasible. As such, any private benefits received by a developer are incidental and do not outweigh the primary public benefits.

Section 5. Approval and Adoption of the Plans.

5.01. The Plans, as presented to the Council on this date, including without limitation the findings and statements of objectives contained therein, are hereby approved, ratified, established, and adopted and shall be placed on file in the office of the EDA Executive Director.

5.02. The City's staff, advisors and legal counsel are authorized and directed to proceed with the implementation of the Plans and to negotiate, draft, prepare and present to this Council for its consideration all further plans, resolutions, documents and contracts necessary for this purpose.

5.03 The Auditor of Carver County is requested to certify the original net tax capacity of the TIF District, as described in the Plans, and to certify in each year thereafter the amount by which the original net tax capacity has increased or decreased; and the EDA is authorized and directed to transmit this request to the County Auditor in such form and content as the Auditor may specify.

5.04. The EDA is further authorized and directed to file a copy of the Plans with the Commissioner of Revenue and the Office of the State Auditor pursuant to 469.175, Subd. 4a of the Act.

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

and the following voted against the same:

\_\_\_\_\_  
Carol Lagergren, Mayor

Attest:

\_\_\_\_\_  
Kelly Hayes, City Clerk/Treasurer

(Seal)

## EXHIBIT A

### RESOLUTION NO. 2018-14

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan for Tax Increment Financing District No. 3-6 as required pursuant to *M.S., Section 469.175, Subd. 3* of the TIF Act are as follows:

1. *Finding that the TIF District is an economic development district as defined in Section 469.174, Subd. 12 of the Act.*

Tax Increment Financing District No. 3-6 (the “TIF District”) is a contiguous geographic area within the City's Tacoma West Industrial Park Redevelopment Project, delineated in the TIF Plan, for the purpose of financing economic development in the City through the use of tax increment. The TIF District is in the public interest because it will facilitate construction of an expansion to an existing business in the City consisting of a 120,000-square foot warehouse and distribution facility in 2018 together with a proposed approximately 35,000-square foot expansion in 2020. This expansion will allow an existing manufacturing business to maintain its operations in the City, which will increase employment and preserve and enhance the tax base of City and State.

2. *Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of Tax Increment Financing District No. 3-6 permitted by the TIF Plan.*

*The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future:* The development proposed in this Plan lies within the City's industrial park and is an expansion of a project originally constructed with tax increment assistance, and meets the City's objectives for economic development. All of the parcels within the industrial park have been made development-ready by the City at significant cost. The developer has stated that if the City sold the parcels within the industrial park at a price that captured the City's investment, the developer would not be able to obtain financing for its proposed expansion and would be unable to expand its business in this location. Therefore, the EDA will convey certain property adjacent to its existing facilities to the developer at a substantial write-down in costs, and will use tax increment to reimburse itself for the written-down land costs including infrastructure improvements on the land. The EDA will use a portion of the tax increment to provide pay-as-you-go assistance to the developer for extraordinary costs of soils corrections incurred, including interest. (See Appendix F of the TIF Plan)

*The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the TIF District permitted by the TIF Plan:* This site is part of an industrial park with high start-up costs incurred by the City to acquire and grade land and install infrastructure. As the City has attempted to sell the land at its true value without assistance (estimated at \$2.75 per square foot), it has been unable to find willing buyers because of competition with other states and municipalities. If the City and EDA did not assume the role of land developer, it is unlikely that the property would develop in the near term. If the property did develop without assistance, the likely long-term uses would be dominated by housing or other development with lower value and little to no meaningful employment. For these reasons, the City reasonably determines that no other development

of this type is anticipated on this site without substantially similar assistance being provided for its development.

Therefore, the City concludes as follows:

- a. The City's estimate of the amount by which the market value of the entire TIF District will increase without the use of tax increment financing is \$0.
  - b. If the proposed development occurs, the total increase in market value will be \$7,718,800.
  - c. The present value of tax increments from the TIF District for the maximum duration of the district permitted by the TIF Plan is estimated to be \$987,484.
  - d. Even if some development other than the proposed development were to occur, the Council finds that no alternative would occur that would produce a market value increase greater than \$6,731,316 without tax increment assistance.
3. *Finding that the TIF Plan for Tax Increment Financing District No. 3-6 conforms to the general plan for the development or redevelopment of the municipality as a whole.*

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

4. *Finding that the Tax Increment Financing Plan for Tax Increment Financing District No. 3-6 will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development of Tacoma West Industrial Park Redevelopment Project by private enterprise.*

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



## **RESOLUTION NO. 15**

### **CITY OF NORWOOD YOUNG AMERICA**

#### **AUTHORIZING CONVEYANCE OF CITY PROPERTY TO THE EDA, AUTHORIZING AN INTERNAL LOAN FOR ADVANCE OF PUBLIC REDEVELOPMENT COSTS AND APPROVING BUSINESS SUBSIDY IN CONNECTION WITH TAX INCREMENT FINANCING DISTRICT NO. 3-6**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORWOOD YOUNG AMERICA, MINNESOTA (the "City") AS FOLLOWS:

Section 1. Background.

1.01. The Norwood Young America Economic Development Authority ("Authority") has previously established and currently administers the Tacoma West Industrial Park Redevelopment Project (the "Project"), pursuant to Minnesota Statutes, Sections 469.090 to 469.1082, as amended.

1.02. Pursuant to Minnesota Statutes, Sections 469.174 to 469.1794, as amended (the "TIF Act") the City and the Authority have established Tax Increment Financing District No. 3-6 (the "TIF District") within Project on the date hereof.

1.03. To facilitate redevelopment of certain property in the TIF District, the Authority proposes to enter into a Purchase and Redevelopment Contract (the "Contract") between the Authority and the Par Real Estate, LLC under which among other things the Authority will convey certain property described as Block 1, Lot 1, Tacoma West Industrial Park 3<sup>rd</sup> Addition (the "Redevelopment Property") to the Redeveloper.

1.04. The City currently owns the Redevelopment Property.

1.05. The City is authorized to convey real property pursuant to Minnesota Statutes Section 465.035 to any governmental subdivision for a nominal consideration, or pursuant to Minnesota Statutes Section 471.64 to any other political subdivision of the State.

1.06. The Authority is a political subdivision of the State pursuant to Minnesota Statutes Section 469.091, Subdivision 2.

1.07. The City finds and determines that conveyance of the Redevelopment Property to the Authority is for a public purpose and is in the public interest because it will further the objectives of the Project.

1.08. The City finds and determines that conveyance by the Authority of the Redevelopment Property to the Redeveloper is for a public purpose and is in the public interest because it will further the objectives of the Project.

1.09. The Authority may incur certain costs related to the TIF District and Project, which costs may be financed on a temporary basis from Authority or City funds available for such purposes.

1.10. Under Section 469.178, Subdivision 7 of the TIF Act, the Authority and City are authorized to advance or loan money from any fund from which such advances may be legally made in order to finance expenditures that are eligible to be paid with tax increments under the TIF Act.

1.11. The City has incurred substantial expenses relating to preparing the Redevelopment Property for redevelopment. The City and the Authority will convey the Redevelopment Property at a price of \$412,207.00, which is less than the fair market value of \$1,021,234.50 and represents a land write down of \$609,027.50 (the "Land Write Down"). When conveying the Redevelopment Property under the Contract at Closing, the City and Authority will forgo receipt the full market price of the Redevelopment Property. Such forbearance represents an advance of Authority and City funds in the amount of \$609,027.50 representing the land write down (the "Interfund Loan").

On the date hereof, the Authority has approved a resolution (the “Interfund Loan Resolution”) authorizing the Interfund Loan and a resolution approving the Land Write Down to be repaid with tax increments from the TIF District.

1.12. Payment of the Land Write Down by the City or Authority will benefit a private developer, and therefore qualifies as a business subsidy (the “Subsidy”) under Minnesota Statutes, Sections 116J.993 to 116J.995, as amended (the “Business Subsidy Act”). On the date hereof, the Authority has held a duly noticed public hearing pursuant to the Business Subsidy Act and has approved a Contract, which Contract includes a business subsidy agreement (the “Business Subsidy Agreement”) memorializing the Subsidy.

Section 2. Approval of Land Sale.

2.01. The Council approves the conveyance of the Redevelopment Property to the Authority by quit claim deed for reconveyance to the Redeveloper, and authorizes and directs city staff and officials to execute the deed and related documents necessary to facilitate the transaction referenced herein and contemplated herein, with all such actions to be in accordance with the terms and conditions set forth in this resolution.

Section 3. Interfund Loan Authorized; Subsidy Approved.

3.01. The City approves the Interfund Loan described in the Interfund Loan Resolution, and authorizes use of any unencumbered City or Authority funds available for such purposes under law as the source of the funds for the loan.

3.02. The City Administrator is authorized and directed to determine the fund(s) or account(s) from which monies are drawn for the Interfund Loan, and to credit repayments under the Interfund Loan Resolution to the relevant fund(s) or account(s).

3.03. The City approves the Subsidy granted by the Authority to the Redeveloper as provided within the Business Subsidy Agreement.

Section 4. Further Acts.

4.01. City staff and officials are authorized and directed to take any and all additional steps and actions necessary or convenient in order to accomplish the intent of this resolution.

Adopted by the City Council this 26<sup>th</sup> day of February, 2018.

---

Carol Lagergren, Mayor

Attest:

---

Kelly Hayes, City Clerk/Treasurer



TO: Mayor Lagergren and City Council Members

FROM: Kelly Hayes, City Clerk / Treasurer

DATE: February 26, 2018

RE: Council Email

---

The Council has had quite a few issues with the email system not working through our IT provider. There have been numerous calls trying to figure out how to make it possible for the council to be able to open their emails from their own computer or phone. Below are some options that the City has for a secure email:

Free G-Mail

- There is no cost
- The address would be @gmail.com, verses @cityofnyc.com

G Suite Basic

- \$5 per month per user
- Yearly expense would be \$300 for five email addresses
- The address could be @cityofnyc.com
- 30GB storage
- Video and voice conferencing
- Ability to create spreadsheets and documents
- Ability to share calendars
- Administrator would be able to retrieve information if requested

G Suite Best Value

- \$10 per month per user
- Yearly expense would be \$600 for five email addresses
- All options that Basic has, except there is unlimited storage

Yahoo Small Business

- \$1.59 per user per month
- Yearly expense would be under \$100 for five email addresses
- Unlimited cloud storage
- The address could be @cityofnyc.org

Microsoft Office

- \$5 a month per user
- The address could be @cityofnyc.com
- Web versions of Microsoft Office: Excel, Word, Powerpoint
- 1TB of storage (unlimited storage)

**Suggested Motion:**

**Approve switching City Council email services to \_\_\_\_\_.**



TO: Honorable Mayor Lagergren and City Council Members

FROM: Steven Helget, City Administrator

DATE: February 26, 2018

SUBJECT: Young America Corporation Donation

---

In 2015, before relocating out of Norwood Young America, Young America Corporation (Young America, LLC) donated as a parting gift \$5,000 to the City in recognition of their 40 plus years in Norwood Young America. They asked that their gift be utilized in the City's parks and that they'd be recognized for the donation.

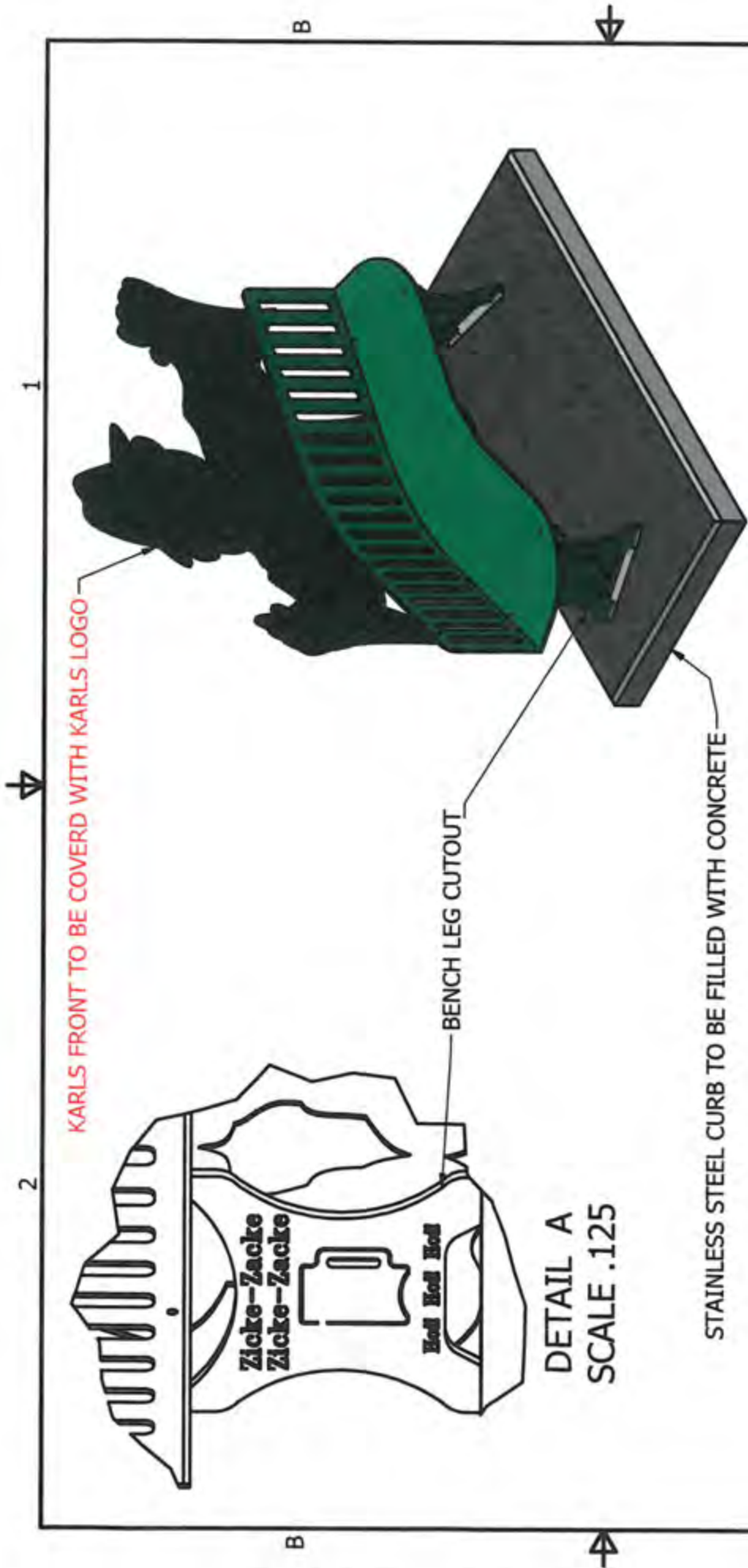
The Parks & Recreation Commission has discussed and researched several options. The Commission is recommending utilizing about \$3,500 to have a 2-person park bench made to be placed in Willkommen Memorial Park. The bench would feature "Karl the German" standing behind the bench. The bench would sit on a concrete pad and would have a height of about 5'8". The bench depth would be 17" with a total length of 70". The bench would be removal so it could be stored indoors during the winter months to slow the paint fading. Enclosed are two illustrations of the proposed bench and one of "Karl the German".

Enclosed is a proposal from Storms Welding & Manufacturing for making the park bench. Charlie Storms, representing Storms Welding, will provide additional information at the meeting.

The Parks & Recreation Commission recommends the remaining, approximately \$1,500, be designated to the Willkommen Memorial Park Restrooms Project.

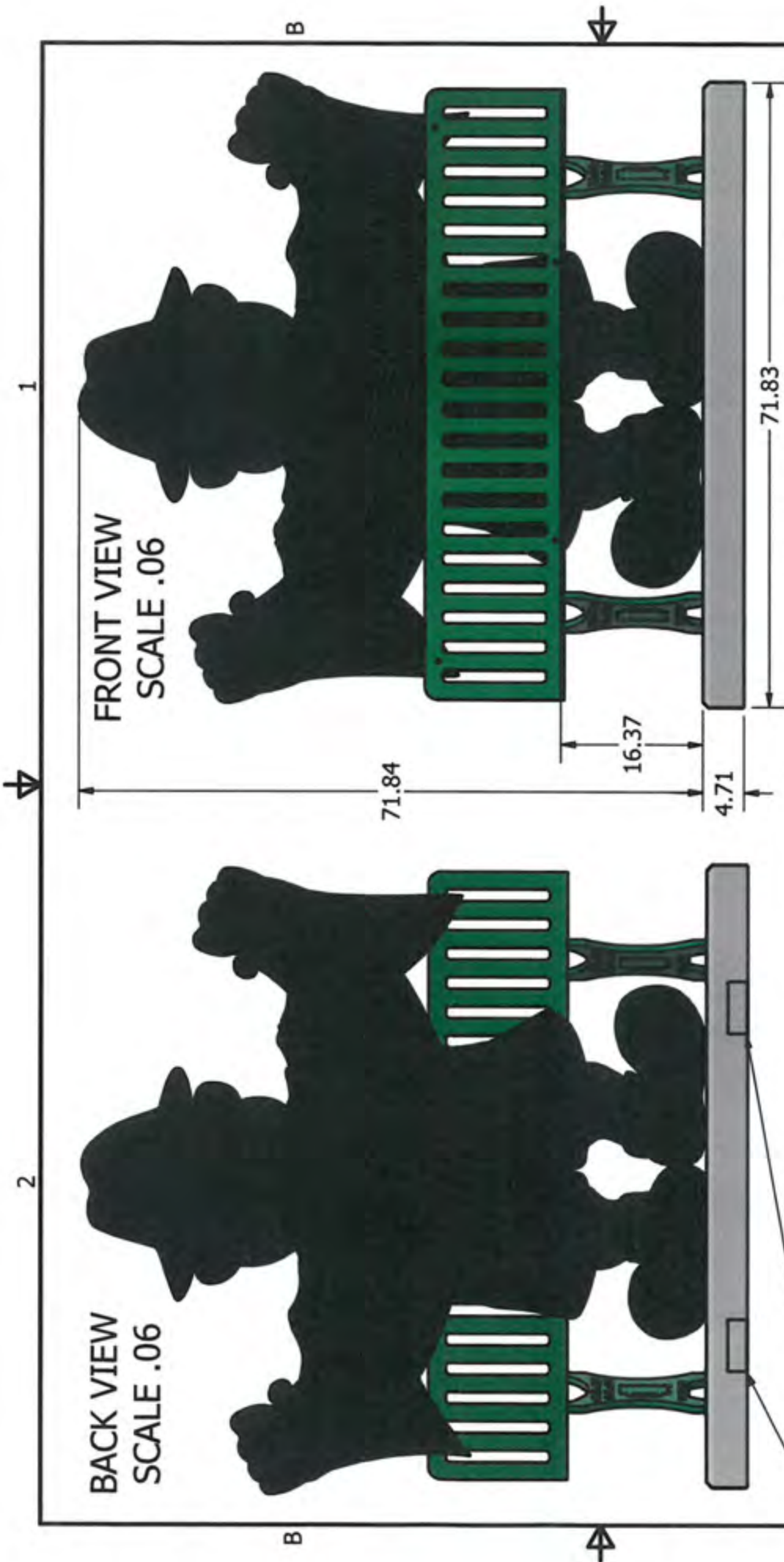
**Suggested Motion:**

**Motion to award the park bench project to Storms Welding & Manufacturing and to designate the remaining portion of Young America, LLC's donation to the 2017 Willkommen Memorial Park Restrooms Project.**



<b>PROPRIETARY AND CONFIDENTIAL</b>  THE INFORMATION CONTAINED IN THIS DRAWING IS THE SOLE PROPERTY OF STORMS WELDING MFG., INC. AND REPRODUCTION IN PART OR AS A WHOLE WITHOUT THE WRITTEN PERMISSION OF STORMS WELDING MFG., INC. IS PROHIBITED	DRAWN	1/15/2018	STORMS WELDING & MFG., INC.		
	Charlie Storms		513 Lake St. W. ( P.O. BOX 76 ) COLOGNE, MN. 55322		
	CHECKED		FAX 952-466-2268 PH. 952-466-3343 stormsweldingmfg.com		
	QUANTITY		TITLE		
	MFG		KARL PARK BENCH		
	APPROVED		SIZE	DWG NO	REV
			A	KARL BENCH-AC-V2	
	DRAWING TIME		SCALE	SHEET 3 OF 3	





<div></div> <div>—PALLET FORK HOLES</div>	DRAWN	1/15/2018	STORMS WELDING & MFG., INC. 513 Lake St. W. ( P.O. BOX 76 ) COLOGNE, MN. 55322 FAX 952-466-2268 PH. 952-466-3343 stormsweldingmfg.com		
	Charlie Storms		TITLE  KARL PARK BENCH		
	CHECKED				
	QUANTITY				
	MFG				
	APPROVED				
	DRAWING TIME		SIZE A	DWG NO KARL BENCH-AC-V2	REV
PROPRIETARY AND CONFIDENTIAL  THE INFORMATION CONTAINED IN THIS DRAWING IS THE SOLE PROPERTY OF STORMS WELDING MFG., INC. AND REPRODUCTION IN PART OR AS A WHOLE WITHOUT THE WRITTEN PERMISSION OF STORMS WELDING MFG., INC. IS PROHIBITED		SCALE	SHEET 2 OF 2		





(952) 466-3343  
PO Box 76 513 W Lake St  
Cologne, MN 55322

## Storms Welding & Mfg.

513 Lake St W  
PO Box 76  
Cologne, MN 55322  
Phone: 952-466-3343  
Fax: 952-466-2268

### Quotation

Quote City of Norwood/Young America  
To: 10 First Avenue NE  
Norwood, MN 55368  
United States

Quote Number:	23899	Contact:	Steve Helget
Quote Date:	08/09/17	Expires:	09/08/17
Customer:	C467-1830	Inquiry:	
Salesman:	Charlie	Terms:	Net 30 Days
Ship Via:	CUSTOMER PICK-UP	Phone:	(952) 467-1805
FOB:	COLOGNE,MN.	FAX:	(952) 467-1818

Thank you for the opportunity to submit this quote. All prices and terms are valid for 30 days from the date of this quote.  
This quote is FOB Cologne and does not include sales tax.

<u>Item</u>	<u>Part Number</u>	<u>Description</u>	<u>Revision</u>	<u>Quantity</u>	<u>Price</u>	<u>Total</u>
1	95-1000-80-W	Wilkomen Karl the German Man 2 Seat Bench With Concrete Pallet	A	1	\$3,496.381 /EA	\$3,496.38
Grand Total:						<b>\$3,496.38</b>

By Charles A Storms  
Storms Welding & Mfg.