



**NORWOOD YOUNG AMERICA JOINT MEETING
CITY COUNCIL, ECONOMIC DEVELOPMENT COMMISSION, PLANNING
COMMISSION, CHAMBER OF COMMERCE**

Wednesday, July 18, 2018

6:00 p.m.

**City Hall – Council Chambers
310 Elm Street West
Norwood Young America, MN**

- I. Call to Order**
- II. Consideration of the Agenda**
- III. Business**
 - A. Inventory of Buildings in Downtowns – Discussion of Residential Uses**
 - B. Historic Preservation Tax Credits and Designation**
 - C. History of Buildings in Downtowns**
 - D. Financial Incentive Options**
 - E. Identification of Missing Amenities**
 - F. Banners and Signage**
 - G. Events in the Downtowns**
 - H. Next Steps**
- IV. Adjournment**



DATE: July 18, 2018

MEMO TO: NYA City Council, Economic Development Commission, Planning Commission, and Area Chamber of Commerce

FROM: Holly J. Kreft, Economic Development Consultant

RE: Agenda Item III. A. Inventory of Buildings in Downtown – Discussion of Residential Uses

Background:

One of the items discussed at the May 9th Joint Meeting was an inventory of the existing buildings in the downtowns. Attached is a draft spreadsheet that includes each parcel, the owner, any contact information available, the current status, square footage if vacant, and information on rental dwelling licenses if a rental property. An updated spreadsheet will be provided at the joint meeting with any additional information. As part of the redevelopment plan, property owners will be engaged to provide their input on the plan and ways to market vacant properties.

In the Historic Downtown Norwood area, there are six vacant or partially vacant buildings. There are also at least two buildings that have “false fronts” with vacant space in the front that is being used for storage and the remainder of the building is rental residential. There are five buildings that do not have rental dwelling licenses, but are not owner occupied.

In the Historic Downtown Young America area, there are also six vacant or partially vacant buildings. There are three properties that do not have rental dwelling licenses, but are not owner occupied.

At the July 3rd Planning Commission meeting, the Commission discussed a request by a property owner to allow for commercial properties to be completely renovated to rental residential uses. The current Zoning Ordinance provision allows for residential units on the second level of commercial buildings or on the main level if the front 50% is reserved for commercial uses.

The Planning Commission requested that the group discuss this request and provide feedback for the Planning Commission to consider at their next meeting.

Action:

The group should provide the following:

1. Feedback for the Planning Commission on the request to convert commercial buildings to 100% residential uses.

2. Feedback for staff on enforcement of buildings without rental dwelling licenses.
3. Feedback for staff on enforcement of buildings that do not meet the 50% requirement for commercial uses on the main level.

Downtown Historic Young America

| | A | B | C | D | E | F | G | H | I | J | K | L | M |
|----|-------------|----------------------|--|-----------------------------------|--|--------------|------------------|--|------------|---------------------------|----------------|-------------------------|-----------------|
| 1 | PID | Address | Owner | Owner Address | Owner Email | Owner Phone | Realtor | Realtor Contact | List Price | Status | Square Footage | Rental Dwelling License | Owner Contacted |
| 2 | 58.051.0350 | 102 Main Street East | City of NYA | P.O. Box 59 | N/A | N/A | N/A | N/A | N/A | Historical Society Museum | N/A | N/A | N/A |
| 3 | 58.051.0360 | 106 Main Street East | Eric & Erika Knuth | 106 Main Street East | N/A | N/A | N/A | N/A | N/A | Single-family house | N/A | N/A | N/A |
| 4 | 58.051.0370 | 110 Main Street East | Lowell & Charlene Kohls | 10880 Sunset Road, NYA 55397 | tanglezsalonmya@gmail.com | 952-467-2728 | N/A | N/A | N/A | Salon/Apartment | N/A | Yes - 1 | No |
| 5 | 58.051.0390 | 114 Main Street East | John Fahey | 114 Main Street East | N/A | N/A | N/A | N/A | N/A | Single-family house | N/A | N/A | N/A |
| 6 | 58.051.0380 | 118 Main Street East | Last Call Properties (Diane Henning) | 840 Prairie St S, Shakopee, 55379 | N/A | 952-467-2293 | N/A | N/A | N/A | Bar | N/A | N/A | N/A |
| 7 | 58.051.0460 | 202 Main Street East | Herbert & Exquivel Lopez | 318 2nd Street SW | N/A | 952-393-2835 | N/A | N/A | N/A | Apartments | N/A | Yes -4 | No |
| 8 | 58.051.0440 | 216 Main Street East | Ernst Holdings LLC (Eric & Adam Ernst) | 7775 Tacoma Ave, Mayer, 55360 | adam@alliedmn.com | 612-280-8190 | N/A | N/A | N/A | Office space/apartments | N/A | No - under constructi | No |
| 9 | 58.051.0450 | 220 Main Street East | Leonard & Cynthia Hilgers | 12775 Salem Ave, NYA 55368 | N/A | 952-467-3441 | N/A | N/A | N/A | Plumbing & heating | N/A | N/A | No |
| 10 | 58.051.0470 | 224 Main Street East | KJS Properties LLC (Kenny Schultz) | 1026 Sunny Ridge Dr, Carver 55315 | kjspropertiesllc@gmail.com | 952-292-3725 | N/A | N/A | N/A | Apartments | N/A | Yes - 5 | No |
| 11 | 58.051.0490 | 228 Main Street East | KJS Properties LLC (Kenny Schultz) | 1026 Sunny Ridge Dr, Carver 55315 | kjspropertiesllc@gmail.com | 952-292-3725 | N/A | N/A | N/A | Laundromat/apartment | N/A | Yes - 1 | No |
| 12 | 58.051.0500 | 232 Main Street East | Alvera (Ally) Clark | 505 3rd Ave SE | N/A | N/A | Jennifer Carlson | jennifercarlson@e | \$110,000 | Vacant | 2,400 | N/A | No |

Downtown Historic Young America

| | A | B | C | D | E | F | G | H | I | J | K | L | M |
|----|-------------|----------------------|---|---------------------------------------|--|--------------------------------|--------------|--|-----------|-----------------------------|--------|---------|-----|
| 13 | 58.051.0530 | 304 Main Street East | Ehlen Limited Partnership (c/o Axtell & Haller LLC) | 10510 France Ave S, Bloomington 55431 | N/A | 952-884-0184 (Axtell & Haller) | | | | Vacant | | | |
| 14 | 58.051.0570 | 315 Main Street East | Timothy Murray | 17865 Concord Dr NE, Ham Lake 55304 | N/A | N/A | N/A | N/A | N/A | Single-family house, rental | N/A | No | No |
| 15 | 58.051.0580 | 10 3rd Avenue SE | Julie Howe | 235 Van Buren N, Hopkins 55343 | N/A | N/A | N/A | N/A | N/A | Vacant | N/A | N/A | No |
| 16 | 58.051.0610 | 18 3rd Avenue SE | Citizens State Bank of NYA | P. O. Box 789 55368 | N/A | N/A | Doris Mielke | Doris@ddmielke.r | \$845,000 | Vacant | 14,000 | N/A | No |
| 17 | 58.051.0700 | 19 3rd Avenue SE | Josh & Jill Sweet | 19 3rd Avenue SE | N/A | N/A | N/A | N/A | N/A | Single-family house | N/A | N/A | N/A |
| 18 | 58.051.0710 | 15 3rd Avenue SE | Gladys Braun | 15 3rd Avenue SE | N/A | N/A | N/A | N/A | N/A | Single-family house | N/A | N/A | N/A |
| 19 | 58.051.0720 | 11 3rd Avenue SE | Simons Bros of Young America | 306 1st St SE, 55397 | N/A | N/A | N/A | N/A | N/A | | N/A | N/A | No |
| 20 | 58.051.0730 | 223 Main Street East | Vern Zeman | 223 Main Street East | N/A | N/A | N/A | N/A | N/A | Bar and house | N/A | N/A | No |
| 21 | 58.051.0740 | 217 Main Street East | Curtis & Gail Heldt | 13085 Heldts Lane, Mayer 55360 | myheldt@aol.com | 952-451-9073 | N/A | N/A | N/A | Vacant and apartments | 318 | Yes - 2 | No |
| 22 | 58.051.0640 | 213 Main Street East | Kottke Properties LLC (Mark & Tammy) | 9515 166th St, Cologne 55322 | info@swmetrosalesgroup.com | 612-382-4510 | N/A | N/A | N/A | Apartments | N/A | Yes - 3 | No |
| 23 | 58.051.0650 | 209 Main Street East | Yemane Mebrahtu | 16268 Tahinka Ct NW, Prior Lake | yemanem10@gmail.com | 612-229-5500 | N/A | N/A | No | Vacant | 3,000 | N/A | Yes |
| 24 | 58.051.0660 | 16 2nd Avenue SE | Ann Chaplusk | 16 2nd Avenue SE | N/A | N/A | N/A | N/A | N/A | Single-family house | N/A | N/A | N/A |

Downtown Historic Young America

| | A | B | C | D | E | F | G | H | I | J | K | L | M |
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| 25 | 58.051.0630 | 205 Main Street East | James Houlehan | 205 Main Street East | N/A | N/A | N/A | N/A | N/A | Single-family house (in former commercial building) | N/A | N/A | N/A |
| 26 | 58.051.0620 | 201 Main Street East | Ernst Holdings LLC (Eric & Adam Ernst) | 7775 Tacoma Ave, Mayer, 55360 | adam@alliedmn.com | 612-280-8190 | N/A | N/A | N/A | Apartments | N/A | No | No |
| 27 | 58.051.0790 | 15 2nd Avenue SE | CPS Holding LLC (Waconia Dodge, Andy Strong) | 905 Strong Dr, Waconia, 55387 | andys@waconiadodge.com | 612-791-1244 | N/A | N/A | N/A | Auto repair and storage | N/A | N/A | No |
| 28 | 58.051.0800 | 115 Main Street East | CPS Holding LLC (Waconia Dodge, Andy Strong) | 905 Strong Dr, Waconia, 55387 | andys@waconiadodge.com | 612-791-1244 | N/A | N/A | N/A | Auto repair and storage | N/A | N/A | No |
| 29 | 58.051.0760 | 105 Main Street East | U.T Group Inc. | P.O. Box 201659, Bloomington, 55420 | N/A | N/A | N/A | N/A | N/A | Bar & grill, apartment | N/A | No | No |
| 30 | 58.051.0750 | 101 Main Street East | Kevin & Jennifer Sullivan | 101 Main Street East | N/A | N/A | N/A | N/A | N/A | Single-family home | N/A | N/A | N/A |
| 31 | 58.051.0770 | 16 1st Avenue SE | David & Dianne Rain | 16 1st Avenue SE | N/A | N/A | N/A | N/A | N/A | Single-family home | N/A | N/A | N/A |
| 32 | 58.051.0810 | 21 Main Street East | City of NYA | P. O. Box 59 | N/A | N/A | N/A | N/A | N/A | Park | N/A | N/A | N/A |

Downtown Historic Norwood

| PID | Address | Owner | Owner Address | Owner Email | Owner Phone | Realtor | Realtor Contact | List Price | Status of Building | Square Footage | Rental Dwelling License | Owner Contacted |
|-------------|------------------------|---|--|--|--------------|----------------|--|------------|------------------------------|----------------|-------------------------|-----------------|
| 58.670.0200 | 310 Elm Street West | City of NYA | P.O. Box 59 | N/A | N/A | N/A | N/A | N/A | City Hall/Senior Housing | N/A | N/A | N/A |
| 58.050.0620 | 122 Union Street North | KJS Ventures 1 LLC (Kenny Schultz) | 1026 Sunny Ridge Dr, Carver 55315 | kjspropertiesllc@gmail.com | 952-292-3725 | N/A | N/A | N/A | Apartments | N/A | Yes - 5 | No |
| 58.050.0610 | 116 Union Street North | Mike Werneke | 6908 3rd Ave S, Richfield, 55423 | 651-532-7102 | | N/A | N/A | N/A | Salon/Apartments | N/A | No | No |
| 58.050.0560 | 224 Elm Street West | Stacey Horton | P. O. Box 272 | staceystitches@gmail.com | 952-467-2757 | N/A | N/A | N/A | Quilt shop | N/A | N/A | No |
| 58.050.0570 | 220 Elm Street West | Greg and Linda Sons | 30423 State Hwy 25, Henderson, 56044 | lsons18582@aol.com | 952-467-2255 | N/A | N/A | N/A | Salon/Apartments | N/A | Yes - 1 | No |
| 58.050.0580 | Parking Lot | City of NYA | P.O. Box 59 | N/A | N/A | N/A | N/A | N/A | Municipal Parking Lot | N/A | N/A | N/A |
| 58.050.0590 | 214 Elm Street West | SLS Properties LLD (Schad Lindstrand Schuth) | 1721 10th St E, Glencoe 55336 | monap@slscpa.com | 952-467-2407 | N/A | N/A | N/A | Accounting firm | N/A | N/A | No |
| 58.050.0600 | 210 Elm Street West | A & B Investments LLC (Art and Brad Schlagel) | 30603 Oak Avenue, Aitkin 56431 | N/A | 218-927-6100 | Scott Haubrich | scott@buyrentsellmn.com | \$139,900 | Vacant bar and apartments | 4,104 | Yes - 2 | Realtor |
| 58.050.0550 | 116 Morse Street N | Josh Wakefield | 116 Morse Street N | N/A | N/A | N/A | N/A | N/A | Single family house | N/A | N/A | No |
| 58.050.0540 | 110 Morse Street N | Ricky & Beverly Armstrong | 179 Lakeview Terrace Blvd, Waconia 55387 | N/A | N/A | N/A | N/A | N/A | Single family house (rental) | N/A | N/A | No |
| 58.050.0500 | 124 Elm Street West | Allan and Susan Debner | P.O. Box 309 | info@debnerinsurance.com | 952-467-3166 | N/A | N/A | N/A | Insurance Agency | N/A | N/A | No |
| 58.050.0490 | 120 Elm Street West | Roy & Jodie Whitney | P.O. Box 465 | N/A | N/A | N/A | N/A | N/A | Single family house | N/A | N/A | No |
| 58.050.0530 | Not Available | Jesse Hunt | 421 4th Street W, Carver 55315 | N/A | N/A | N/A | N/A | N/A | Vacant residential land | 4,792 | N/A | No |

Downtown Historic Norwood

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| 58.050.0510 | 114 Elm Street West | Randall & Wanda Wilson | 14225 County Road 33, NYA 55397 | N/A | N/A | N/A | N/A | N/A | Apartments | N/A | No | No |
| 58.050.0520 | 110 Elm Street West | Amblard Estates LLC (Mark & Pam Braunwarth) | 420 Lake St, Waconia 55387 | N/A | 612-532-7102 | N/A | N/A | N/A | Apartments | N/A | Yes - 8 | No |
| 58.050.0080 | 115 Elm Street West | Mark & Carol Donnay | 115 Elm Street West | N/A | N/A | N/A | N/A | N/A | Single family house | N/A | N/A | No |
| 58.050.0090 | 119 Elm Street West | Stephen & Laurel Lemke | P. O. Box 805 | N/A | N/A | N/A | N/A | N/A | Single family house | N/A | N/A | No |
| 58.050.0100 | 123 Elm Street West | Curt & Gail Heldt | 13085 Heldts Ln, Mayer 55360 | myheldt@aol.com | 952-657-2180 | N/A | N/A | N/A | Apartments | N/A | Yes - 2 | No |
| 58.050.0110 | 127 Elm Street West | Dan & Karen Andrs | 17512 Evener Way, Eden Prairie 55346 | N/A | 952-261-1217 | N/A | N/A | N/A | Vehicle storage | N/A | N/A | No |
| 58.050.0180 | 211 Elm Street West | Paul Grundahl | P.O. Box 157 | N/A | N/A | N/A | N/A | N/A | Single family house | N/A | Yes - 1 | No |
| 58.050.0170 | 215 Elm Street West | Tonka Investment Group LLC - Erik Johnson | 8320 Kelzer Pond Dr, Victoria, 55386 | ejohnson@venturemortgage.com | 612-385-4147 | N/A | N/A | N/A | Apartments - no retail/office | N/A | No | No |
| 58.050.0190 | 219 Elm Street West | KJS Ventures 1 LLC (Kenny Schultz) | 1026 Sunny Ridge Dr, Carver 55315 | kjspropertiesllc@gmail.com | 952-292-3725 | N/A | N/A | N/A | Apartments - no retail/office | N/A | Yes - 4 | No |
| 58.050.0200 | 221 Elm Street West | Peter and Diane Buckentine | P. O. Box 297 | N/A | 612-282-5977 | Owner | 612-282-5977 | \$95,500 | Vacant - former CarQuest | 3,600 | N/A | No |
| 58.050.0210 | 223 Elm Street West | Dan Lind LLC | 16150 Hayes Ln, Carver, 55315 | | | N/A | N/A | N/A | Vacant | | N/A | No |
| 58.050.0220 | 225 Elm Street West | Doug & Kathy Lueck | 21160 654th Ave, Litchfield 55355 | doug@luecklures.com | 952-457-4957 | Owner | N/A | \$650/month | Vacant Half - vacant; half - Ruff Cuts | 600-1,800 | N/A | Yes |
| 58.050.0230 | 227 Elm Street West | Linda Harms | P. O. Box 104 | N/A | N/A | N/A | N/A | N/A | Lower level vacant | | N/A | No |
| 58.050.0290 | Not Available | Mark Van Gelder | 1823 8th Ave SE, St. Cloud 56304 | markdoesit@gmail.com | 320-260-3561 | N/A | N/A | N/A | Parking lot | N/A | N/A | Yes - no response |

Downtown Historic Norwood

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|-------------|---------------------|--------------------------------------|-------------------------------------|--|--------------|-----|-----|-----|-----------------------------|-------|--------|-------------------|
| 58.050.0300 | 315 Elm Street West | Mark Van Gelder | 1823 8th Ave SE, St. Cloud 56304 | markdoesit@gmail.com | 320-260-3561 | N/A | N/A | N/A | Vacant | 2,614 | N/A | Yes - no response |
| 58.050.0310 | 319 Elm Street West | Evan Mahlstedt | 2505 Osell Ave SW, Cokato 55321 | | 320-894-5185 | N/A | N/A | N/A | Vacant/Apartments | | Yes -2 | No |
| 58.050.0380 | 321 Elm Street West | 321ElmNYA LLC (Citywide Wood Floors) | 4923 Clear Spring Rd, Hopkins 55345 | | 952-442-9001 | N/A | N/A | N/A | Wood flooring | N/A | N/A | No |
| 58.050.0320 | 323 Elm Street West | 321ElmNYA LLC (Citywide Wood Floors) | 4923 Clear Spring Rd, Hopkins 55345 | | 952-442-9001 | N/A | N/A | N/A | Vacant lot | N/A | N/A | No |
| 58.050.0330 | 325 Elm Street West | The Pour House Pub LLC | P. O. Box 806 | | 952-467-2112 | N/A | N/A | N/A | Bar/Apartment | N/A | No | No |
| 58.050.0340 | 327 Elm Street West | City of NYA | P. O. Box 59 | N/A | N/A | N/A | N/A | N/A | Fire Hall/Roy Clay Building | N/A | N/A | N/A |
| 58.050.0350 | 327 Elm Street West | City of NYA | P. O. Box 59 | N/A | N/A | N/A | N/A | N/A | Parking lot | N/A | N/A | N/A |



DATE: July 18, 2018

MEMO TO: NYA City Council, Economic Development Commission, Planning Commission, and Area Chamber of Commerce

FROM: Holly J. Kreft, Economic Development Consultant

RE: Agenda Item III. B. Historic Tax Credits and Designation

Background:

One of the items discussed at the May 9th Joint Meeting was the potential of having a staff member from the State Historic Preservation Office attend the next joint meeting to discuss historic preservation tax credits and designation. Doug Thomas from Henderson had discussed some of the benefits that community had received and encouraged Norwood Young America to consider it as well.

Staff from SHPO was not available as this week is the national preservation conference. MDG LLC staff did preliminarily research the information and attached are fact sheets with additional information.

Federal Tax Credits

The Federal Historic Preservation Tax Incentives program encourages private sector investment in the rehabilitation and re-use of historic buildings. A 20% income tax credit is available for the rehabilitation of historic, income-producing buildings that are determined by the Secretary of the Interior, through the National Park Service, to be “certified historic structures.” The State Historic Preservation Offices and the National Park Service review the rehabilitation work to ensure that it complies with the Secretary’s Standards for Rehabilitation. The Internal Revenue Service defines qualified rehabilitation expenses on which the credit may be taken. Owner-occupied residential properties do not qualify for the federal rehabilitation tax credit.

State Tax Credits

The Minnesota Historic Structure Rehabilitation Tax Credit offers a 20% state tax credit for qualified historic rehabilitations, and parallels the existing federal rehabilitation tax credit. It also offers project investors an option of a grant in lieu of a credit, whichever option best suits a developer's tax situation, in order to maximize the efficiency of the public dollars assisting the project. The program requires an application with the State Historic Preservation Office before project work begins. The current sunset date for the program is 2021.

Designation

There are three categories of designation for historical buildings, places, or landmarks. Those include:

- *National Register of Historic Places*

The quality of significance in American history, architecture, archaeology, engineering, and culture is present in districts, sites, buildings, structures, and objects that possess integrity of location, design, setting, materials, workmanship, feeling, and association and

(a) that are associated with events that have made a significant contribution to the broad patterns of our history; or

(b) that are associated with the lives of persons significant in our past; or

(c) that embody the distinctive characteristics of a type, period, or method of construction, or that represent the work of a master, or that possess high artistic values, or that represent a significant and distinguishable entity whose components may lack individual distinction; or

(d) that have yielded, or may be likely to yield, information important in prehistory or history.

The National Register program, directed by the National Park Service, is administered in each state by its State Historic Preservation Office (SHPO). Nominations for listing a property on the National Register may be initiated by the SHPO or by private individuals and organizations. However, nominations must be submitted through the SHPO.

The nomination serves to make the case for the property's significance. If the Minnesota Historical Society's State Review Board determines that the property meets National Register criteria, the nomination is sent to the State Historic Preservation Officer for signature and then to the Keeper of the National Register in Washington, D.C., for final review and approval.

Winter Saloon (Harm's Bar) is the only structure within the downtowns currently on the National Register of Historic Places.

- *National Historic Landmarks*

National Historic Landmarks (NHLs) are cultural properties designated by the Secretary of the Interior as being nationally significant. Acknowledged as among the nation's most significant historic places, these buildings, sites, districts, structures, and objects possess exceptional value or quality in illustrating or interpreting the heritage of the United States in history, architecture, archaeology, engineering, and culture. NHL designation is an official recognition by the federal government of the significance of historic properties.

- *Local Designation*

Local designation is made through a municipality's heritage preservation commission (HPC) under provisions specified in a local preservation ordinance (see state enabling legislation).

Local designation means that a property has met the criteria of a local preservation ordinance. Protection of such properties falls under the auspices of the local Historic Preservation Commission (HPC). Listing on the National Register of Historic Places means that a property joins the nation's official list of properties deemed worthy of preservation. The National Register is directed by the National Park Service of the U.S. Department of the Interior and administered in Minnesota by the State Historic Preservation Office. It is possible for a property to have both local and National Register designation or to have either one without the other.

Action:

Discussion on whether or not to invite Michael Koop from SHPO to the next meeting for discussion on whether or not to pursue local designation of the historic downtowns.

National Register of Historic Places Program: Fundamentals

The National Register of Historic Places is the official list of the Nation's historic places worthy of preservation. Authorized by the National Historic Preservation Act of 1966, the National Park Service's National Register of Historic Places is part of a national program to coordinate and support public and private efforts to identify, evaluate, and protect America's historic and archeological resources.

[Where to Start](#)

[Results & Owner Information](#)

[Listing & Ownership](#)

Where to Start (How to list a property)

The National Register nomination process usually starts with your [State Historic Preservation Office](#)*(SHPO). Contact your SHPO or check their web page for National Register information, research materials, and necessary forms to begin the nomination process. If the property is on federal or tribal land, then the process starts with the Federal Preservation Office or Tribal Preservation Office. ([More on FPO and TPOs.](#))

How are Properties Evaluated?

To be considered eligible, a property must meet the [National Register Criteria for Evaluation](#). This involves examining the property's age, integrity, and significance.

- Age and Integrity. Is the property old enough to be considered historic (generally at least 50 years old) and does it still look much the way it did in the past?
- Significance. Is the property associated with events, activities, or developments that were important in the past? With the lives of people who were important in the past? With significant architectural history, landscape history, or engineering achievements? Does it have the potential to yield information through archeological investigation about our past?

National Register Listing Process

- Nominations can be submitted to your SHPO from property owners, historical societies, preservation organizations, governmental agencies, and other individuals or groups. Official National Register [Nomination Forms](#) are downloadable or from your State Historic Preservation Office. [National Register Bulletins](#) can also provide guidance on how to document and evaluate certain types of properties. [Sample Nominations](#) provide additional useful information.
- The SHPO notifies affected property owners and local governments and solicits public comment. If the owner (or a majority of owners for a district nomination) objects, the property cannot be listed but may be forwarded to the National Park Service for a Determination of Eligibility (DOE).
- Proposed nominations are reviewed by your state's historic preservation office and the state's National Register Review Board. The length of the state process varies but will take a minimum of 90 days.
- Complete nominations, with certifying recommendations, are submitted by the state to the National Park Service in Washington, D.C. for final review and listing by the Keeper of the National Register of Historic Places. The National park Service makes a listing decision within 45 days.

*Note: National Register nominations of Tribal properties start with the Tribal Historic Preservation Officer. National Register nominations of federal properties start with the agency's Federal Preservation Officer.

Results & Owner Information

Listing in the National Register of Historic Places provides formal recognition of a property's historical, architectural, or archeological significance based on national standards used by every state. Results include:

- Becoming part of the National Register Archives, a public, [searchable database](#) that provides a wealth of research information.
- Encouraging preservation of historic resources by documenting a property's historic significance.

- Providing opportunities for specific preservation incentives, such as:
 - > Federal preservation grants for planning and rehabilitation
 - > [Federal investment tax credits](#)
 - > Preservation easements to nonprofit organizations
 - > International Building Code fire and life safety code alternatives
- Possible State tax benefit and grant opportunities. Check with your [State Historic Preservation Office](#) for historic property incentives available within your state.
- Involvement from the [Advisory Council on Historic Preservation](#) when a Federal agency project may affect historic property.
- Find out information on the care and maintenance of your historic property through various [NPS Preservation Briefs](#) and [Tech Notes](#).
- Network with other historic property owners, tour historic areas, or chat with preservationists through Conferences, Workshops, and Preservation Organizations.

- Celebrate your listing by ordering a [bronze plaque](#) that distinguishes your property as listed in the National Register of Historic Places.

Listing and Ownership

- Under Federal Law, the listing of a property in the National Register places no restrictions on what a non-federal owner may do with their property up to and including destruction, unless the property is involved in a project that receives Federal assistance, usually funding or licensing/permitting.

- National Register listing does not lead to public acquisition or require public access.

- A property will not be listed if, for individual properties, the owner objects, or for districts, a majority of property owners object.

- National Register listing does not automatically invoke local historic district zoning or local landmark designation.

- [Federal Regulation 36 CFR 60](#) authorizes the National Register of Historic Places.
- Contact your [State Historic Preservation Office \(SHPO\)](#) for any specific state rules or regulations

Federal Agency Historic Preservation

In conjunction with the Secretary of the Interior, all Federal agencies establish their own historic preservation programs for the identification, evaluation, and protection of historic properties as mandated in Section 110 of the National Historic Preservation Act. These individual agency programs vary greatly in scope, depending on the degree to which the agency owns, controls, or affects historic properties. The NPS Federal Agency Preservation Assistance Program carries out a number of activities to assist Federal agencies in meeting their historic preservation responsibilities. Check with the [Federal Preservation Officer \(FPO\)](#) within a particular federal agency for additional information.

Tribal Historic Preservation

The NPS Tribal Preservation Program assists Indian tribes in preserving their historic properties and cultural traditions. Among the responsibilities assumed by these tribes are conducting historic property surveys, maintaining permanent inventories of historic properties, nominating properties to the National Register of Historic Places, and reviewing Federal agency assisted projects. Contact the specific tribal officer from the following list of [Tribal Preservation Officers](#) for additional information.

U.S. Department of the Interior, National Park Service

II. NATIONAL REGISTER CRITERIA FOR EVALUATION

Criteria for Evaluation

The quality of significance in American history, architecture, archeology, engineering, and culture is present in districts, sites, buildings, structures, and objects that possess integrity of location, design, setting, materials, workmanship, feeling, and association, and:

- A.** That are associated with events that have made a significant contribution to the broad patterns of our history; or
- B.** That are associated with the lives of significant persons in our past; or
- C.** That embody the distinctive characteristics of a type, period, or method of construction, or that represent the work of a master, or that possess high artistic values, or that represent a significant and distinguishable entity whose components may lack individual distinction; or
- D.** That have yielded or may be likely to yield, information important in history or prehistory.

Criteria Considerations

Ordinarily cemeteries, birthplaces, graves of historical figures, properties owned by religious institutions or used for religious purposes, structures that have been moved from their original locations, reconstructed historic buildings, properties primarily commemorative in nature, and properties that have achieved significance within the past 50 years shall not be considered eligible for the National Register. However, such properties *will qualify* if they are integral parts of districts that do meet the criteria or if they fall within the following categories:

- a.** A religious property deriving primary significance from architectural or artistic distinction or historical importance; or
- b.** A building or structure removed from its original location but which is primarily significant for architectural value, or which is the surviving structure most importantly associated with a historic person or event; or
- c.** A birthplace or grave of a historical figure of outstanding importance if there is no appropriate site or building associated with his or her productive life; or
- d.** A cemetery that derives its primary importance from graves of persons of transcendent importance, from age, from distinctive design features, or from association with historic events; or

e. A reconstructed building when accurately executed in a suitable environment and presented in a dignified manner as part of a restoration master plan, and when no other building or structure with the same association has survived; or

f. A property primarily commemorative in intent if design, age, tradition, or symbolic value has invested it with its own exceptional significance; or

g. A property achieving significance within the past 50 years if it is of exceptional importance.



MINNESOTA REHABILITATION TAX CREDIT

The **Minnesota Rehabilitation Tax Credit** was signed into law in April 2010 as an incentive to stimulate job growth, increase local tax bases, and revitalize communities across the state by encouraging private investment in historic properties (Laws of Minnesota, 2010, Chapter 216, Sections 11 and 17). The Minnesota Historic Structure Rehabilitation Tax Credit is set to expire after fiscal year 2021, unless it is reauthorized.

The state historic structure rehabilitation tax credit mirrors the federal historic preservation tax incentive and is used in conjunction with the federal credit. Property owners who are undertaking a historic rehabilitation project are eligible to receive a state income tax credit on qualified rehabilitation expenses equal to the federal tax incentive. Owners may elect to receive a grant-in-lieu-of-credit equal to 90 percent of the allowable credit.

The program is administered by the Minnesota Historic Preservation Office at the Minnesota Historical Society, in partnership with the Minnesota Department of Revenue. The federal historic preservation tax incentives program is administered by the National Park Service in partnership with the Internal Revenue Service.

▲ *Northwestern National Life Insurance Company's historic home office in Minneapolis now houses a number of apartment units.*

Application forms and instructions:

mnhs.org/historictaxcredit

For more information:

Minnesota buildings listed on the National Register of Historic Places:
mnhs.org/nrhp

Federal historic preservation tax incentives:
nps.gov/tps/tax-incentives.htm

Technical information on rehabilitation:
nps.gov/tps/how-to-preserve.htm

The Secretary of the Interior's Standards:
nps.gov/tps/standards.htm

MNHS Heritage Preservation is financed in part with federal funds from the National Park Service, U.S. Department of the Interior. However, the contents and opinions presented do not necessarily reflect the views or policies of the Department of the Interior, nor does the mention of trade names or commercial products constitute endorsement or recommendation by the Department of the Interior. Regulations of the U.S. Department of Interior strictly prohibit unlawful discrimination in federally assisted programs on the basis of race, color, national origin, disability, or age. Any person who believes he or she has been discriminated against in any program, activity, or facility operated by a recipient of federal assistance should write to: Office of Equal Opportunity, National Park Service, 1849 C Street, N.W., Washington, DC, 20240.



HERITAGE PRESERVATION

345 West Kellogg Boulevard, St. Paul, Minnesota 55102
651-259-3450 • FAX 651-282-2374
mnhs.org/heritagepreservation
heritagepreservation@mnhs.org

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MINNESOTA HISTORICAL SOCIETY
HERITAGE PRESERVATION



MINNESOTA HISTORIC STRUCTURE REHABILITATION TAX CREDIT

WHICH PROJECTS QUALIFY

- Property must be a certified historic structure: a building listed on the National Register of Historic Places or certified as contributing to a Registered Historic District
- Building must be rehabilitated for income-producing use
- Owner must apply for state tax credits before construction work begins
- Cost of rehabilitation must exceed the pre-rehabilitation cost of the building
- National Park Service must approve the project plans and certify the completed work as meeting the Secretary of the Interior's Standards for Rehabilitation
- Taxpayer must be allowed the federal historic preservation tax incentive for the project



▲ Cannon River Winery rehabilitated an event space in the historic Kruse Garage in Cannon Falls (above and on cover). The winery's project only included the interior of the building.

▼ Construction underway at Fort Snelling's Upper Post in 2015, where CommonBond Communities created housing for homeless veterans and their families.



THE APPLICATION PROCESS

The Minnesota application is a two-part form that accompanies the three-part federal application. Part 1 of the federal application should be submitted before applying for the state credit.

- Description of Rehabilitation: Part A of the Minnesota application should be submitted with Part 2 of the federal application before construction begins.
- Request for Certification: Part B of the Minnesota application should be submitted with Part 3 of the federal application after construction is complete.

The state charges nonrefundable application fees based on the amount of a project's qualified rehabilitation expenses. The National Park Service charges a separate fee for the federal application, also based on project cost.

Application forms and instructions are available at mnhs.org/historictaxcredit.



HOW THE CREDIT IS APPROVED

Throughout the project, Minnesota Historic Preservation Office staff work with property owners to determine the best approach to meet rehabilitation and project objectives. In general, rehabilitation work should strive to retain and repair original historic features, craftsmanship, materials, character, and spaces.

The completed project must meet the Secretary of the Interior's Standards for Rehabilitation and be approved by the National Park Service. A Minnesota Tax Credit Certificate or a grant-in-lieu-of-credit (see below) is issued after the work is complete, the building is placed in service, and NPS certification is received. The income tax credit is refundable and transferable.

Taxpayers may choose a grant-in-lieu-of-credit equal to 90 percent of the allowable credit. Grant agreements are executed and payment is issued after NPS certification of the completed project.

The owner will be required to sign a Letter of Agreement Governing Use of the Historic Property, assuming responsibility to maintain the historic property for five years.

Applicants are strongly encouraged to seek the advice of a qualified tax adviser with questions concerning specific tax consequences before proceeding with any tax credit rehabilitation project.

▲ One of the largest tax credit projects to date is the historic Cedar Square West (now Riverside Plaza) in Minneapolis.



DATE: July 18, 2018

MEMO TO: NYA City Council, Economic Development Commission, Planning Commission, and Area Chamber of Commerce

FROM: Holly J. Kreft, Economic Development Consultant

RE: Agenda Item III. C. History of Buildings in Downtowns

Background:

One of the items discussed at the May 9th Joint Meeting was the history of buildings in the downtowns. LaVonne Kroells from the Willkommen Heritage and Preservation Society compiled that attached sheets on the current vacant properties in the downtowns. She welcomed any additional information people may have.

Action:

Discussion on additional buildings to document and how this documentation is shared with businesses, property owners, and the public – i.e. posters or framed information in buildings, walking tours, etc.

18 SE 3rd Ave.

**Livery Barn adjoining the stockyards by RR Tracks,
Owner – Henry Wolter. Mr. May owned the stockyards.**

Mid/Early 1930's – Farmers Elevator & Coal – Wm Fruetel Sr.

1939 – Feed Mill – Wm Bartz

1954 – Feed Mill – Robert(Bud) & Francis Howe

1980 – Feed Mill – Mike & Margie Bachmann

1993 – Mid County Co-op of Cologne

2003 – bldg. purchased by Pat & Sue Samuelson

2008 -2016 – Flower Mill – Karen Hallquist



209 E. Main

1861 – Land purchased by R.M. Kennedy & James Slocum

1918 – August Mackenthun - Meat Market

1922 – John Mackenthun – Meat Market

1927 – J.J. Thomas – Meat Market

1950 – Bernard(Bernie) Petterson – Meat Market

1960 – Wilmer & Melva Hoernemann – Meat Market

1969 – Lynis & Bark Lehrke – Meat Market

- Betty Feltmann – Yvonne Trick Meat Market

1980 – John & Marlene Mackenthun – Meat Market

1998 – Butch Mackenthun & Milan Wischnack – Meat Market

2012 – Milan Wischnack – Meat Market

2014 – Business closed



217 E Main

March 27, 1882 – Drug Store founded by Ed & Emil Bachmann

1913 – opened ice cream parlor inside Drug Store

1939 – Ed’s son Martin took over business

1974 – closed due to Martin’s death

1977 Steven Fruetel opened “The Young American”

1979 – Howard & Inez Lueck owned – Gene Nelson operated a shoe store till April 1980

1981 – bldg.. rented by Gary Harms of Perfection Printing



232 E. Main

1926 – bldg. owned by Ed Echart, Hubert Zellmann, Fred Fahse

1936 – purchased by Elmer Mueller

1946 –

1953 – Harold & Myrtle Amrhein – Butch & Myrt's

1962 – Hillard & Henry Feltmann – H&H Bar

1972 – June – sold to Butch Zeman – Teen Center

1973 – Bldg. demolished – new bldg. built

1975 – Jim & Ally Clark opened V-Store



225 W. Elm St.

Wilber Poppitz build bldg.



Flame Lounge

The Flame Lounge history goes way back to 1897 when it was known as Klancke's Bar. It has been located on the same spot, the corner of Morse St. and Elm St. since that time. The sign is still on the building, but the Flame Lounge is no longer in business.

In 1928 Robert Pieper Sr. bought the business from Klancke. In early 1933 he started a restaurant/confectionery store called the Silver Latch. In May of 1933 Robert Pier Sr. died and his wife Bertha, took over the business. In 1936 she added hotel rooms and remodeled the bar room. Then 1940 a new modern front was put on the building.

In 1952, Robert Pieper Jr. bought the business from his mother and successfully ran the bar until 1970. It was during this time the hotel business "slowed" and the upstairs was used as living quarters for Bertha and Bob's family. The building was unique in the fact that there were actually three stories. When you got to the second floor, there was a large living area where Grandma Bertha lived. You then went up four steps into the living quarters that Bob, Fern and their family lived in.

From approximately 1944 to 1954 Al Zieper Ins. Agency rented space in the front of the building.

In 1970 the building and business were sold to John & Pearl Shanahan and the name was changed to Shanny's Bar. During this time the second floor of the building had an extensive remodel, to update living quarters for the Shanahan family. John and Pearl owned the bar until 1976 when they sold it to Steve and Anna Proskin. The name of the bar was then changed to the Glass Door.

In 1977 the bar was purchased from the Proskin's by Tom Hogan. In 1978 a fire destroyed the building and Hogan was charged and convicted of arson.

In 1979 Brad and Barb Schagel bought the business from Steve and Ann Proskin, who had got the business back after Tom Hogan was convicted of arson. Brad and Bard then renamed it "The Flame Lounge". The Schagel's did not need the upstairs as living quarters, so they remodeled it into two apartments, which are still in existence today. In 1997 they sold the bar to Jane Maki. Unfortunately they got it back in 1999. They still own the building today, but did close the business in 1999. During the time the Schagels owned the bar they sponsored many softball, bowling, dart, volleyball and pool teams. They also had live entertainment, both bands and DJ's.





DATE: July 18, 2018

MEMO TO: NYA City Council, Economic Development Commission, Planning Commission, and Area Chamber of Commerce

FROM: Jo Foust, Economic Development Consultant

RE: Agenda Item III. D. Financial Incentives

Background:

At the May 9th Joint Meeting, the group requested a summary of financial incentives which may be available to encourage and assist property owners and tenants with renovations to buildings in the downtown.

Attached is a summary of potential programs, including but not limited to those suggested by Commissioner Tina Diedrick at the May Joint meeting. These include:

- Local Bank Programs including SBA loans and an interest rate reduction program which could be supported with funding through the EDC;
- Loans through the EDC and MCCD
- Reduction of Building Permit Fees
- No Interest Loan Program
- Tax Abatement (as permitted by M.S. 460.1813-469.1816)
- Tax Increment Financing
- Tourism Mini Grants
- Historic Tax Credits
- Community Foundation (this would need to be started as a grassroots program)

Additional information on a few of these programs is attached for committee members' information.

Action:

Input is sought from the group on which program(s) to pursue to encourage downtown redevelopment. If any or all of the following are recommended, the group should recommend the City Council budget for the programs in 2019: interest rate reduction program, through local banks, a reduction of building permit fees, No Interest Loan Program, Tourism Mini Grants or Community Foundation.



Financial Programs to Assist Downtown

There are numerous financial programs available to help you locate or expand in the Historic Downtown Norwood or Historic Downtown Young America areas. Here are just a few options available for you!

Local Bank Programs- Our local bankers are here to help you with your business plans. Feel free to visit with one of our local financial institutions to discuss conventional loans or access to a Small Business Administration (SBA 504 or SBA 7a) loan guarantee.

Citizens State Bank Norwood Young America
PO Box 789
Norwood Young America, MN 55368 952-467-3000

Klein Bank
800 Faxon Road
Norwood Young America, MN 55397 952-467-2313

Interest Rate Reduction Program – The Norwood Young America EDC is working with local financial institutions to reduce your interest rate up to 2%! Please contact one of the financial institutions noted above for more information!

Gap Financing – We are here to assist with gap financing needs! The Norwood Young America Economic Development Commission (EDC) offers a loan program to assist. This program is administered by the MCCD, who also offers and administers loan programs. For more information, contact:

Lee Hall, MCCD
Carver County CDA
705 Walnut St., Chaska MN. Office hours: Wednesdays and by appointment.
(612) 789-7337 ext. 817
lhall@mccdmn.org

Reduction of Building Permit Fees – Property owners and /or building tenant that invest in improvements to their building, in a historic downtown district, are eligible for up to 10% reduction on their building permit fee, up to \$200. We will also work with you streamline the building permit process to move your project along as quickly as possible.



“Willkommen!”
Welcome to Norwood Young America



Financial Programs to Assist Downtown

No Interest Loan- Norwood Young America's EDC offer a No Interest Loan for Façade Improvements that are consistent with the historic character of the district and design standards adopted by the City. These funds are also available for interior improvements completed to meet Building Codes, such as electrical, plumbing, handicap accessibility, etc. Loans up to \$5000 are available on a first-come-first serve basis. Repayment terms are dependent upon the size of the loan as follows:

| | |
|---------|---------------------------------|
| \$2,000 | 18 monthly payments of \$111.11 |
| \$3,000 | 24 monthly payments of \$125.00 |
| \$4,000 | 30 monthly payments of \$133.33 |
| \$5,000 | 36 monthly payments of \$138.88 |

For more information, contact: Holly Kreft at: 952-529-5022 or [hkrefmdg@gmail.com](mailto:hkreftmdg@gmail.com)

Tax Abatement – For larger projects, the EDC will consider tax abatement. As stated in Minn. Stat. §§ 469.1813-469.1816, the City could abate or forgive a portion of the property tax. For more information, please see the attached handout or contact the City of Norwood Young America.

Tax Increment Financing – For redevelopment projects or new construction on a redevelopment site, the City may consider the use of pay-as-you-go tax increment financing. This program allows the city to “rebate” the increased amount of property taxes, which result from the improvement, back to the owner for eligible expenses, over a specified timeframe. Please see the attached handout or contact the City of Norwood Young America for more information.

Tourism Mini Grants - We value activities and events that draw tourists and citizens to our downtowns. The EDC provides up to two mini-grants per year to organizations which plan community-wide and regional events which are consistent with the EDC/City mission. Grants of up to \$1000 per event are available.

Historic Tax Credits – Minnesota offers state tax credit for qualified projects. Please see the attached summary sheet and brochure.

Community Foundation –



“Willkommen!”
Welcome to Norwood Young America

Property Tax Abatements for Economic Development

What is economic development property tax abatement?

Minnesota law authorizes political subdivisions to grant property tax abatements for economic development (e.g., to encourage a business to locate or expand at a location or to redevelop an area). [Minn. Stat. §§ 469.1813-469.1816](#).

Abatements may be either permanent forgiveness or temporary deferral of property tax. Abatements can serve similar purposes to tax increment financing (TIF), a widely used development tool. The legislature enacted the abatement law in 1997 to provide an alternative to TIF and to supplement it.

These economic development tax abatements should be distinguished from property tax abatements that are granted by the county board primarily to correct errors (e.g., to reduce the assessor's market value or to change the classification of the property). [Minn. Stat. § 375.192](#).

For what purposes may abatements be used?

The law allows abatements to be used for a broad range of projects and purposes, if the political subdivision finds that public benefits exceed the costs. Permitted uses of abatements include the following:

- General economic development, such as increasing the tax base or the number of jobs in the area
- Construction of public facilities or infrastructure (e.g., streets and roads)
- Redevelopment of blighted areas
- Providing access to services for residents (e.g., housing or retail would be common examples)
- Deferring or phasing in a large (over 50 percent) property tax increase
- Stabilizing the tax base resulting from the updated utility valuation administrative rules
- Providing relief for businesses with estimated market value of \$250,000 or less who have disrupted access due to public transportation projects

Which local governments can grant abatements?

Counties, cities, towns, and school districts may grant abatements of the taxes they impose. The governing body grants an abatement by resolution. For towns, action at the town meeting is not required. Taxes imposed by special taxing districts (e.g., watersheds or regional agencies) cannot be abated. Similarly, the state general property tax (on commercial/industrial and seasonal-recreational properties) cannot be abated. In the Twin Cities metropolitan area and on the Iron Range, the fiscal disparities tax cannot be explicitly abated. However, a political subdivision may increase its abatement amount to reflect the amount of the tax imposed under fiscal disparities. The abatement does not directly enter into the fiscal disparities calculations.

How long does an abatement apply?

The political subdivision sets the length of the abatement, which cannot exceed 15 years. The term can be extended to 20 years if only two of the three political subdivisions (city/town, county, and school district) grant an abatement.

What is the limitation on abatements?

The total amount of property taxes abated may not exceed the larger of:

- 10 percent of the net tax capacity of the political subdivision, or
- \$200,000.

How do the mechanics of abatement work?

The abatement resolution, approved by the political subdivision, specifies the duration and the amount of property taxes that will be abated. The political subdivision has considerable flexibility in setting the terms of the abatement; for example, it may set the abatement as a percentage of tax payable, a dollar amount, tax attributable to a portion of the parcel’s market value, or something else. The local government adds the abatement to its property tax levy for the year. (The abatement levy is not subject to levy limits.) The owner pays property tax on a parcel and the political subdivision uses the payments as provided by the abatement resolution. For example, the abatement may be used to pay bonds or be given back to the property owner.

May abatements be used to pay bonds?

The abatement law authorizes the issuance of bonds to be paid back with the abatements. For example, bonds could be issued to construct public improvements or to pay for a site for a business. As the property owners pay the abated taxes, they are used to pay the bonds. These bonds can be general obligation bonds or revenue bonds. The abatement bond provisions parallel those in the TIF law: the abatement bonds are not subject to referendum approval and are excluded from debt limits.

How do abatements compare with TIF?

The legislature designed the abatement law as an alternative to and a supplement to TIF. The two programs can be used for similar purposes and both rely upon property tax funding. Both programs have very similar bonding powers. However, abatement and TIF differ in important respects. Some differences include:

- TIF can be used for longer durations (up to 25 years in some cases) than abatements (typically 15 years)
- TIF requires approval only by the municipality (usually the city) to capture all local property taxes, while abatement requires each entity’s approval to capture its taxes and cannot capture special district taxes
- TIF use is subject to more legal restrictions than abatement. These include a blight test for redevelopment districts, but-for findings, and stricter limits on what increments may be spent on. Abatement is more flexible.

How widely has abatement been used?

The following amounts of abatement levies were reported for property taxes payable in 2011, as reported to the Departments of Revenue (cities and counties) and Education (schools).

| | Number | Amount |
|----------|---------------|---------------|
| Cities | 62 | \$8,152,836 |
| Counties | 31 | 3,211,570 |
| Schools | 8 | 881,069 |
| Total | 101 | \$12,245,475 |

For more information: Contact legislative analyst Joel Michael at joel.michael@house.mn. Also see the House Research publication *Tax Increment Financing*, October 2011.

The Research Department of the Minnesota House of Representatives is a nonpartisan office providing legislative, legal, and information services to the entire House.

Tax Increment Financing

What is TIF?

Tax increment financing (TIF) uses the increased property taxes that a new real estate development generates to finance costs of the development. In Minnesota, TIF is used for two basic purposes:

- To induce or cause a development or redevelopment that otherwise would not occur—e.g., to convince a developer to build an office building, retail, industrial, or housing development that otherwise would not be constructed. To do so, the increased property taxes are used to pay for costs (e.g., land acquisition or site preparation) that the developer would normally pay.
- To finance public infrastructure (streets, sewer, water, or parking facilities) that are related to the development. In some cases, the developer would be required to pay for this infrastructure through special assessments or other charges. In other cases, all taxpayers would pay through general city taxes.

How does TIF work?

When a new TIF district is created, the county auditor certifies (1) the current net tax capacity (i.e., property tax base) of the TIF district and (2) the local property tax rates. As the net tax capacity of the district increases, the property taxes (i.e., the “tax increment”) paid by this increase in value is dedicated and paid to the development authority. The tax increment is limited to the tax derived from the certified tax rate. Increases in value that generate increment may be caused by construction of the development or by general inflation in property values. The authority uses the increment to pay qualifying costs (e.g., land acquisition, site preparation, and public infrastructure) that it has incurred for the TIF project.

How is TIF used to pay “upfront” development costs?

There is a mismatch between when most TIF costs must be paid—at the beginning of a development—and when increments are received—after the development is built and begins paying higher property taxes. Three basic financing techniques are used to finance these upfront costs:

- **Bonds.** The authority or municipality (city or county) may issue its bonds to pay these upfront costs and use increment to pay the bonds back. Often, extra bonds are issued to pay interest on the bonds (“capitalizing” interest) until increments begin to be received.
- **Interfund loans.** In some cases, the authority or city may advance money from its own funds (e.g., a development fund or sewer and water fund) and use the increments to reimburse the fund.
- **Pay-as-you-go financing.** The developer may pay the costs with its own funds. The increments, then, are used to reimburse the developer for these costs. This type of developer financing is often called “pay-as-you-go” or “pay-go” financing.

What governmental units can use TIF?

Minnesota authorizes development authorities to use TIF. These authorities are primarily housing and redevelopment authorities (HRAs), economic

development authorities (EDAs), port authorities, and cities. In addition, the “municipality” (usually the city) in which the district is located must approve the TIF plan and some key TIF decisions. TIF uses the property taxes imposed by all types of local governments. But the school district and county, the two other major entities imposing property taxes, are generally limited to providing comments to the development authority and city on proposed uses of TIF. The state-imposed tax on commercial-industrial and seasonal-recreational properties is not captured by TIF.

What is the but-for test?

Before an authority may create a TIF district, it and the city must make “but-for” findings that (1) the development would not occur without TIF assistance and (2) that the market value of the TIF development will be higher (after subtracting the value of the TIF assistance) than what would occur on the site, if TIF were not used.

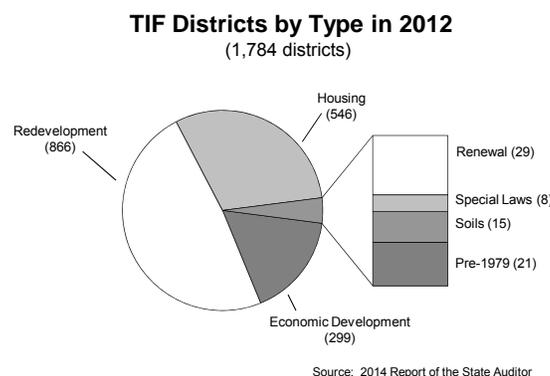
What types of TIF districts may be created?

Minnesota allows several different types of TIF districts. The legal restrictions on how long increments may be collected, the sites that qualify, and the purposes for which increments may be used vary with the type of district.

| District type | Use of Increment | Maximum duration |
|------------------------|---|------------------|
| Redevelopment | Redevelop blighted areas | 25 years |
| Renewal and renovation | Redevelop areas with obsolete uses, not meeting blight test | 15 years |
| Economic development | Encourage manufacturing and other footloose industries | 8 years |
| Housing | Assist low- and moderate-income housing | 25 years |
| Soils | Clean up contaminated sites | 20 years |
| Compact development | Redevelop commercial areas with more dense developments | 25 years |

How many TIF districts exist?

According to the 2014 report of the Office of State Auditor (OSA), there were 1,784 active TIF districts in 2012. The graph shows the relative shares by type of district.



For more information: Contact legislative analyst Joel Michael at 651-296-5057. Also see the House Research website for more information on TIF at www.house.mn/hrd/issinfo/tifmain.aspx.

The Research Department of the Minnesota House of Representatives is a nonpartisan office providing legislative, legal, and information services to the entire House.



DATE: July 18, 2018

MEMO TO: NYA City Council, Economic Development Commission, Planning Commission, and Area Chamber of Commerce

FROM: Holly J. Kreft, Economic Development Consultant

RE: Agenda Item III. E. Identification of Missing Amenities

Background:

One of the items discussed at the May 9th Joint Meeting was to have members Mike Eggers and John Fahey volunteered to walk around the downtowns and identify missing amenities. Please find attached their notes.

Items can be broken into the following categories:

- Maintenance of public property (sidewalks, municipal properties)
- Maintenance of private property
- Trees to be replaced
- Garbage receptacles
- Benches
- Flower planters

Action:

Discussion on timeline and budget for items.

NYA Planning Commission inspection of Elm Street and Main Street downtown areas.

Performed by Mike Eggers and John Fahey on 06/12/18.

General Observations:

Elm Street:

- Weeds, grass needs to be cut.
- Bare lot next to City Wide Wood Floors, vehicles, weeds, needs to be maintained better.
- Flower planter, west of the Quilting Grounds, looks very nice!
- Old Flower shop/Meat market building outside area needs to be cleaned up.
- Pavers – need to be lifted – to match curb level.
- Flag bench area east of Chameleon, looks very nice!
- Weeds need to be maintained around tree metal grates.
- Bottom of light poles need to be touched up, repainted.
- Light poles have banner brackets. We should have various banners for various seasons.
- 2 trees have been removed on Elm Street and area has been cemented over.
- If we get more foot traffic we will need more garbage cans for example near the BB park entrance, Pour House bar.
- Sidewalks overall Ok.
- Previous Foley's Hardware store, needs weed control. (Area has been weed whipped since.)

Main Street:

- Weeds around Pavilion, weeds in sidewalks.
- Willkommen Building area – very nice!
- Missing 4 metal grates around various trees.
- Fire Hydrants and surrounding pavers are popping up. Pavers also sinking below curb line. Pavers around gazebo need touch up.
- Gazebo and pavilion needs painting
- Yellow paint curbing needs to be touched up.
- Two different sets of light poles along the street. Older style, taller, different light fixtures.
- Mature trees, have no metal grates. More shade, feels darker as you go east. More leaf canopy.
- Residential feel vs Commercial area feel.
- Old Post Office area is terrible. Building across the street terrible shape.
- Have people keep lawns/yards nice – community pride!
- Only businesses left to the east, Gasthouse, Hilgers, Laundromat. Maybe rezone that section to be residential and grandfather those businesses in.



DATE: July 18, 2018

MEMO TO: NYA City Council, Economic Development Commission, Planning Commission, and Area Chamber of Commerce

FROM: Holly J. Kreft, Economic Development Consultant

RE: Agenda Item III. F. Banners and Signage

Background:

One of the items discussed at the May 9th Joint Meeting was additional or updated signage that would be needed to reflect the changing of the names of the downtowns. The information below was shared with the EDC at their July 11th meeting. An update from their discussion will be provided at the joint meeting.

Banners:

MDG, LLC requested quotes from two banner companies. Below are cost estimates for various materials as well as color options.

Temple Display:

Bracket Options

1. Adjustable banner bracket - includes all hardware to hang on pole - \$105 per set (to hang 1 complete banner. (can adjust bracket on pole up or down without removing hardware)

2. Non Adjustable banner bracket - includes all hardware to hang on pole - \$85 per set (to hang 1 complete banner. (if you need to adjust bracket up or down for a smaller or larger banner, you must completely remove hardware (stainless steel banding) and reset bracket w/new banding)

Banner Options (Based on one design)

12 Banners 30" x 60"

| | | |
|-------------------|----------|------------|
| Vinyl - | \$100 Ea | or \$1,200 |
| Poly Canvas - | \$133 Ea | or \$1,596 |
| 3 Ink Sunbrella - | \$187 Ea | or \$2,244 |

27 Banners 30" x 60"

| | | |
|-------------------|----------|------------|
| Vinyl - | \$ 90 Ea | or \$2,430 |
| Poly Canvas - | \$125 Ea | or \$3,375 |
| 3 Ink Sunbrella - | \$135 Ea | or \$3,645 |

Banner Options (Base on two images)

12 Banners 30" X 60":

| | |
|-----------------|---------------------|
| Vinyl | \$108 Ea or \$1,296 |
| Poly Canvas | \$141 Ea or \$1,692 |
| 3 Ink Sunbrella | \$258 Ea or \$3,096 |

27 Banners 30" X 60":

| | |
|-----------------|---------------------|
| Vinyl | \$100 Ea or \$2,700 |
| Poly Canvas | \$133 Ea or \$3,591 |
| 3 Ink Sunbrella | \$187 Ea or \$5,049 |

Following are sample designs from Temple Display. We have discussed the desire to have two separate designs, with "Historic Downtown Norwood" and "Historic Downtown Young America" on the banners. That is possible. The following is for illustration purposes. The final design could be determined at a later date. The cost will change for two designs.

CD Products:

Attached is the quote from CD Products based in Waconia. They noted that the design can be changed without affecting the price (quoted full color). They also provided the City of Waconia as a reference as they recently completed their new street banners along Hwy 5.

Highway Signs

Staff has contacted MNDOT to inquire about the ability to update highway signs, and the estimated cost to do so. The MNDOT standards do not allow for two business district signs, but the City was granted a variance in 2013 as outlined in the attached letter from MnDOT. If the City were to receive designation from the State for historical designation of the two downtowns, MnDOT staff noted that would be straightforward and would be similar to the signage for the City of Carver. If designation is not obtained, an additional variance maybe required, but MnDOT was doing additional research to determine if that was necessary. Any updates will be provided at the meeting.

Wayfinding Signs

The City purchases its wayfinding or directional signs through Carver County. Staff has contacted Carver County, but not received a response. Any updates will be provided at the meeting. Attached is a map of the existing and proposed wayfinding signage. Additional potential signage includes "Welcome" signs at the entrances to each of the downtowns.

Action:

Discussion on banners, wayfinding signage, and any other additional signage to consider.



----- **QUOTATION** -----

| | | | |
|-----------------|-------------|-------------------|-------------|
| DATE: | 7/2/18 | SHIP DATE: | tbd |
| COMPANY: | City of NYA | SHIP VIA: | Best Way |
| CONTACT: | Holly Kreft | TERMS: | Net 10 days |

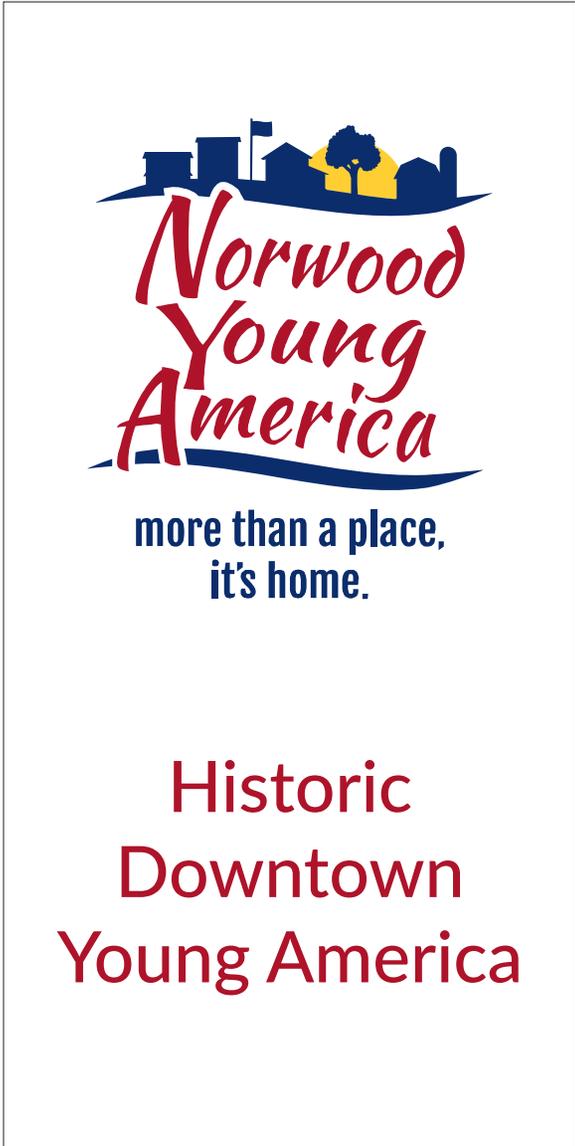
| Light Pole Banners | | Quantity | Unit Cost | Total Cost |
|--|--|----------|-----------|------------|
| Pole Banners | 30" wide x 60" tall 20oz. Pole Banner Vinyl Material Printed full color on 2 sides Hemmed with pole pockets top and bottom ** sunbrella not available. | 39 | 94.00 | 3,666.00 |
| Pole Brackets | <i>Option 1 - Versatile bracket</i> fiberglass poles, medium duty | 39 | 79.00 | 3,081.00 |
| | <i>Option 2 - Premium bracket</i> fiberglass poles, heavy duty | 39 | 94.00 | 3,666.00 |
| | <i>Option 3 - Premium Spring bracket</i> fiberglass poles, heaviest duty bottom arm has spring arm | 39 | 126.00 | 4,914.00 |
| Additional costs: - sales tax, if required | | | | |

Quoted By Catherine Nielsen

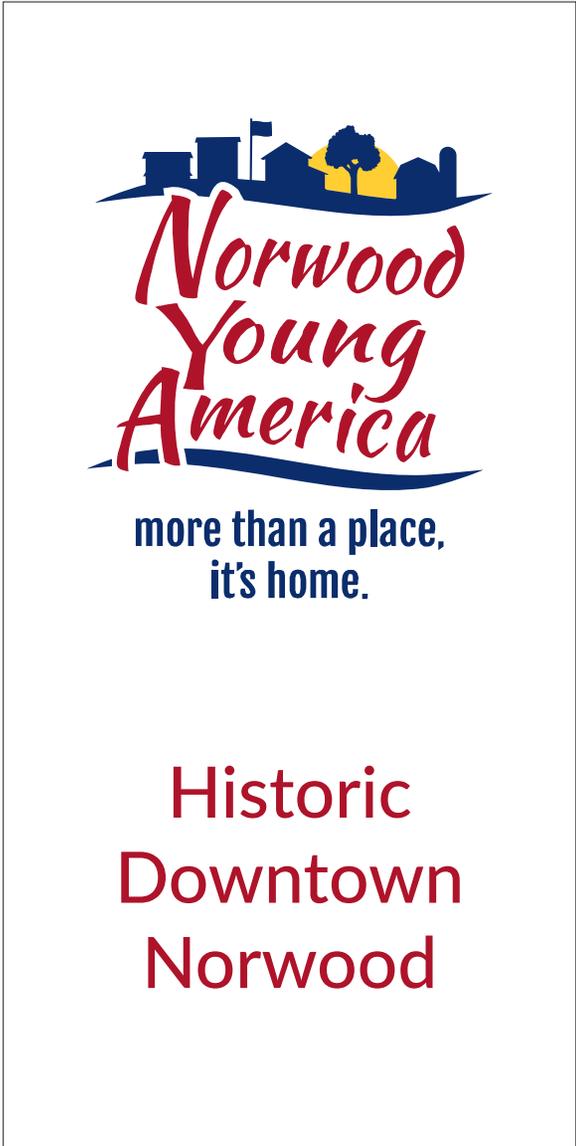
Accepted By: _____

PROCESSES large format digital - routing - screenprinting - vinyl graphics - diecutting - doming
SERVICES consulting - design - production - installation - fulfillment
PRODUCTS signs - decals - full color images - dimensional logos - posters - window clings - banners - truck graphics
 illuminated signs - message centers - storefront signs - point of purchase displays - business stationary

| | |
|--|--|
|  <p>CD PRODUCTS Inc. FULL SERVICE GRAPHICS PRODUCTION</p> | |
| <p>1330 MILL LANE • WACONIA, MN 55387 phone 952-442-7481 fax 952-442-7491 email cathy@cdproductsinc.com</p> | |
| <p>Pricing shown is for product only and does not include design, installation, shipping or sales tax charges, which are additional.</p> | |
| <p>PROOF DATE 7/2/2018</p> | |
| <p>Job Description</p> | |
| <p>Pole Banners</p> | |
| <p>Customer</p> | |
| <p>City of NYA</p> | |
| <p>Sales Person</p> | |
| <p>Catherine Nielsen</p> | |
| <p>Notes</p> | |
| <p>30" x 60"</p> | |
| <p>- 20 oz. pole banner vinyl</p> | |
| <p>banner material</p> | |
| <p>- printed full color 2 sides</p> | |
| <p>- hemmed with pole pockets</p> | |
| <p>top and bottom</p> | |
| <p>Quantity - 39</p> | |
| <p>Price - \$ 94 ea</p> | |
| <p>This design is the property of CD Products, Inc. and may not be reproduced or manufactured without written permission from CD Products.</p> | |



30" x 60"
Pole Banner
Double Sided
Quantity - 12



30" x 60"
Pole Banner
Double Sided
Quantity - 27



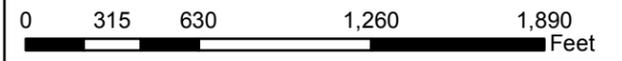
Norwood Young America Wayfinding Signage Map

- Legend:**
- M MnDOT Directional Sign
 - E Existing Wayfinding Sign
 - P Proposed Wayfinding Sign
 - S Existing Small Business District Sign

- Historic Downtown Young America
- Historic Downtown Norwood
- City Limits
- Parcels

Map/Data Disclaimer:

These map products and all underlying data were developed for use by the city of Norwood Young America for its internal purposes only, and were not designed or intended for general use by members of the public. This map is neither a legally recorded map nor a survey and is not intended to be used as one. This map is a compilation of records, information and data located in various city, county, state and federal offices and other sources regarding the area shown, and is to be used for reference purposes only. The City does not warrant that the Geographic Information System (GIS) Data used to prepare this map are error free, and the City does not represent that the GIS Data can be used for navigational, tracking or any other purpose requiring exacting measurement of distance or direction or precision in the depiction of geographic features. The preceding disclaimer is provided pursuant to Minnesota Statutes §466.03, Subd. 21(2000), and the user of this map acknowledges that the City shall not be liable for any damages, and expressly waives all claims, and agrees to defend, indemnify, and hold harmless the City from any and all claims brought by User, its employees or agents, or third parties which arise out of the user's access or use of data provided.



Map Source:
Carver County parcel ID information
MDG, LLC.



Map Date: July 5, 2018





DATE: July 18, 2018

MEMO TO: NYA City Council, Economic Development Commission, Planning Commission,
and Area Chamber of Commerce

FROM: Holly J. Kreft, Economic Development Consultant

RE: Agenda Item III. G. Events in the Downtowns

Background:

Information on potential ideas for events in the downtowns will be presented at the joint meeting.

Action:

Discussion on potential events.