

KRAEWOOD APARTMENT TIF REQUEST

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November 2, 2021



PROJECT OVERVIEW

Rebound Stencil Development – Housing Development

Apartment Building

- 100 units to be constructed
- 42 – two bedroom units; 39 – one bedroom units; 19 – studio units
- Affordable requirement – 40% of the units at 60% AMI (Housing TIF requirement)

Request for Business Subsidy (Tax Increment Financing)

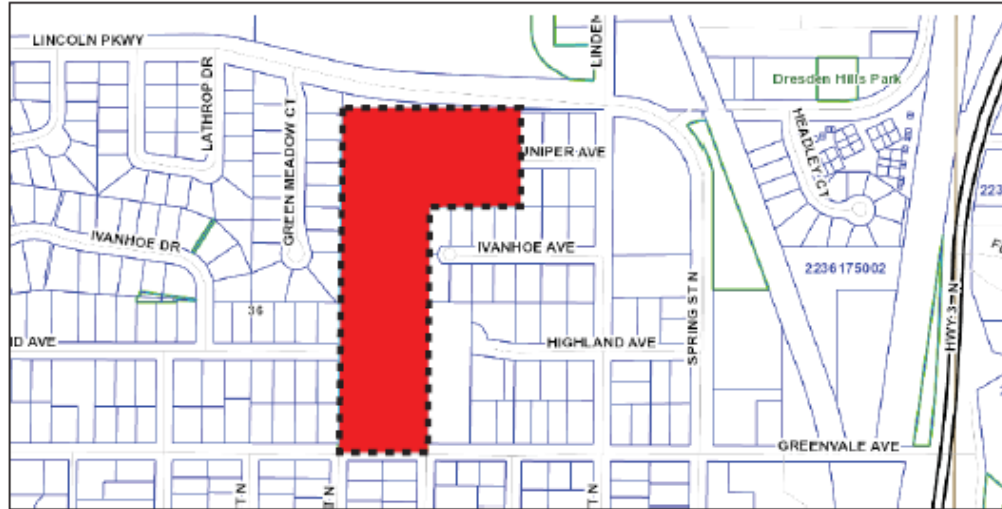
PROPOSED UNITS AT 60% AMI

8 – Studio

16 – 1 Bedroom

16 – 2 Bedroom

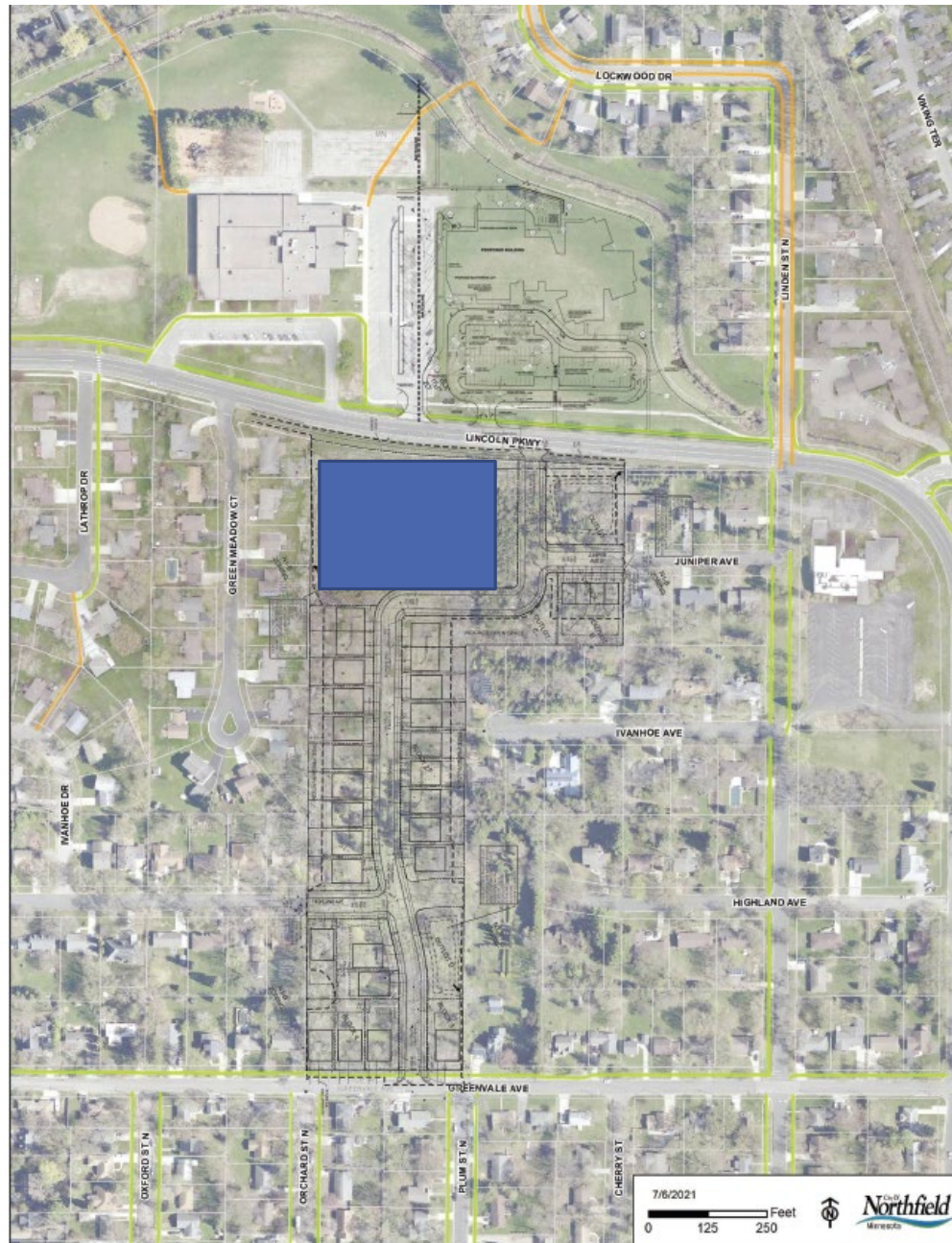
**Southbridge Development District
Kraewood Tax Increment Financing District
City of Northfield
Rice County, Minnesota**



-  Southbridge Development District
-  Southbridge Development District as expanded
-  Kraewood Tax Increment Financing District

SITE LOCATION

- Part of larger Kraewood development
- 3 acres development
- N-2 Zoning



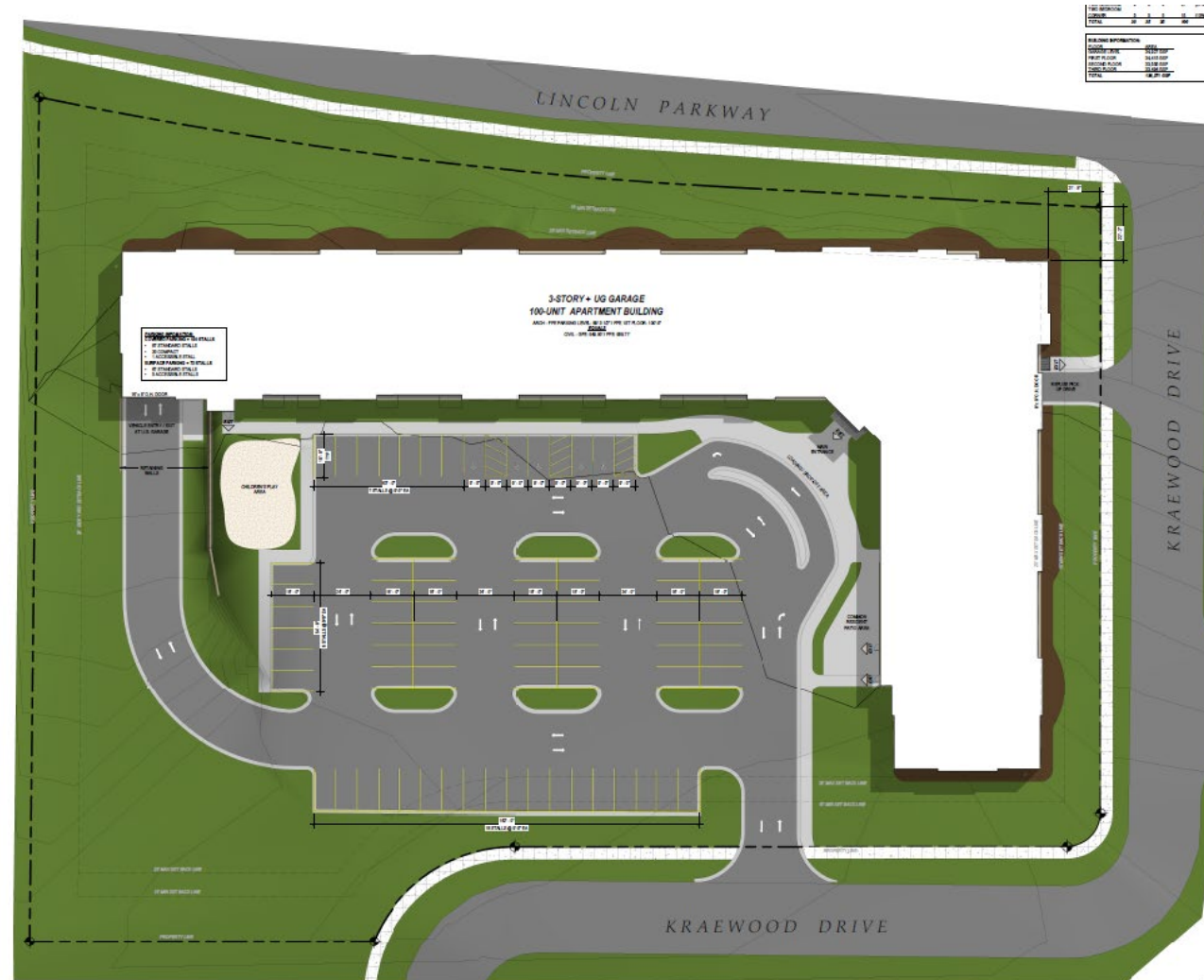
PROJECT PRELIMINARY RENDERINGS



VIEW DOWN KRAEWOOD DRIVE TOWARD LINCOLN PARKWAY



VIEW FROM INTERSECTION OF KRAEWOOD AND LINCOLN LOOKING AT NORTHEAST CORNER OF BUILDING



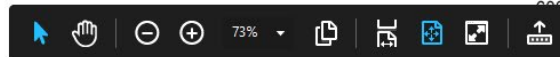
PRELIMINARY — CONCEPT W/ ADJACENT AREA



CivilSite
GROUP

KRAEWOOD DEVELOPMENT LANDSCAPE EXHIBIT

200 GREENVALE AVE., NORTHFIELD, MN | 06/25/2021



TAX INCREMENT FINANCING

Project need for assistance

- Significant costs related to construction & site preparation
- \$17 - \$18 million est. total project cost

Tax Increment Financing

- Housing Development TIF District (25-year duration)
 - Expand boundaries of Southbridge Development District to include new site (Development District required per state statute)
 - Increment only captured for new site
- Capture increment for affordable housing projects (i.e. rent restricted per statute)
- Current request set up for a “Pay-as-you-go;” no up-front financing requested, assistance with cash flow over the duration of the TIF
- Potential Captured TIF from development - \$5.1 million
 - Currently in review and negotiating potential terms of TIF Assistance
- **Financial Assistance Request: \$ 1,800,000**

SCHEDULE OF EVENTS

Staff and Ehlers Review

- July 2021 – September 2021

Planning Commission review of TIF Plan conformance with Comp Plan on September 16

- Review & Resolution

HRA Board meets October 26

- Review TIF request and offer recommendation

City Council to hold Public Hearing on November 2 on TIF District

- Public Hearing for TIF District
- Potential Action to approve TIF District

City Council to approve TIF Assistance Agreement at a later date



ACTIVE TIF DISTRICTS

Active TIF Districts

Name	Developer	Type	Payment Structure	Amount	Duration (years)	End date
Crossings	Rebound Development Partners, LLC	Redevelopment	PAYGO	\$ 987,500.00	26	2032
Aurora	Aurora Pharmaceuticals	Economic	PAYGO	\$ 169,939.00	8	2029
Maple Brook	Schrom Construction (Maple Brook, LLC)	Housing	PAYGO	\$ 435,500.00	26	2047
3th & Washington	3th Street Lofts, LLC	Redevelopment	PAYGO	\$ 1,800,000.00	26	2048
Spring Creek II	Three Rivers Community Action	Housing	PAYGO	\$ 706,000.00	26	2049
Presidential Commons	Nortfield WNS, Inc	Housing	GO Bond	\$ 750,000.00	26	2026
Spring Creek I	Three Rivers Community Action	Housing	PAYGO	\$ 1,021,000.00	26	2041

Other Existing TIF District – Downtown & Commercial Area

