



Norwood Young America Planning Commission
6:00 p.m., Tuesday, September 7, 2021
Norwood Young America City Council Chambers, 310 Elm St. W.

AGENDA

1. Call to Order
Pledge of Allegiance
2. Adoption of Agenda
3. Approve Minutes of August 3, 2021 meeting
4. Introductions, Presentations, and Public Comment
(Citizens may address the Planning Commission about any non-agenda item of concern. Speakers must state their name, address, and limit their remarks to three minutes. The Planning Commission will take no 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.)
5. Public Hearings
6. New Business
A. Resolutions Related to TIF District 3-7 Yeager Machine Expansion
7. Old Business
A. Sports Court, Home Recreation Facilities, or Home Sports Facilities
8. Miscellaneous
A. August Building Permit Report
9. Commissioner's Reports
10. Adjourn

UPCOMING MEETINGS

September 8	Economic Development Commission 6:00 p.m.
September 13	City Council 6:00 p.m.
September 16	Senior Advisory Commission 9 a.m.
September 21	Parks & Recreation Commission 4:45 p.m.
September 27	EDA & City Council meetings; followed by Work Session 6:00 p.m.
October 5	Planning Commission 6:00 p.m.

**Jerry
Barr**

**Mike
Eggers**

**Bill
Grundahl**

**Paul
Hallquist**

**Bob
Smith**

**Craig
Heher
Council
Liaison**

*Norwood Young America
Planning Commission Minutes
August 3, 2021*

Present: Commissioners Jerry Barr, Mike Eggers, Paul Hallquist, and Craig Heher.

Absent: Bill Grundahl and Bob Smith.

Staff: Economic Development and Marketing Director Karen Hallquist and Planning Consultant Cynthia Smith Strack.

Public: John Behnke, Mike Hennek, and Tim Fahey.

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. No changes were proposed.

Motion – Hallquist, second Barr to approve the agenda as presented. The agenda was approved 4-0.

3. Approval of Minutes from the Regular Meeting July 6, 2021.

Heher introduced the minutes from the July 6, 2021 regular meeting.

Motion – Eggers to approve the July 6, 2021 regular meeting minutes as presented. Second by Barr. With all in favor the regular meeting minutes were approved 4-0.

4. Public Comment.

None.

5. Public Hearings.

A. Conditional Use Permit – Outdoor Storage 13050 Stewart Avenue.

Chairperson Heher opened the public hearing at 6:03 p.m. and explained the hearing process.

Strack noted there is an existing CUP on the site for outdoor storage and a subsequent CUP approved by not yet recorded. If the proposed CUP is approved and recorded the previous approvals would be superseded. Strack explained Mike Hennek, owner of 4.0 Transportation Services has entered an agreement to purchase the property at 13050 Stewart Avenue for indoor/outdoor bus storage and repair. He is proposing a small area of outdoor storage of buses. The proposed area is much less than the

current area used for outdoor storage. Strack noted application materials are included in the packet. Nick Molnau, Molnau Trucking is property owner and has signed the application.

Warehousing, including that of school buses, is a permitted use in the I-1 District. A CUP is required under Section 1230.12, Subd. 4, Accessory Use (A) for ancillary outdoor storage. Repair of school buses may be conducted accessory and subordinate to the principal use of the property.

Applicant representations include: 4.0 provides school transportation services across several jurisdictions; principal use of the property proposed is indoor and outdoor storage of school buses; outdoor storage is to be limited to the existing impervious surface directly adjacent to the existing structure and as illustrated in an attached site plan; outdoor storage will not be located on turf surfaces; school bus fleet maintenance and repair as a subordinate use is appropriate under district standards; and no new impervious surface is proposed.

Notice of public hearing has been published, posted, and mailed to adjacent property owners. No comment for or against the proposed use has been received. Strack stated Hennek's Real Estate Representative John Behnke and Mike Hennek of 4.0 were in the audience. Additional information including review criteria and recommendations were included in the packet and could be reviewed during the business portion of the meeting.

Heher invited Mike Hennek from 4.0 Transportation Services to address the Commission. Hennek stated his company has been in business for over 30 years. They provide bus transportation to service to about 24 districts across the state, including Central School District. Local fleet is currently located at District 108 property but the space allowed has been outgrown. Hennek stated 4.0 would store a couple dozen school buses at the site and provide fleet maintenance inside.

Heher stated he appreciates the keeping-up of properties adjacent to Highway 212 and would favor a cleaned-up property. Heher asked what type of maintenance would be performed on fleet vehicles. Hennek stated oil changes, brake maintenance, and typical upkeep.

Heher asked Hennek if he was familiar with changes proposed for Highway 212. Hennek stated he was and thought they would be a benefit, especially if a J-turn intersection was constructed which would promote safety.

Heher inquired as to how many were employed by 4.0 Transportation. Hennek stated 20-30. Heher inquired as to hours of operation. Hennek stated they mostly follow the school calendar.

Heher asked for public comment. Tim Fahey representing Molnau Trucking opined the proposed use of the property was beneficial and appropriate.

Heher asked how soon the sale would close. Fahey stated closing scheduled for December. Hennek noted 4.0 would likely occupy the property next Spring.

Motion Eggers to close the public hearing. Second Hallquist. With all in favor the hearing was closed at 6:13 p.m.

B. Ordinance Amending Definition of Adult Bookstore, Adult Video Store, or Adult Store.

Chairperson Heher opened the public hearing at 6:13 p.m.

Strack noted the Commission and City Council had previously discussed amending the definition of adult bookstore, video store, or store. The current definition allows 10% of the floor area of any commercial establishment to be used for the sale of adult books, videos, and related items. The Commission and the Council favor removing that allowance. Adult uses are still allowed in I-1 Light Industrial District properties not abutting Highway 212.

Strack stated notice of the proposed ordinance change and the public hearing was posted and published. No comment for or against the proposed code was received.

Heher noted the proposed definition was as discussed previously.

Motion Barr, second Hallquist to close the public hearing at 6:15 p.m. Motion carried 4-0.

6. New Business.

A. Conditional Use Permit – Outdoor Storage 13050 Stewart Avenue.

Chairperson Heher introduced the agenda topic.

Strack noted two sections of the code prescribed review criteria. The first, Section 1210.06, Subs. 3(B)(18) required screening for outdoor storage adjacent to Highway 212. Strack noted a berm with vegetation was present on site and proposed to remain.

Section 1210.06, Subd. 3(A) contained general performance criteria that were applicable to all conditional uses. Strack noted: the use appeared consistent with goals, policies and objectives of the Comprehensive Plan and the future land use map contained in the 2040 NYA Comprehensive Plan; the proposed use appeared to not have an undue adverse impact on governmental facilities, utilities, services or existing or proposed improvements, as the subject parcel was already used for outdoor storage and the proposed use was less intense; the proposed use appeared to not have an undue impact on the public health safety or welfare; the proposed use appeared to not be injurious to the use and enjoyment of other property in the immediate vicinity for the purpose already permitted, nor would it substantially diminish and impair property values within the neighborhood; and, the proposed use will not impede the normal and orderly development and improvement of surrounding property for uses permitted in the district.

The use shall, in all other respects, appear to conform to the applicable regulations of the district in which it is located.

Strack noted if the Commission favored recommending denial of the CUP to the City Council then findings of fact should be established. Strack stated if the Commission favored recommending approval of the CUP to the City Council, then proposed conditions were included in the staff memo.

Strack noted the memo and conditions were forwarded to Hennek prior to the meeting. Strack reviewed some of the proposed conditions, including: the 'use' was to be outdoor storage of school buses related to the principal use of the property for warehousing of school buses along with ancillary fleet maintenance; the outdoor storage area was limited to that shown in the site plan included in the packet; school buses

stored on site were to be reasonably licensed and operable with junk bus storage prohibited; if signage was proposed an administrative permit was required; the CUP would take effect upon recording at Carver County and all other CUP would be superseded; other applicable codes and regulations may apply; CUP expires in one year unless use is established; and CUP approval doesn't approve any potential future expansion at the site.

Behnke asked for permission to address the Commission, Heher allowed. Behnke inquired as to when the CUP would be recorded. The Commission confirmed recording would occur at the time the real estate transaction was closed.

Motion Eggers, second Barr to recommend the City Council approve conditional use permit to provide for outdoor storage in conjunction with a school bus warehouse/storage facility at 13050 Stewart Avenue. Motion carried 4-0.

B. Ordinance Amending Definition of Adult Bookstore, Adult Video Store, or Adult Store.

Chairperson Heher introduced the agenda item noting proposed Ordinance was included in the packet.

Motion Hallquist, second Barr to recommend the City Council approve an Ordinance amending Chapter 12 of the City Code by Amending Section 1200.04 Pertaining to Definition of Adult Bookstore, Adult Video Store, or Adult Store. Motion carried 4-0.

7. Old Business.

A. Discussion: Sport Courts, Home Recreation Facilities, or Home Sports Facilities.

Heher introduced the agenda item.

Strack stated the Commission and Council had significant previous discussion on this topic. She noted the Commission at the July meeting requested she provide sample language for consideration of inclusion in the City Code or administrative permit application.

Strack opined the Commission previously indicated they did not favor formal review under conditional or interim use permit for such facilities. Therefore, the proposed language did not include such standards.

Strack noted the Code did not contain a definition for sport courts. She suggested the addition of a definition specific to 'detached' facilities which would mean items like basketball hoops attached to a garage or a post next to a driveway would be exempt. The definition was meant to specifically refer to free-standing facilities much like most swimming pools and tennis courts are 'free-standing'.

Strack stated the next series of updates would apply to the R-1, R-2, and R-3 Districts. Language referring to allowable accessory uses such as garages, swimming pools, and tennis courts could be amended to specifically reference sport courts.

Finally, a new section could be added to the Code relating specifically to sport courts and modeled after existing language pertaining to swimming pools. Potential standards could pertain to (1) requiring an

administrative permit, including a site plan drawn to scale, for such facilities, (2) requiring setbacks such as reverting to district setbacks or having a simple requirement such facilities are prohibited in front yards and must be at least ten feet from any property line, utility, or easement (3) providing for general performance standards such as: including in maximum impervious surface calculation, providing some guidance on facility walls or fences, including flexibility is certain standards such as fencing, requiring lighting meet code standards, and noting nuisance standards relating to noise and glare and the like.

Strack stated the Commission was asked to discuss potential standards and to provide direction as to whether a code amendment or administrative process information piece was preferred method of providing standards and review.

Barr drew specific distinctions between permanent and seasonal types of facilities.

Heher noted he struggled with balancing concerns about impact on adjacent properties and regulating typical residential activities.

Hallquist stated he favored common sense relief from certain code standards such as fence height/type, noting relief was likely preferable to balls consistently going off-site onto private property. He also noted he struggled with regulating play.

Eggers inquired if the City prescribed specific standards to tennis courts. Strack noted only swimming pools were specifically addressed in Code. Eggers supported amending the code. Eggers spoke about keeping sports facilities up and fencing maintained.

Heher stated he was comfortable with amending the code as well. Heher confirmed consensus of Commission was to amend the code.

Strack inquired as to whether or not the Commission wanted proposed language to go before Council work session prior to public hearing. The PZC confirmed. Work session with Council will be pursued for August 23rd meeting with draft ordinance on PZC September agenda.

8. Miscellaneous.

A. July Building Permit Report.

The July building permit report was received. Eggers asked why deck maintenance such as replacing boards was value based instead of a flat fee like re-roofing or re-siding. Heher stated he would ask for clarification.

9. Commissioner Reports.

Hallquist suggested the Parks Committee discuss a different chalking system for softball fields and adding clay to batter's box and pitching mound. Eggers inquired as to why benches were selected and whether or not products made by local manufacturer with recycled plastics were considered. Barr did not have comment. Heher provided updates from City Council meetings.

10. Adjourn

Motion – Hallquist, Second Eggers to adjourn the meeting. With all in favor the meeting adjourned at 6:55 p.m.

Respectfully submitted,

Karen Hallquist
Acting Zoning Administrator



To: Chairperson Heher
Members of the Planning Commission
City Staff

From: Cynthia Smith Strack, Consulting Planner

Date: September 7, 2021

Re: Draft Ordinance: Sport Courts, Home Recreation Facilities, or Home Sports Facilities.

BACKGROUND

At the August meeting, the PZC discussed a potential code amendment framework to provide for sport courts. The Commission requested the recommendation go to City Council work session for discussion prior to creation of an ordinance amending the code.

The City Council reviewed the PZC's proposed framework at an August 23rd work session and reached consensus to entertain an ordinance amending Chapter 12 of the City Code to provide for such facilities.

Please find attached a draft ordinance. The ordinance, if approved would: (A) update zoning code definitions to include sport courts, (B) list sport courts, tennis courts, home recreational facilities, and home sports facilities as permitted accessory uses in the R-1, R-2, R-3 and R-4 residential districts, and (C) create a new free-standing section of code pertaining specifically to such uses.

The PZC is to:

1. Review the proposed draft ordinance.
2. Comment specifically on whether or not such facilities should be listed as permitted accessory uses in the R-4 Multiple Family Residential District. The R-4 district provides specifically for MF structures with five or more dwelling units.
3. Consider whether or not such facilities should be allowed in the RC-1 District which allows single family dwellings as permitted uses.
4. If comfortable, call for a public hearing for the October meeting.

ACTION

This item is for discussion.

**CITY OF NORWOOD YOUNG AMERICA
ORDINANCE NO. [REDACTED]**

**AN ORDINANCE AMENDING: CHAPTER 1200.04, DEFINITIONS, AND
CHAPTERS 1230.04-1230.07, RESIDENTIAL ZONING DISTRICTS, AND
ADDING SECTION 1245.12 TO PROVIDE FOR SPORT COURTS, HOME
RECREATION FACILITIES, AND HOME SPORTS FACILITIES**

- I. THE CITY COUNCIL OF THE CITY OF NORWOOD YOUNG AMERICA, MINNESOTA TO PROMOTE THE PUBLIC SAFETY, HEALTH, AND WELFARE, HEREBY ORDAINS:**
- II. SECTION 1200.04 SHALL BE AMENDED TO INCLUDE THE FOLLOWING DEFINITION:**

Sport Court, home recreation facility, or home sports facility. A detached, private, residential recreational facility on the same lot as the principal residential use and designed to be used primarily by the occupant of the principal use and their guests.
- III. SECTION 1230.04, SUBD. 3(B) R-1 LOW DENSITY SINGLE FAMILY RESIDENTIAL DISTRICT PERMITTED ACCESSORY USES SHALL BE AMENDED AS FOLLOWS:**

B. Swimming pools subject to Section 1245.06; sport courts, tennis courts, home recreation facilities, and home sports facilities, subject to Section 1245.12, and other recreational facilities, ~~subject to Section 1245.06~~
- IV. SECTION 1230.05, SUBD. 3(B) R-2 MEDIUM DENSITY SINGLE FAMILY RESIDENTIAL DISTRICT PERMITTED ACCESSORY USES SHALL BE AMENDED AS FOLLOWS:**

B. Swimming pools subject to Section 1245.06; sport courts, tennis courts, home recreation facilities, and home sports facilities, subject to Section 1245.12, and other recreational facilities, ~~subject to Section 1245.06~~
- V. SECTION 1230.06, SUBD. 3(B) R-3 MEDIUM DENSITY MIXED RESIDENTIAL DISTRICT PERMITTED ACCESSORY USES SHALL BE AMENDED AS FOLLOWS:**

B. Swimming pools subject to Section 1245.06; sport courts, tennis courts, home recreation facilities, and home sports facilities, subject to Section 1245.12, and other recreational facilities, ~~subject to Section 1245.06~~

VI. SECTION 1230.07, SUBD. 3(B) R-4 MULTIPLE FAMILY RESIDENTIAL DISTRICT PERMITTED ACCESSORY USES SHALL BE AMENDED AS FOLLOWS:

B. Swimming pools subject to Section 1245.06; sport courts, tennis courts, home recreation facilities, and home sports facilities, subject to Section 1245.12, and other recreational facilities, ~~subject to Section 1245.06~~

VII. SECTION 1245.12 SHALL BE ADDED TO THE CITY CODE AS FOLLOWS:

1245.12 Sport Courts, Tennis Courts, Home Recreation Facilities, and Home Sports Facilities.

Subd. 1 Permit Required. A permit is required for the installation of detached sport courts, tennis courts, home recreation facilities, and home sports facilities.

- A. The fee for the permit shall be based on the City fee schedule.
- B. The permit shall include two sets of plans drawn to scale that show in sufficient detail the following:
 - 1. The proposed sport court, tennis court, home sports facility, or home recreation facility location and its relationship to the other principal buildings on the lot and on adjacent properties.
 - 2. The size of the sport court tennis court, home sports facility, or home recreation facility.
 - 3. Fencing and other fixtures existing on the lot, such as utility location, and trees.
 - 4. The location, size and a statement as to the types of equipment to be used in connection with the sport court, tennis court, home sports facility, or home recreation facility.

Subd. 2 Setbacks Required.

- A. A sport court, tennis court, home sports facility, or home recreation facility may be placed in side and rear yards but not in front of the building wall of the principal structure.
- B. A sport court, tennis court, home sports facility, or home recreation facility and related fencing, walls, and the like shall be at least ten (10) feet from any property line and any underground or overhead utility lines.

- C. A sport court, tennis court, home sports facility, or home recreation facility shall be located outside of public and private easements.

Subd. 3 General Requirements.

- A. A sport court, tennis court, home sports facility, or home recreation facility shall be included in lot coverage calculations and subject to lot coverage maximums as contained in the applicable zoning district and/or shoreland overlay district, whichever is most restrictive.
- B. Solid facility walls shall not exceed ten (10) feet in height. Any building wall in excess of six (6) feet shall require a building permit.
- C. Chain link fencing or netting on fencing surrounding a sport court, tennis court, home recreation facility or home sports facility may extend up to twelve (12) feet in height above the sport court surface elevation. Any fence structure in excess of six (6) feet shall require a building permit, if required by the Building Official. Fences shall at all times be maintained in good condition and are subject maintenance standards included in Chapter 1245.05, Subd. 3, (A)-(D), (F)-(G) of the City Code as may be amended pertaining to fences.
- D. Lighting for a sport court, tennis court, home recreation facility or home sports facility shall be subject to Chapter 1245.08, Lighting. Lighting shall be designed with a ninety (90) degree cutoff and shall be hooded to direct lighting downward and not toward adjacent properties.
- E. The standards contained in Chapter 6, Section 660 (Noise) of the City Code apply to sport courts, tennis courts, home recreation facilities and home sports facilities.

VIII. EFFECTIVE DATE: THIS ORDINANCE IS EFFECTIVE UPON ITS ADOPTION AND PUBLICATION AS PRESCRIBED BY LAW.

Adopted by the City of Norwood Young America on the ____ day of ____, 2021.

Attest:

Carol Lagergren, Mayor

Angela Brumbaugh, City Clerk

Adopted:
Published:



To: Chairperson Heher
Members of the Planning Commission
City Staff

From: Cynthia Smith Strack, Consulting Planner

Date: September 7, 2021

Re: Resolutions Related to TIF Districts 3-7 Yeager Machine Expansion

BACKGROUND

The City is working through a purchase agreement and establishment of an economic development tax increment financing district. TIF District 3-7 will assist with expansion of Yeager Machine.

Minnesota TIF statutes require the Planning Commission review land use and consider resolutions affirming the proposed development and land use conforms to the general plans for development and redevelopment of the City as a whole.

The City's TIF Consultant, Ehlers, has prepared background information and the attached resolution for consideration.

Under the TIF 3-7 plan, Yeager Machine (yellow outlined lot) proposes to purchase Lot 7, Block 2 Tacoma West Industrial Park (green outlined lot) for business expansion purposes.

The subject property is planned for industrial use. The subject property is zoned I-1 Light Industrial District. Both future and existing use contemplated in the TIF plan are consistent with the 2040 Comprehensive Plan and existing zoning.



The PZC is to:

1. Review the contemplated use of the subject properties as compared to the 2040 Comprehensive Plan.
2. Act on attached Resolutions as prepared by Ehlers.

Adoption Date: September 27, 2021

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

MODIFICATION TO THE REDEVELOPMENT PLAN
Tacoma West Industrial Park Redevelopment Project

&

Tax Increment Financing (TIF) Plan
Tax Increment Financing District No. 3-7
(an economic development district)



Prepared by:

Ehlers
3060 Centre Pointe Drive
Roseville, Minnesota 55113

BUILDING COMMUNITIES. IT'S WHAT WE DO.

TABLE OF CONTENTS

Modification to the Redevelopment Plan for the Tacoma West Industrial Park Redevelopment Project	1
FOREWORD	1
Tax Increment Financing Plan for Tax Increment Financing District No. 3-7	2
FOREWORD	2
STATUTORY AUTHORITY	2
STATEMENT OF OBJECTIVES	2
DEVELOPMENT PROGRAM OVERVIEW	3
DESCRIPTION OF PROPERTY IN THE DISTRICT AND PROPERTY TO BE ACQUIRED	3
DISTRICT CLASSIFICATION	4
DURATION & FIRST YEAR OF TAX INCREMENT	5
ORIGINAL TAX CAPACITY, TAX RATE & ESTIMATED CAPTURED NET TAX CAPACITY VALUE/INCREMENT & NOTIFICATION OF PRIOR PLANNED IMPROVEMENTS	6
SOURCES OF REVENUE/BONDS TO BE ISSUED	7
USES OF FUNDS	8
FISCAL DISPARITIES ELECTION	9
ESTIMATED IMPACT ON OTHER TAXING JURISDICTIONS	9
SUPPORTING DOCUMENTATION	12
DISTRICT ADMINISTRATION	12
Appendix A: Map of Tacoma West Industrial Park Redevelopment Project and the TIF District	A-1
Appendix B: Estimated Cash Flow for the District	B-1
Appendix C: Findings Including But/For Qualifications	C-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, originally adopted May 8, 2006 (the "Redevelopment Plan"). This modification represents a continuation of the goals and objectives set forth in the Redevelopment Plan. Generally, the substantive changes include the establishment of Tax Increment Financing District No. 3-7.

For further information, a review of the Redevelopment Plan is recommended. It is available from the Economic Development & Marketing Director 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 Tacoma West Industrial Park Redevelopment Project.

Tax Increment Financing Plan for Tax Increment Financing District No. 3-7

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. 3-7 (the "District"), an economic development tax increment financing district, located in Tacoma West Industrial Park Redevelopment Project (the "Redevelopment Project").

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 - 469.1082 and 469.001 to 469.047, inclusive, as amended, and *M.S.*, Sections 469.174 to 469.1794, inclusive, as amended (the "Tax Increment Financing Act" or "TIF Act"), to assist in financing public costs related to the Redevelopment Project.

This section contains the Tax Increment Financing Plan (the "TIF Plan") for the District. Other relevant information is contained in the Redevelopment Plan for the Redevelopment Project.

STATEMENT OF OBJECTIVES

The District currently consists of two parcels of land and adjacent and internal rights-of-way within the Redevelopment Project in the City. The District is being created to provide financial assistance in the form of a write-down of the cost of certain real property in order to facilitate the expansion of an existing 23,500 square foot manufacturing facility within the Tacoma West Industrial Park. The EDA proposes to enter into a purchase and redevelopment agreement with YMI Properties, LLC or an affiliate as the developer. The developer is expected to acquire the property in 2021 and development is anticipated to begin as soon as 2022. This TIF Plan is expected to achieve many of the objectives outlined in the Redevelopment Plan for the 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 Redevelopment Project and the District.

DEVELOPMENT PROGRAM OVERVIEW

Pursuant to the Development Program and authorizing state statutes, the EDA or City is authorized to undertake the following activities in the District:

1. Property to be Acquired - The City currently owns one parcel of property within the District. 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 manufacturing facility, and there will be continued operation of the Redevelopment Project after the capital improvements within the Redevelopment Project have been completed.

DESCRIPTION OF PROPERTY IN THE DISTRICT AND PROPERTY TO BE ACQUIRED

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

Parcel number	Address	Owner
587500090	415 Tacoma Circle	YMI Properties
587500100	419 Tacoma Circle	NYA

Please also see the map in Appendix A for further information on the location of the District.

The City currently owns one parcel of the property to be included in the District.

The EDA or City may acquire any property within the District including interior and adjacent rights of way. Any property identified for acquisition will be acquired by the EDA or City only in order to accomplish one or more of the following: storm sewer improvements; provide land for needed public streets, utilities and facilities; carry out land acquisition, site improvements, clearance and/or development to accomplish the uses and objectives set forth in this plan. The EDA or City may acquire property by gift, dedication, condemnation or direct purchase from willing sellers in order to achieve the objectives of this TIF Plan. Such acquisitions will be undertaken only when there is assurance of funding to finance the acquisition and related costs.

DISTRICT CLASSIFICATION

The EDA and City, in determining the need to create a tax increment financing district in accordance with the TIF Act, finds that the District, to be established, is an economic development district pursuant to M.S., Section 469.174, Subd. 12 of the TIF Act.

The District is in the public interest because it will meet the statutory requirement of discouraging commerce, industry, or manufacturing from moving their operations to another state or municipality; increasing employment in the State; and enhancing the tax base of the State.

Pursuant to *M.S., Section 469.176, Subd. 4c* of the TIF Act, 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;
- (5) Tourism facilities;
- (6) Space necessary for and related to the activities listed in items (1) to (5); or
- (7) A workforce housing project that satisfies the requirements of *M.S., Section 469.176, Subd. 4c(d)*.

The District is being created to assist in the construction of an expansion to an existing manufacturing facility. The proposed facility will be used for manufacturing, warehouse, distribution and related activities. Therefore, the facilities in the District meet the conditions of Purposes 1, 2, and 6.

Pursuant to *M.S., Section 469.176, Subd. 7* of the TIF Act, 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.

DURATION & FIRST YEAR OF TAX INCREMENT

Pursuant to *M.S., Section 469.175, Subd. 1, and M.S., Section 469.176, Subd. 1* of the TIF Act, 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 2024.

Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2032, or when the TIF Plan is satisfied. If increment is received in 2023, the term of the District will be 2031. The EDA or City reserves the right to decertify the District prior to the legally required date.

ORIGINAL TAX CAPACITY, TAX RATE & ESTIMATED CAPTURED NET TAX CAPACITY VALUE/INCREMENT & NOTIFICATION OF PRIOR PLANNED IMPROVEMENTS

Pursuant to *M.S., Section 469.174, Subd. 7* and *M.S., Section 469.177, Subd. 1* of the TIF Act, 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 2021 for taxes payable 2022.

Pursuant to *M.S., Section 469.177, Subds. 1, 2 and 4* of the TIF Act, the County Auditor shall certify in each year (beginning in the payment year 2022) 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 2022, assuming the request for certification is made before June 30, 2022. Estimates of 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* of the TIF Act, the estimated Captured Net Tax Capacity (CTC) of the District, within the 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 2024. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

Project Tax Capacity		
Estimated Project Tax Capacity (PTC) at completion	60,852	
Estimated Original Net Tax Capacity (ONTC)	31,742	
Fiscal Disparities	11,639	
Estimated Captured Tax Capacity (CTC)	17,471	
Original Local Tax Rate	131.0084%	Pay 2021
Estimated Annual Tax Increment	\$22,889	
Percent Retained by the City	100%	

Note: Tax capacity includes a 0% inflation factor for the duration of the District. The tax capacity included in this chart is the estimated Project Tax Capacity of the District in year 9. The tax capacity of the District in year one is also estimated to be \$60,852.

Pursuant to *M.S., Section 469.177, Subd. 4* of the TIF Act, 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* of the TIF Act, 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* of the TIF Act. The County Auditor shall increase the ONTC 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.

SOURCES OF REVENUE/BONDS TO BE ISSUED

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

SOURCES		
Tax Increment	\$	205,260
Interest		10,262
TOTAL	\$	215,522

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 interfund loans. 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 EDA or City may issue bonds (as defined in the TIF Act) secured in whole or in part with tax increments from the District in a maximum principal amount of \$176,630. 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.

USES OF FUNDS

Currently under consideration for the District is a proposal to facilitate the expansion of a manufacturing facility within the Tacoma West Industrial Park. The EDA and City have determined that it will be necessary to provide assistance to the project(s) for certain District costs, as described.

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.

USES		
Land/Building Acquisition	\$	159,321
Other Qualifying Improvements		7,046
Administrative Costs (up to 10%)		10,263
PROJECT COSTS TOTAL	\$	176,630
Interest		38,892
PROJECT AND INTEREST COSTS TOTAL	\$	215,522

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 the Sources of Revenue section.

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 Redevelopment Project (including administrative costs, which are considered to be spend outside the District), subject to all other terms and conditions of this TIF Plan.

FISCAL DISPARITIES ELECTION

Pursuant to *M.S., Section 469.177, Subd. 3* of the TIF Act, the EDA or City may elect one of two methods to calculate fiscal disparities.

The EDA will choose to calculate fiscal disparities by clause b (inside).

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:

Impact on Tax Base			
Entity	2020/Pay 2021 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) upon completion	Percent of CTC to Entity Total
Carver County	159,157,722	17,471	0.0110%
City of NYA	3,135,675	17,471	0.5572%
ISD 108	10,479,783	17,471	0.1667%

Impact on Tax Rates				
Entity	Pay 2021 Extension Rate	Percent of Total	CTC	Potential Taxes
Carver County	34.6337%	26.44%	17,471	\$ 6,051
City of NYA	74.2191%	56.65%	17,471	12,967
ISD 108	17.0064%	12.98%	17,471	2,971
Other	5.1492%	3.93%	17,471	900
	131.0084%	100.00%		\$ 22,889

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the Pay 2021 rate. The total net capacity for the entities listed above are based on Pay 2021 figures. The District will be certified under the Pay 2022 rates, which were unavailable at the time this TIF Plan was prepared.

Pursuant to *M.S. Section 469.175 Subd. 2(b)* of the TIF Act:

- (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 \$205,259;
- (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 to be significant. With any addition of new residents or businesses, police calls for service will be increased. New developments add an increase in traffic, and additional overall demands to the call load. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in police vehicles or facilities.

The probable impact of the District on fire protection is also not expected to be significant. Typically new buildings generate few calls, if any, and are of superior construction. The existing building, which will be expanded upon by the new development has had limited call load in the past. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in fire service vehicles or facilities.

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 minimal additional costs associated with street maintenance, sweeping, plowing, lighting and sidewalks. The development in the District is expected to contribute an estimated \$14,000 of utility connection charges at the time of expansion.

The probable impact of any District general obligation tax increment bonds on the ability to issue debt for general fund purposes is expected to be minimal. It is not anticipated that there will be any general obligation debt issued in relation to this project, therefore there will be no impact on the City's ability to issue future debt or on the City's debt limit.

- (3) Estimated amount of tax increment attributable to school district levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is \$26,645;
- (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 \$54,263;
- (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)* of the TIF Act 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.

SUPPORTING DOCUMENTATION

Pursuant to *M.S. Section 469.175, Subd. 1 (a), clause 7* of the TIF Act, 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)* of the TIF Act and the findings are required in the resolution approving the District.

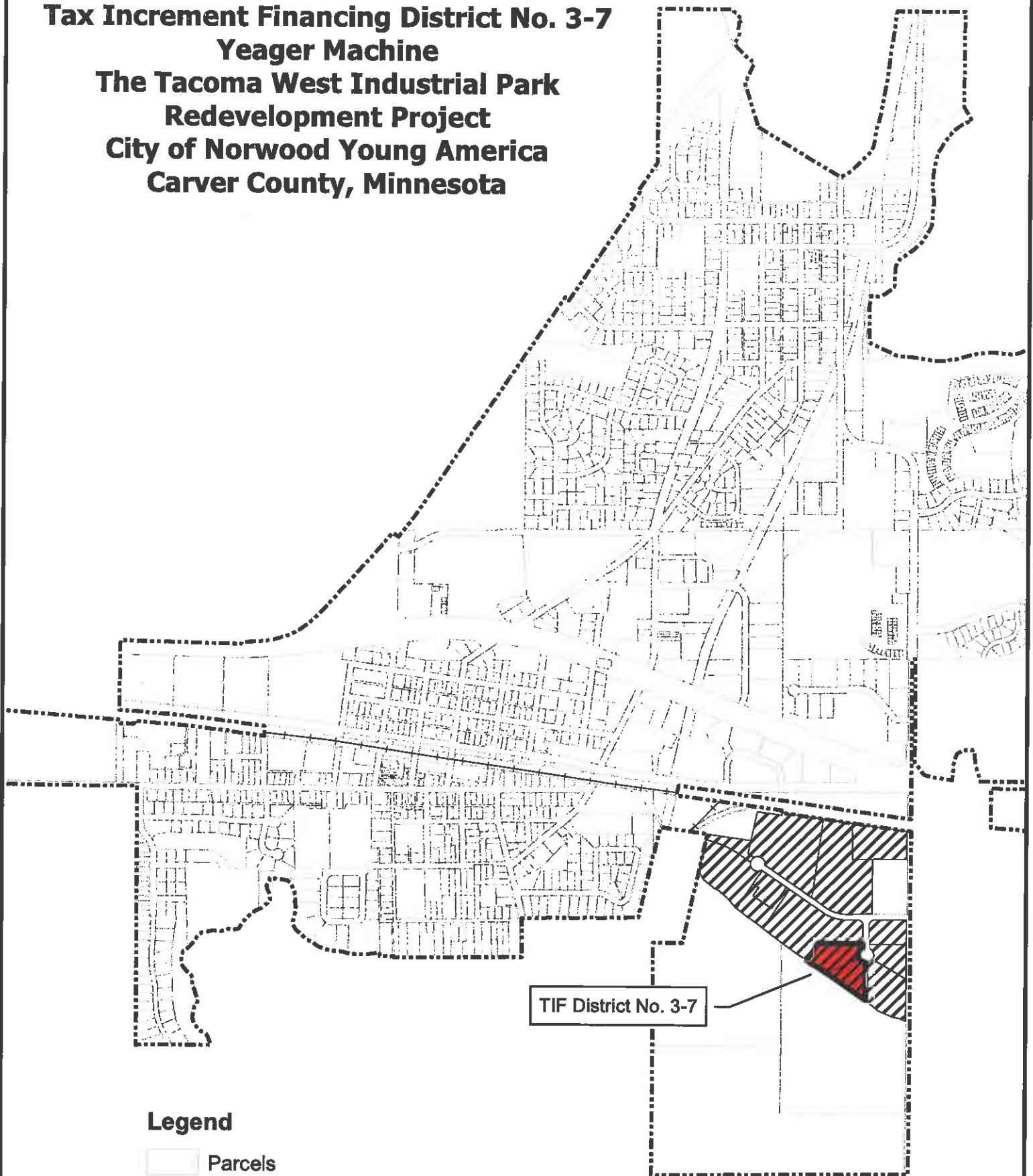
- (i) In making said determination, reliance has been placed upon (1) written representation made by the developer to such effects; and (2) City staff awareness of the feasibility of developing the project site within the District, which is further outlined in the city council resolution approving the establishment of the TIF District and Appendix C.
- (ii) A comparative analysis of estimated market value both with and without establishment of the TIF District and the use of tax increments has been performed. Such analysis is included with the cashflow in Appendix B 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 TIF District and the use of tax increments.

DISTRICT ADMINISTRATION

Administration of the District will be handled by the Economic Development & Marketing Director.

Appendix A: Map of Tacoma West Industrial Park Redevelopment Project and the TIF District

**Tax Increment Financing District No. 3-7
Yeager Machine
The Tacoma West Industrial Park
Redevelopment Project
City of Norwood Young America
Carver County, Minnesota**



Legend

 Parcels

 City Boundary

 TIF District

 Tacoma West Industrial Park Redevelopment Project



Appendix B: Estimated Cash Flow for the District

8/27/2021

TIF District 3-7 (YMI Properties)

City of Norwood Young America, MN

15,000 sf Industrial Expansion



ASSUMPTIONS AND RATES

District Type:	Economic Development
District Name/Number:	TIF District No. 3-7
County District #:	TBD
First Year Construction or Inflation on Value	2022
Existing District - Specify No. Years Remaining	
Inflation Rate - Every Year:	0.00%
Interest Rate:	4.00%
Present Value Date:	1-Feb-23
First Period Ending	1-Aug-23
Tax Year District was Certified:	Pay 2022
Cashflow Assumes First Tax Increment For Development:	2024
Years of Tax Increment	9
Assumes Last Year of Tax Increment	2032
Fiscal Disparities Election (Outside (A), Inside (B), or NA)	Inside (B)
Incremental or Total Fiscal Disparities	Incremental
Fiscal Disparities Contribution Ratio	39.9814% Pay 2021
Fiscal Disparities Metro-Wide Tax Rate	139.5040% Pay 2021
Maximum/Frozen Local Tax Rate:	131.008% Pay 2021
Current Local Tax Rate: (Use lesser of Current or Max.)	131.008% Pay 2021
State-wide Tax Rate (Comm./Ind. only used for total taxes)	35.9780% Pay 2021
Market Value Tax Rate (Used for total taxes)	0.12928% Pay 2021

Tax Rates

Exempt Class Rate (Exempt)	0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)	
First \$150,000	1.50%
Over \$150,000	2.00%
Commercial Industrial Class Rate (C/I)	2.00%
Rental Housing Class Rate (Rental)	1.25%
Affordable Rental Housing Class Rate (Aff. Rental)	
First \$100,000	0.75%
Over \$100,000	0.25%
Non-Homesleed Residential (Non-H Res 1 Unit)	
First \$500,000	1.00%
Over \$500,000	1.25%
Homesleed Residential Class Rate (Hmsleed Res.)	
First \$500,000	1.00%
Over \$500,000	1.25%
Agricultural Non-Homesleed	1.00%

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
1	587500090	YMI Properties		199,400	1,269,700	1,469,100	100%	1,469,100	Pay 2022	C/I Pref.	28,632	C/I Pref.	28,632	1
2	587500100	NYA		155,500	0	155,500	100%	155,500	Pay 2022	C/I	3,110	C/I	3,110	2
				354,900	1,269,700	1,624,600		1,624,600			31,742		31,742	

Note:

1. Base values are for pay 2022 based upon review of County website on 8.23.2021.
2. Located in SD # 0108 and WS # 067.

8/27/2021

TIF District 3-7 (YMI Properties)
City of Norwood Young America, MN
15,000 sf Industrial Expansion



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 2022	Percentage Completed 2023	Percentage Completed 2024	Percentage Completed 2025	First Year Full Taxes Payable
1	Existing Manuf.	73	73	20,000	1,469,100	C/I Pref.	28,632	1	100%	100%	100%	100%	2024
2	Expansion	107	107	15,000	1,811,000	C/I	32,220	2	100%	100%	100%	100%	2024
TOTAL					3,080,100		60,852						
Subtotal Residential				0	0		0						
Subtotal Commercial/Ind.				35,000	3,080,100		60,852						

Note:

1. Market values are based upon preliminary estimated provided by the Carver County Assessors Office on 8/19/2021.

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
Existing Manuf.	28,632	11,447	17,185	22,513	15,970	9,762	1,899	50,144	2.51
Expansion	32,220	12,882	19,338	25,334	17,971	10,873	2,083	56,261	3.75
TOTAL	60,852	24,329	36,523	47,848	33,941	20,634	3,982	106,404	

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. Economic Development TIF Districts start collection immediately after certification. If tax increment is received in 2022, then the district will be one year shorter.

Total Property Taxes	106,404
less State-wide Taxes	(20,634)
less Fiscal Disp. Adj.	(33,941)
less Market Value Taxes	(3,982)
less Base Value Taxes	(24,959)
Annual Gross TIF	22,989

MARKET VALUE BUT / FOR ANALYSIS	
Current Market Value - Est.	1,824,600
New Market Value - Est.	3,080,100
Difference	1,255,500
Present Value of Tax Increment	164,914
Difference	1,090,586
Value likely to occur without Tax Increment is less than:	1,290,586

8/27/2021

Tax Increment Cashflow - Page 3



TIF District 3-7 (YMI Properties)
City of Norwood Young America, MN
15,000 sf Industrial Expansion

TAX INCREMENT CASH FLOW

% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 5%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
														08/01/23
100%	60,852	(31,742)	(11,639)	17,471	131.008%	22,889	11,445	(41)	(570)	10,833	10,208	0.5	2024	08/01/24
100%	60,852	(31,742)	(11,639)	17,471	131.008%	22,889	11,445	(41)	(570)	10,833	20,216	1	2024	08/01/25
100%	60,852	(31,742)	(11,639)	17,471	131.008%	22,889	11,445	(41)	(570)	10,833	30,028	1.5	2025	08/01/25
100%	60,852	(31,742)	(11,639)	17,471	131.008%	22,889	11,445	(41)	(570)	10,833	39,648	2	2025	08/01/26
100%	60,852	(31,742)	(11,639)	17,471	131.008%	22,889	11,445	(41)	(570)	10,833	49,079	2.5	2026	08/01/26
100%	60,852	(31,742)	(11,639)	17,471	131.008%	22,889	11,445	(41)	(570)	10,833	58,325	3	2026	08/01/27
100%	60,852	(31,742)	(11,639)	17,471	131.008%	22,889	11,445	(41)	(570)	10,833	67,389	3.5	2027	08/01/27
100%	60,852	(31,742)	(11,639)	17,471	131.008%	22,889	11,445	(41)	(570)	10,833	76,276	4	2027	02/01/28
100%	60,852	(31,742)	(11,639)	17,471	131.008%	22,889	11,445	(41)	(570)	10,833	84,989	4.5	2028	08/01/28
100%	60,852	(31,742)	(11,639)	17,471	131.008%	22,889	11,445	(41)	(570)	10,833	93,531	5	2028	02/01/29
100%	60,852	(31,742)	(11,639)	17,471	131.008%	22,889	11,445	(41)	(570)	10,833	101,905	5.5	2029	08/01/29
100%	60,852	(31,742)	(11,639)	17,471	131.008%	22,889	11,445	(41)	(570)	10,833	110,116	6	2029	02/01/30
100%	60,852	(31,742)	(11,639)	17,471	131.008%	22,889	11,445	(41)	(570)	10,833	118,165	6.5	2030	08/01/30
100%	60,852	(31,742)	(11,639)	17,471	131.008%	22,889	11,445	(41)	(570)	10,833	126,056	7	2030	02/01/31
100%	60,852	(31,742)	(11,639)	17,471	131.008%	22,889	11,445	(41)	(570)	10,833	133,793	7.5	2031	08/01/31
100%	60,852	(31,742)	(11,639)	17,471	131.008%	22,889	11,445	(41)	(570)	10,833	141,378	8	2031	02/01/32
100%	60,852	(31,742)	(11,639)	17,471	131.008%	22,889	11,445	(41)	(570)	10,833	148,814	8.5	2032	08/01/32
							11,445	(41)	(570)	10,833	156,104	9	2032	02/01/33
Total							208,001	(742)	(18,283)	184,967				
Present Value From 02/01/2023							164,914	(594)	(8,216)	156,104				

Appendix C: 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. 3-7 as required pursuant to *M.S., Section 469.175, Subd. 3* of the TIF Act are as follows:

1. *Finding that Tax Increment Financing District No. 3-7 is an economic development district as defined in M.S., Section 469.174, Subd. 12 of the TIF Act.*

Tax Increment Financing District No. 3-7 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 District is in the public interest because it will facilitate the expansion of a manufacturing facility within the Tacoma West Industrial Park. This economic development will result in increased employment in the State and preserve and enhance the tax base of the 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. 3-7 permitted by the TIF Plan.*

The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future: This finding is supported by the following facts: The development proposed in the TIF Plan lies within the City's industrial park 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 redeveloper has stated that if the City sold the parcels within the industrial park at a price that captured the City's investment, the cost would make the proposed redevelopment infeasible. Therefore, the Authority will convey certain property to the redeveloper at a substantial write-down in cost, and will use tax increment only to reimburse itself for the written-down land costs including infrastructure improvement to the land, plus interest.

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. The City has attempted to sell the land at its true value without assistance (estimated at \$2.75 per square foot), but it has been unable to find willing buyers because of competition with other states and municipalities. If the City and Authority did not assume the role of land developer, it is unlikely that the property would develop in the near term. If it did develop without assistance, the likely long-term uses would be dominated by housing or other development with lower value and little or 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 District will increase without the use of tax increment financing is \$0.
 - b. If the proposed development occurs, the total increase in market value is estimated to be \$1,455,500 (see Appendix B of the TIF Plan)
 - c. The present value of tax increments from the District for the maximum duration of the district permitted by the TIF Plan is estimated to be \$164,914 (see Appendix B of the TIF Plan).
 - 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 \$1,290,586 (the amount in clause b less the amount in clause c) without tax increment assistance.
3. *Finding that the TIF Plan for Tax Increment Financing District No. 3-7 conforms to the general plan for the development or redevelopment of the municipality as a whole.*

The Planning Commission reviewed the TIF Plan on 09/07/2021 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. 3-7 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 District will result in increased employment in the City and the State of Minnesota, increased tax base of the State, and expand upon a high-quality manufacturing facility in the City.



August 27, 2021

Crystal Campos, County Auditor
Carver County Auditor
600 East 4th Street
Chaska, MN 55318

Rich Schug, School District Clerk
Central Public Schools
531 Morse Street, PO Box 247
Norwood Young America, MN 55368

Dear Ms. Campos and Mr. Schug:

The Norwood Young America Economic Development Authority (the "EDA") and the City of Norwood Young America (the "City"), are considering a proposal to modify the Redevelopment Plan for the Tacoma West Industrial Park Redevelopment Project and adopt a Tax Increment Financing Plan (the "TIF Plan") to establish Tax Increment Financing District No. 3-7 (the "TIF District"). The TIF District will be an economic development tax increment financing district, with a maximum term of 9 years. Tax increments collected from the TIF District will enable the EDA to facilitate the reinvestment and expansion of an existing manufacturing facility within the Tacoma West Industrial Park. A map of the District is in Appendix A of the attached draft TIF Plan.

As required by Minnesota Statutes, Section 469.175, Subd. 2 and 4, we are forwarding a draft of the TIF Plan, which includes the estimated fiscal and economic implications of the proposed TIF District. Pursuant to M.S. Section 469.175 Subd. 2(b), the City has added additional fiscal implications language related to police, fire, infrastructure, and borrowing costs, as well as the expected amounts of taxes and tax increment attributable to the County and School District.

The EDA and the City reserve the right to make changes to this draft document prior to the public hearing; however, the authorized costs will not increase.

We invite you to attend the public hearing to be held by the City Council at the City Council Chambers on September 27, 2021 beginning at approximately 6:00 PM. Please direct any comments or questions to Karen Hallquist at the City of Norwood Young America at (952) 467-1810, or to me at (651) 697-8507.

Sincerely,

A handwritten signature in black ink, appearing to read 'Nick Anhut', with a stylized flourish at the end.

Nick Anhut, Senior Municipal Advisor

Acting for and on behalf of the City of Norwood Young America, Minnesota

Enc.

cc: Karen Hallquist, City of Norwood Young America
Gina Fiorini, Kennedy & Graven, Chartered

**PLANNING COMMISSION
CITY OF NORWOOD YOUNG AMERICA, MINNESOTA**

RESOLUTION NO. 2021-22

RESOLUTION OF THE NORWOOD YOUNG AMERICA PLANNING COMMISSION FINDING THAT A MODIFICATION TO THE REDEVELOPMENT PLAN FOR THE TACOMA WEST INDUSTRIAL PARK REDEVELOPMENT PROJECT AND A TAX INCREMENT FINANCING PLAN FOR TAX INCREMENT FINANCING DISTRICT NO. 3-7 CONFORM TO THE GENERAL PLANS FOR THE DEVELOPMENT AND REDEVELOPMENT OF THE CITY.

WHEREAS, the Norwood Young America Economic Development Authority (the "EDA") and the City of Norwood Young America (the "City") have proposed to adopt a Modification to the Redevelopment Plan (the "Redevelopment Plan Modification") for the Tacoma West Industrial Park Redevelopment Project (the "Redevelopment Project") and a Tax Increment Financing Plan (the "TIF Plan") for Tax Increment Financing District No. 3-7 within the Redevelopment Project (the Redevelopment Plan Modification and the TIF Plan are referred to collectively herein as the "Plans") and have submitted the Plans to the City Planning Commission (the "Commission") pursuant to Minnesota Statutes, Section 469.175, Subd. 3, and

WHEREAS, the development described in the TIF Plan contemplates the transfer of property within the TIF District (the "Property") by the City to the EDA which will convey the property to YMI Properties, LLC (the "Developer"); and

WHEREAS, Minnesota Statutes, Section 462.356, subdivision 2, requires the Planning Commission to review the proposed acquisition or disposal of publicly-owned real property within the City prior to its acquisition or disposal, to determine whether in the opinion of the Planning Commission, such acquisition or disposal is consistent with the comprehensive municipal plan; and

WHEREAS, the Commission has reviewed the Plans to determine their conformity with the general plans for the development and redevelopment of the City as described in the comprehensive plan for the City.

NOW, THEREFORE, BE IT RESOLVED by the Commission that the Plans and the conveyance of Property to the Developer conform to the general plans for the development and redevelopment of the City as a whole, because they will facilitate the construction of an expansion to an existing manufacturing facility in the City's industrial park.

Dated: September 7, 2021

Chair

ATTEST:

Secretary

**CITY OF NORWOOD YOUNG AMERICA
YEAR TO DATE
BUILDING PERMITS AND VALUATION FOR 2021**

RESIDENTIAL	August		2021	
	PERMITS	VALUATION	PERMITS	VALUATION
New Single Family Homes	0	\$0.00	3	\$803,192.00
Townhouse/Twin Home	0	\$0.00	0	\$0.00
House Additions	0	\$0.00	1	\$115,000.00
House Remodels/Bsmt Finish	1	\$24,000.00	10	\$319,000.00
Garages	0	\$0.00	1	\$27,000.00
Garage Additions/Remodels	0	\$0.00	0	\$0.00
3-Season Porches/Sun Rooms	0	\$0.00	4	\$64,544.00
Decks/Deck Ftgs Only	1	\$14,000.00	11	\$99,250.00
Fire Damage Repair	0	\$0.00	0	\$0.00
Swimming Pools	0	\$0.00	0	\$0.00
Voided Permits	0	\$0.00	0	\$0.00
Demolition Permits	0	\$0.00	1	\$12,000.00
Sheds and Accessory Structures	0	\$0.00	0	\$0.00
Renewals	0	\$0.00	0	\$0.00
Move-In House/Garage	0	\$0.00	0	\$0.00
Mechanical Permits	2	\$0.00	17	\$0.00
Plumbing Permits	0	\$0.00	15	\$6,000.00
Re-Roof, Re-Window, Re-Side	5	\$0.00	45	\$0.00
Fence	0	\$0.00	0	\$0.00
Miscellaneous	0	\$0.00	7	\$66,828.45

TOTAL RESIDENTIAL	9	\$38,000.00	115	\$1,512,814.45
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COMMERICAL/INDUSTRIAL

New Buildings	0	\$0.00	0	\$0.00
Remodels/Additions	0	\$0.00	7	\$679,000.00
Re-Roofs, Re-Window, Re-Side	1	\$11,000.00	2	\$41,000.00
Mechanical Permits	0	\$0.00	3	\$119,500.00
Plumbing Permits	1	\$1,000.00	3	\$40,000.00
Fire Sprinklers	0	\$0.00	0	\$0.00
Miscellaneous	1	\$0.00	4	\$3,300.00

TOTAL COMMERCIAL/INDUSTRIAL	3	\$12,000.00	19	\$882,800.00
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PUBLIC & INSTITUTIONAL

New Buildings	0	\$0.00	0	\$0.00
Remodel/Additions	0	\$0.00	0	\$0.00
Re-Roofs, Re-Window, Re-Side	0	\$0.00	0	\$0.00
Mechanical Permits	0	\$0.00	0	\$0.00
Plumbing Permits	0	\$0.00	1	\$3,000.00
Fire Sprinklers	0	\$0.00	0	\$0.00
Miscellaneous	0	\$0.00	0	\$0.00

TOTAL PUBLIC & INSTITUTIONAL	0	\$0.00	1	\$3,000.00
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GRAND TOTAL	12	\$50,000.00	135	\$2,398,614.45
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