

CITY OF NORTHFIELD
COUNTIES OF DAKOTA AND RICE
STATE OF MINNESOTA

RESOLUTION NO. 2020-065

RESOLUTION APPROVING THE MODIFICATION OF THE DEVELOPMENT PROGRAM
FOR SOUTHBRIDGE DEVELOPMENT DISTRICT,
ESTABLISHING A TAX INCREMENT FINANCING DISTRICT, AND
APPROVING A TAX INCREMENT FINANCING PLAN THEREFOR
(SPRING CREEK II PROJECT)

BE IT RESOLVED by the City Council (the "Council") of the City of Northfield, Minnesota (the "City"), as follows:

Section 1. Recitals.

1.01. It has been proposed that the City modify the Development Program (the "Program Modification") for Southbridge Development District (the "Development District"), establish **Spring Creek II Tax Increment Financing District** (a housing district) within the Development District (the "TIF District") and adopt the related Tax Increment Financing Plan therefor (the "TIF Plan") all pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.124 through 469.133, as amended, and Sections 469.174 through 469.1794, as amended (the "TIF Act"), all as reflected in that certain document entitled "Modification to the Development Program Southbridge Development District and Tax Increment Financing Plan Establishment of Spring Creek II Tax Increment Financing District (a housing district)", (collectively, the "Program Modification and the TIF Plan") and presented for the Council's consideration.

1.02. The City has performed all actions required by law to be performed prior to the modification and approval of the Program Modification and the TIF Plan, including without limitation, delivery of the Program Modification and the TIF Plan to the Board of Rice County (the "County") and the Board of Independent School District No. 659 (the "School District"), and the holding of a public hearing by the City thereon, following notice thereof published in the City's official newspaper at least 10 but not more than 30 days prior to the public hearing, which was held on the date hereof.

1.03. Certain information and material (collectively, the "Materials") relating to the TIF Plan and to the activities contemplated therein have heretofore been prepared and submitted to the Council and/or made a part of the City files and proceedings on the TIF Plan. The Materials include the tax increment application, project pro forma financial statement, project sources and uses and other information supplied by Spring Creek Townhomes II, LP, a Minnesota limited partnership (the "Developer"), as to the activities contemplated therein, the items listed in the TIF Plan under the heading "Supporting Documentation," and information constituting or relating to (1) why the assistance satisfies the so-called "but for" test and (2) the bases for the other findings and determinations made in this resolution. The Council hereby confirms, ratifies and adopts the

Materials, which are hereby incorporated into and made as fully a part of this resolution to the same extent as if set forth in full herein.

1.04. The TIF District is being established to facilitate the construction of an approximately 32-unit affordable multifamily rental housing development, and all related amenities and improvements, to be constructed, owned and operated by the Developer on property within the TIF District, together with any necessary and directly related infrastructure (the "Development").

Section 2. Findings for the Adoption and Approval of the Program Modification and TIF Plan.

2.01. The Council hereby finds that: (a) the land within the Development District would not be available for redevelopment without the financial aid to be sought under the Program Modification; (b) the Program Modification will afford maximum opportunity, consistent with the needs of the City as a whole, for the development of the Development District by private enterprise; and (c) the Program Modification conforms to the general plan for the development of the City as a whole, and otherwise promotes certain public purposes and accomplishes certain objectives as specified in the Development Program, including without limitation the development of affordable housing. The description the Southbridge Development District in the Development Program is amended to add and include the property depicted in Appendix A attached to the Program Modification and the TIF Plan, as further described on page 5 thereof, including all adjacent streets, alleys and public rights of way. The depicted property is hereby and shall be incorporated by reference into any other maps depicting the Development District. The purposes and development activities set forth in the Development Program are hereby expanded by to include all development and redevelopment activities occurring within the newly added area of the Development District.

2.02. The Council hereby finds that the TIF District is in the public interest and is a "housing district", as defined in Minnesota Statutes, Section 469.174, Subdivision 11 for the following reasons:

The TIF District consists of a portion of the Development District. The proposed Development is intended for occupancy, in part, by persons or families of low and moderate income as defined in Chapter 462A, Title II of the National Housing Act of 1934, the National Housing Act of 1959, the United States Housing Act of 1937, as amended, Title V of the Housing Act of 1949, as amended, and any other similar present or future federal, state or municipal legislation, or the regulations promulgated under any of those acts. The Developer has represented that at least 40% of the units in the Development will be reserved for rental to persons whose annual income does not exceed 60% of applicable area median income and that no more than 20% of the square footage of buildings that receive assistance from tax increments will consist of commercial, retail or other nonresidential uses.

2.03. The Council hereby makes the following additional findings:

(a) The Council further finds that the proposed Development, in the opinion of the Council, would not occur solely through private investment within the reasonably foreseeable future and, therefore, the use of tax increment financing is deemed necessary. The specific basis for such finding being:

The proposed Development will result in the construction of low and moderate income housing units which would not otherwise be constructed in the reasonably foreseeable future. The proposed Development furthers the City's objectives for development and redevelopment and is intended for occupancy, in part, by low and moderate-income persons. Due to the high cost of building affordable housing in the City, the Development is feasible only through assistance, in part, from tax increment financing. The Developer has provided the City its estimated project proforma outlining project sources and uses as well as projected rent, vacancy and financing assumptions. 100% of the assisted housing units are intended to be both rent and income restricted. Affordable rental revenues alone are insufficient to make the Development economically feasible without additional public assistance. City staff and the City's advisors reviewed the Developer's information and have determined the Development is not feasible without the proposed assistance due to anticipated market returns not supporting the anticipated development costs for this site. Based on the review, the City does not expect that a development of this type would occur in the reasonably foreseeable future but-for the use of tax increment assistance.

The necessity of public assistance is true for most affordable housing developments in Minnesota. The Development also requires public assistance beyond tax increment. The Developer has been awarded financing from the Minnesota Housing Finance Agency through an allocation of federal low-income housing tax credits.

(b) The Council further finds that the TIF Plan conforms to the general plan for the development or redevelopment of the City as a whole. The specific basis for such finding being:

The TIF Plan will generally complement and serve to implement policies adopted in the City's comprehensive plan. The housing Development contemplated on the property is in accordance with the existing zoning or approved zoning variances for the property. The Planning Commission of the City reviewed the Program Modification and the TIF Plan and approved Resolution 2020-001, on June 24, 2020, that affirms that such plans conform to the general plans for development and redevelopment of the City.

(c) The Council further finds that the TIF Plan will afford maximum opportunity consistent with the sound needs of the City as a whole for the development of the TIF District by private enterprise. The specific basis for such finding being:

Through the implementation of the TIF Plan, the City will provide an impetus for residential development which is desirable and necessary for increased tax base and serving the population of the state of Minnesota; addresses several of the goals and development principles identified within the City's land use and development plans; helps fulfill housing needs of residents with a variety of incomes and provides new housing that would otherwise not be available. The Development proposed to occur within the TIF District is the construction by private enterprise of primarily low and moderate income multi-family housing and will increase the taxable market valuation of the City. The available multi-family housing in the City will increase by approximately 32 rental units with the completion of the Development.

2.04. The City elects to retain all of the captured tax capacity to finance the costs of the TIF District and the Development District.

2.05. The provisions of this Section 2 are hereby incorporated by reference into and made a part of the TIF Plan and the findings set forth in Appendix C to the TIF Plan are hereby incorporated by reference into and made a part of this Resolution.

2.06. The Council further finds that the Program Modification and TIF Plan are intended and in the judgment of the Council its effect will be to promote the public purposes and accomplish the objectives specified therein.

2.07. The TIF District is hereby established and the Program Modification and TIF Plan, as presented to the Council on this date, including without limitation the findings and statements of objectives contained therein, are hereby approved, ratified, established, and adopted and shall be placed on file in the office of the City Administrator. City staff shall, in writing, request the Rice County Auditor to certify the new TIF District and file the Program Modification and TIF Plan with the Commissioner of Revenue and the Office of the State Auditor.

Section 3. Interfund Loans.

3.01. The Council hereby approves a policy on interfund loans or advances ("Loans") for the TIF District, as follows:

(a) The authorized tax increment eligible costs (including without limitation out-of-pocket administrative expenses in an amount up to \$150,507, interest in an amount up to \$634,451, and other development costs in an amount up to \$795,368) payable from the TIF District, as its TIF Plan is originally adopted or may be amended, may need to be financed on a short-term and/or long-term basis via one or more Loans, as may be determined by the City Finance Director from time to time.

(b) The Loans may be advanced if and as needed from available monies in the City's general fund or other City fund designated by the City Finance Director. Loans may be structured as draw-down or "line of credit" obligations of the lending fund(s).

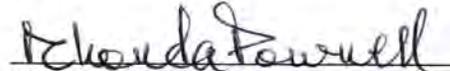
(c) Neither the maximum principal amount of any one Loan nor the aggregate principal amount of all Loans may exceed \$1,580,326 outstanding at any time.

(d) All Loans shall mature not later than February 1, 2049 or such earlier date as the City Finance Director may specify in writing. All Loans may be pre-paid, in whole or in part, whether from tax increment revenue, tax increment revenue bond proceeds or other eligible sources.

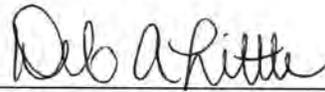
(e) The outstanding and unpaid principal amount of each Loan shall bear interest at the rate prescribed by the statute (Minnesota Statutes, Section 469.178, Subdivision 7), which is the greater of the rates specified under Sections 270C.40 or 549.09 at the time a Loan, or any part of it, is first made, subject to the right of the City Finance Director to specify a lower rate (but not less than the City's then-current average investment return for similar amount and term).

(f) Such Loans within the above guidelines are pre-approved. The Loans need not take any particular form and may be undocumented, except that the City Finance Director shall specify the principal amount and interest rate and maintain all necessary or applicable data on the Loans.

Adopted this 21st day of July, 2020.


Mayor

ATTEST:



City Clerk

VOTE: Y POWNELL Y GRABAU Y DELONG Y NAKASIAN
 Y NESS Y PETERSON WHITE Y ZWEIFEL



MODIFICATION TO THE
DEVELOPMENT PROGRAM
Southbridge Development District

- AND -

TAX INCREMENT FINANCING PLAN
Establishment of Spring Creek II Tax Increment Financing District
(a housing district)

City of Northfield, Rice County, Minnesota

Public Hearing: July 21, 2020



Table of Contents

Modification to the Development Program for Southbridge Development District	3
Foreword	3
Tax Increment Financing Plan for the Spring Creek Housing II Tax Increment Financing District	4
Foreword	4
Statutory Authority	4
Statement of Objectives	4
Development Program Overview	4
Description of Property in the District and Property to be Acquired	5
Classification of the District	6
Duration and First Year of Tax Increment of the District	6
Original Tax Capacity, Tax Rate and Estimated Captured Net Tax Capacity Value/Increment and Notification of Prior Planned Improvements	6
Sources of Revenue/Bonds to be Issued	8
Uses of Funds	8
Estimated Impact on Other Taxing Jurisdictions	9
Supporting Documentation	11
Administration of the District	11
Appendix A: Map of Southbridge Development District and the TIF District	12
Appendix B: Estimated Cash Flow for the District	13
Appendix C: Findings Including But/For Qualifications	14

Modification to the Development Program for Southbridge Development District

Foreword

The following text represents a Modification to the Development Program for Southbridge Development District. This modification represents a continuation of the goals and objectives set forth in the Development Program for Southbridge Development District. Generally, the substantive changes include the establishment of the Spring Creek II Tax Increment Financing District and an expansion of the Southbridge Development District as depicted in Appendix A. The description of the Southbridge Development District in the Development Program is amended to add and include the property depicted in Appendix A attached hereto, as further described on page 5, including all adjacent streets, alleys and public rights of way. The depicted property is hereby and shall be incorporated into any other maps depicting the Southbridge Development District.

For further information, a review of the Development Program for Southbridge Development District, is recommended. It is available from the Economic Development Coordinator at the City of Northfield. Other relevant information is contained in the Tax Increment Financing Plans for the Tax Increment Financing Districts located within Southbridge Development District.

Tax Increment Financing Plan for the Spring Creek Housing II Tax Increment Financing District

Foreword

The City of Northfield (the "City"), staff and consultants have prepared the following information to expedite the Establishment of the Spring Creek II Tax Increment Financing District (the "District"), a housing tax increment financing district, located in Southbridge Development District.

Statutory Authority

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the City has certain statutory powers pursuant to *Minnesota Statutes ("M.S."), Sections 469.124 - 469.133*, inclusive, as amended (the "Municipal Development Act"), 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 this project.

This section contains the Tax Increment Financing Plan (the "TIF Plan") for the District. Other relevant information is contained in the Modification to the Development Program for Southbridge Development District.

Statement of Objectives

The District currently consists of one parcel of land and adjacent and internal rights-of-way. The District is being created to facilitate the private development of the Spring Creek II townhome project which includes construction of 32 units of affordable rental housing in the City. The City anticipates entering into an agreement with Spring Creek Townhomes II, LP, as the developer. Development is anticipated to be completed in 2021. This TIF Plan is expected to achieve many of the objectives outlined in the Development Program for Southbridge Development District.

The activities contemplated in the Modification to the Development Program 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 Southbridge Development District and the District.

Development Program Overview

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

1. Property to be Acquired – The City of Northfield Housing and Redevelopment Authority (the "HRA") currently owns the parcel of property within the District. Any remaining property located within the District including interior or adjacent rights of way may be acquired by the City and is further described in this TIF Plan. The City does not intend to exercise the power of eminent domain to acquire property in the District or the Southbridge Development District.

2. Upon approval of a developer's plan relating to the project and completion of the necessary legal requirements, the City may sell to a developer selected properties that it may acquire within the District or may lease land or facilities to a developer.
3. The City may perform or provide for some or all necessary acquisition, construction, relocation, demolition, and required utilities and public street work within the District as described in this TIF Plan.

Description of Property in the District and Property to be Acquired

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

Parcel number	Address	Owner
22.07.3.03.003	TBD	Northfield HRA

The Property is currently under the process of being replatted. The preliminary legal description proposed for the property to be included within the District is:

All that part of Outlot A, SPRING CREEK TOWNHOMES, according to the recorded plat thereof, Rice County, Minnesota, lying southerly and easterly of the following described line:

Commencing at the southwest corner of Lot 1, Block 1, said SPRING CREEK TOWNHOMES; then on an assumed bearing of North 62 degrees 56 minutes 50 seconds West, along a northeasterly line of said Outlot A , a distance of 16.62 feet; then northwesterly, continuing along said northeasterly line, a distance of 131.90 feet, along a tangential curve, concave to the southwest, having a radius of 500.00 feet and a central angle of 15 degrees 06 minutes 52 seconds, to an easterly line of said Outlot A and the point of beginning of the line to be described; thence northwesterly, a distance of 43.24 feet, along the northwesterly extension of the last described curve, having a radius of 500.00 feet and a central angle of 04 degrees 57 minutes 17 seconds; thence North 83 degrees 00 minutes 58 seconds West, tangent to said curve, a distance of 60.00 feet; thence South 20 degrees 32 minutes 52 seconds West, a distance of 119.53 feet; thence South 00 degrees 30 minutes 34 seconds East, a distance of 355.66 feet, to the south line of said Outlot A and there terminating.

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

The HRA currently owns the property to be included in the District.

The City may acquire any parcel within the District including interior and adjacent street rights of way, however the City does not anticipate acquiring any such property at this time. Any properties identified for acquisition will be acquired by the City only in order to accomplish one or more of the following: storm water 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 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.

Classification of the District

The 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 a housing district pursuant to *M.S., Section 469.174, Subd. 11 and M.S., Section 469.1761*:

- The District consists of one parcel.
- The development will consist of 32 units of multi-family rental housing
- At least 40% of the units will be reserved for occupancy by person with incomes less than 60% of median income
- No more that 20 percent of the square footage of the building that is receiving assistance from tax increment consists of commercial, retail or other non-residential uses.

Pursuant to *M.S., Section 469.176, Subd. 7*, as a housing district the District may include a 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 and First Year of Tax Increment of the District

Pursuant to *M.S., Section 469.175, Subd. 1, and Section 469.176, Subd. 1*, the duration and first year of tax increment 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 25 years after receipt of the first increment by the City (a total of 26 years of tax increment). The City elects to receive the first tax increment in 2023, which is no later than four years following the year of approval of the District.

Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2048, or when the TIF Plan is satisfied. The City reserves the right to decertify the District prior to the legally required date.

Estimated Original Net Tax Capacity, Tax Rate, Captured Net Tax Capacity Value/Increment and Notification of Prior Planned Improvements

Pursuant to *M.S., Section 469.174, Subd. 7 and M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the assessor in 2020 for taxes payable 2021. The estimated ONTC as of January 2, 2020 is \$280.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2023) 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 City.

The original local tax rate for the District will be the local tax rate for taxes payable 2021, assuming the request for certification is made before June 30, 2021. That rate is not available at the time of drafting this TIF Plan. The Pay 2020 local tax rate is being utilized as an estimate for the Original Local Tax Rate for the TIF District tables throughout this TIF Plan.

Pursuant to *M.S., Section 469.174 Subd. 4* and *M.S., Section 469.177, Subd. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within the Southbridge Development District, upon completion of the project within the District, will annually approximate tax increment revenues as shown in the table below. The City requests 100 percent of the available increase in tax capacity for repayment of its obligations and current expenditures, beginning in the tax year payable 2023. The Project Tax Capacity (PTC) listed is an estimate of values when the project within the District is completed.

Project Tax Capacity		
Project estimated Tax Capacity upon completion	50,233	
Original estimated Net Tax Capacity	280	
Fiscal Disparities	0	
Estimated Captured Tax Capacity	49,953	
Original Local Tax Rate	131.4350%	Pay 2020
Estimated Annual Tax Increment	\$65,656	
Percent Retained by the City	100%	

Note: Tax capacity estimates include a 1.00% inflation factor for the duration of the District. The tax capacity included in this chart is the estimated tax capacity of the District in year 25. The tax capacity of the District in year one of collection is estimated to be \$39,170.

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

The City has reviewed the area to be included in the District and found no 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	\$ 1,505,072
Interest	75,254
TOTAL	\$ 1,580,326

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

The 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 \$1,580,326. Such bonds may be in the form of Pay-as-you-go TIF 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 private development of 32-units of rental housing in the City. The City has determined that it will be necessary to provide assistance to the project(s) for certain District costs, as described. The City 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 affordable housing eligible expenses. The estimate of public costs and uses of funds associated with the District is outlined in the following table.

USES	
Affordable Housing	\$ 795,368
Administrative Costs (up to 10%)	150,507
PROJECT COSTS TOTAL	\$ 945,875
Interest	634,451
PROJECT AND INTEREST COSTS TOTAL	\$ 1,580,326

The total District 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 costs associated with the District are subject to change among categories without a modification to this TIF Plan. The cost of all activities to be considered for tax increment financing will not exceed, without formal modification, the budget above pursuant to the applicable statutory requirements. The City may expend funds for qualified housing activities outside of the District boundaries.

Estimated Impact on Other Taxing Jurisdictions

The estimated impact on other taxing jurisdictions assumes that the development contemplated by the TIF Plan would occur without the creation of the District. However, the 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 proposed development occurred and the "but for" test was not met:

Impact on Tax Base			
Entity	2019/Pay 2020 Total Net Tax Capacity	Estimated Captured Net Tax Capacity (CTC) upon completion	Percent of CTC to Entity Total
County	70,051,358	48,963	0.0699%
City	15,241,396	48,963	0.3213%
ISD	25,745,098	48,963	0.1902%

Impact on Tax Rates				
Entity	Pay 2020 Extension Rate	Percent of Total	CTC	Potential Taxes
County	39.5330%	30.08%	49,953	\$ 19,748
City	58.1610%	44.25%	49,953	29,053
ISD	30.3550%	23.10%	49,953	15,163
Other	3.3860%	2.58%	49,953	1,691
	131.4350%	100.00%		\$ 65,656

The estimates listed above display the captured tax capacity when all construction and all activities within the District are completed. The tax rate used for calculations is the Pay 2020 rate. The total net capacity for the entities listed above are based on Pay 2020 figures in Rice County. The District will be certified under the Pay 2021 rates and figures, which were unavailable at the time this TIF Plan was prepared.

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

- (1) Estimate of total tax increment. It is estimated that the total amount of tax increment that will be generated over the life of the District is \$1,505,072;

- (2) Probable impact of the District on city provided services and ability to issue debt. A moderate impact of the District on police protection is expected. With any addition of new residents or businesses, police calls for service are anticipated to increase. New developments add an increase in traffic and additional overall demands to the call load. Using citywide calling history, the City estimates the development may generate approximately 119 calls per year with a financial impact representing \$16,526. However, due to the relative size of the development the City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

The probable impact of the District on fire protection is not expected to be significant. New buildings are anticipated to generate few calls, if any, and are typically of superior construction. It is expected that hydrant and signage requirements will ensure adequate fire protection and the City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

The impact of the District on public infrastructure is expected to be minimal. The developer has identified road and utility improvements necessitated by the project will be paid through the development expenses. The development is not expected to significantly impact any traffic movements in the area. Based on the development plans, there are an estimated \$30,000 in additional costs associated with street maintenance, sweeping, plowing, lighting and sidewalks. The development in the District is expected to contribute an estimated \$69,240 in sanitary sewer (SAC) and water (WAC) connection fees.

The probable impact of any City 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 \$347,597;
- (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 \$452,695;
- (5) Additional information requested by the county or school district. The City is not aware of any standard questions in a county or school district written policy regarding tax increment districts and impact on county or school district services. The county or school district must request additional information pursuant to *M.S. Section 469.175 Subd. 2(b)* within 15 days after receipt of the tax increment financing plan.

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

Supporting Documentation

Pursuant to *M.S. Section 469.175, Subd. 1 (a), clause 7* the TIF Plan must contain identification and description of studies and analyses used to make the determination set forth in *M.S. Section 469.175, Subd. 3, clause (b)(2)* and the findings are required in the resolution approving the District.

In making said determination, reliance has been placed upon (1) written representation made by the developer to such effects, (2) review of the developer's proforma; and (3) 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.

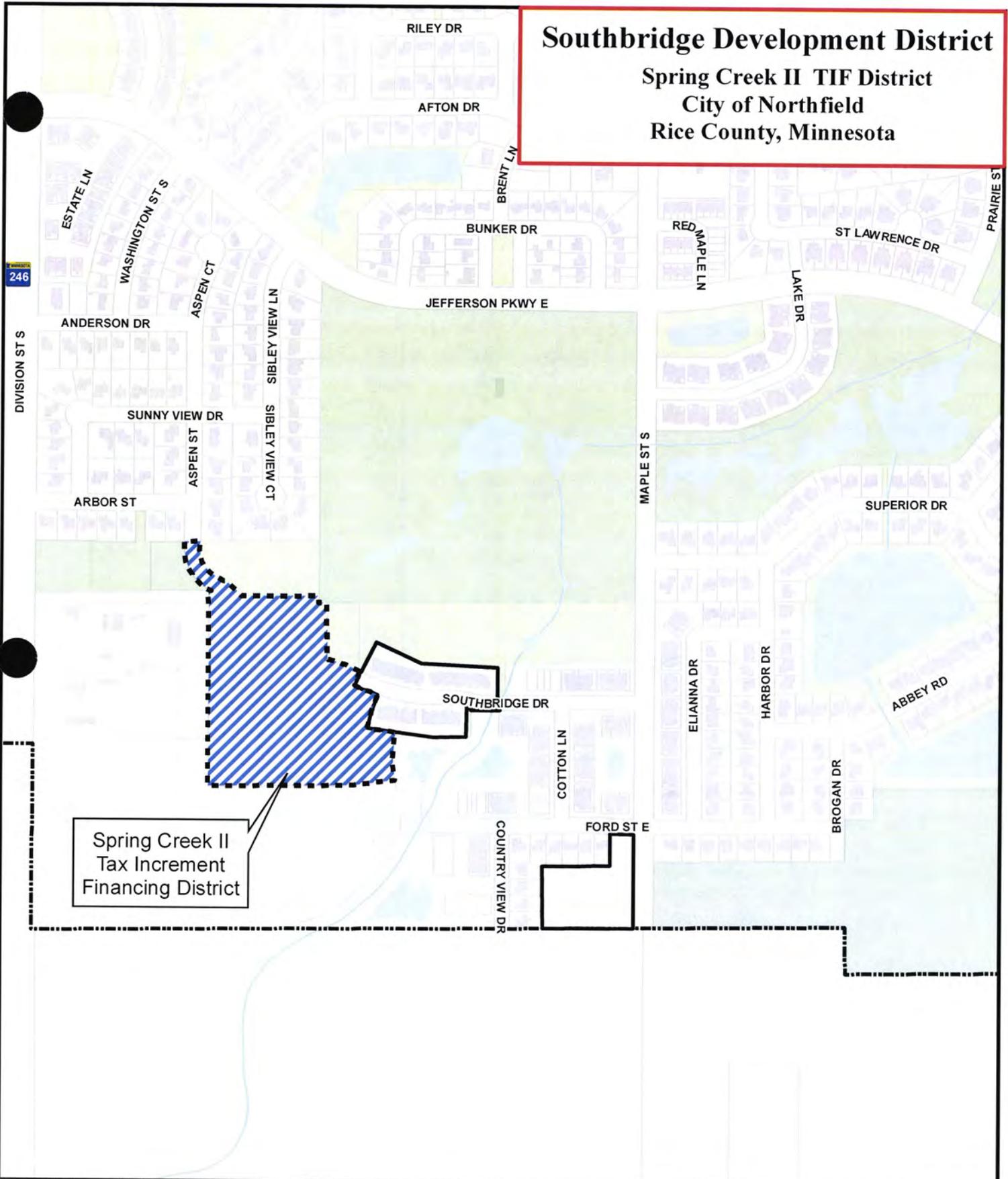
Administration of the District

Administration of the District will be handled by the Economic Development Coordinator.

Appendix A: Map of Southbridge Development District and the TIF District

Southbridge Development District

Spring Creek II TIF District
City of Northfield
Rice County, Minnesota



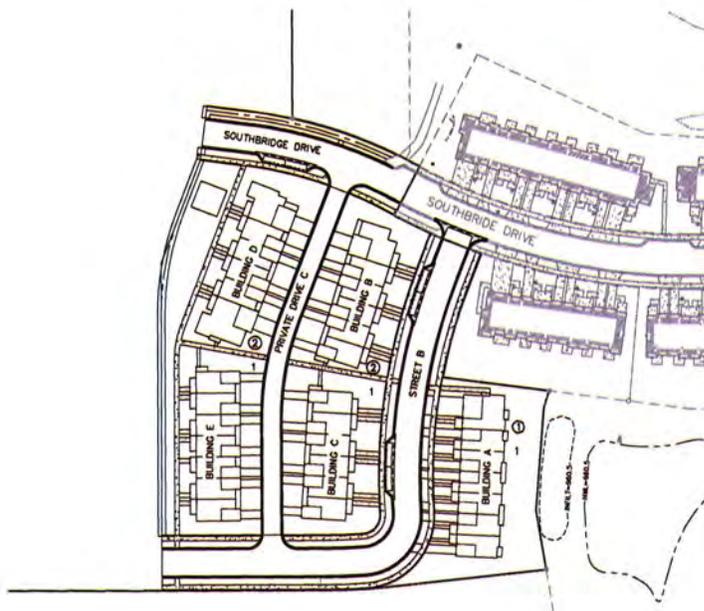
Spring Creek II
Tax Increment
Financing District

-  Southbridge Development District
-  Southbridge Development District as expanded
-  Spring Creek II Tax Increment Financing District

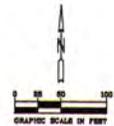
Disclaimer: This information is to be used for reference purposes only.
Property data from Dakota & Rice Counties is approximate and not legally binding.
Contact the appropriate county with property corrections.



SPRING CREEK TOWNHOMES II PRELIMINARY PLAT NORTHFIELD, MINNESOTA



LOCATION MAP



- SHEET INDEX**
- 0.1 COVER SHEET
 - 0.2 LEGEND SHEET
 - 1.1 EXISTING CONDITIONS PLAN
 - 2.1 PRELIMINARY PLAT
 - 3.1 PRELIMINARY SITE PLAN
 - 4.1 PRELIMINARY REMOVAL PLAN
 - 5.1-5.2 PRELIMINARY SANITARY & WATERMAIN PLAN
 - 6.1-6.2 PRELIMINARY STORM SEWER PLAN
 - 7.1-7.2 PRELIMINARY STREET PLAN
 - 8.1 PRELIMINARY GRADING PLAN
 - 9.1 PRELIMINARY EROSION CONTROL PLAN
 - 10.1 PRELIMINARY CORRECTION PLAN
 - 11.1-11.3 PRELIMINARY GRADING DETAILS
- L1. PRELIMINARY LANDSCAPE PLAN**



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Project No. 08-001
Sheet No. 0.1

COVER SHEET

THREE RIVERS C.A. INC.
141 NORTH ELLIS DRIVE
ZENITH, MN 55087

SPRING CREEK TOWNHOMES II
NORTHFIELD, MINNESOTA

Appendix B: Estimated Cash Flow for the District



Spring Creek II Housing
City of Northfield, MN

32-unit Affordable Townhome Development

ASSUMPTIONS AND RATES

District Type: Housing
 District Name/Number: Spring Creek II
 County District #: 2021
 First Year Construction or Inflation on Value: 1.00%
 Existing District - Specify No. Years Remaining: 4.375%
 Inflation Rate - Every Year: 1-Feb-21
 Interest Rate: 1-Aug-21
 Present Value Date: Pay 2021
 First Period Ending: 2023
 Tax Year District was Certified: 28
 Cashflow Assumes First Tax Increment For Development: 2048
 Years of Tax Increment: NA
 Assumes Last Year of Tax Increment: NA
 Fiscal Disparities Election [Outside (A), Inside (B), or NA]:
 Incremental or Total Fiscal Disparities:
 Fiscal Disparities Contribution Ratio:
 Fiscal Disparities Metro-Wide Tax Rate:
 Maximum/Frozen Local Tax Rate:
 Current Local Tax Rate: (Use lesser of Current or Max.)
 State-wide Tax Rate (Comm./Ind. only used for total taxes)
 Market Value Tax Rate (Used for total taxes)

Tax Rates	
Exempt Class Rate (Exempt)	0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)	
First \$150,000	1.50%
Over	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 \$162,000	0.75%
Over \$162,000	0.25%
Non-Homestead Residential (Non-H Res. 1 Unit)	
First \$500,000	1.00%
Over	1.25%
Homestead Residential Class Rate (Hmstd. Res.)	
First \$500,000	1.00%
Over	1.25%
Agricultural Non-Homestead	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	Tax Year		Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion Orig. Tax Cap.	Areal Phase
								Original Market Value	Pay 2021 Market Value					
1	22.07.3.03.003	Northfield HRA	TBD	106,200	0	106,200	35%	37,303	Pay 2021	Exempt	-	0	280	1
								37,303					280	

Note:

1. Base values are for pay 2020 based upon review of County website on 6.16.2020. Property is in process of subdivision to convey approximately 4 acres of an 11 acre site.
2. Located in Rice County and SD # 659.



Spring Creek II Housing
 City of Northfield, MN
 32-unit Affordable Townhome Development

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 Market Value	Property Tax Class	Project Tax Capacity/Unit	Percentage Completed 2021	Percentage Completed 2022	Percentage Completed 2023	Percentage Completed 2024	First Year Full Taxes Payable
1	Townhouses	165,625	165,625	32	5,300,000	Aff. Rental	1,224	100%	100%	100%	100%	2023
TOTAL					5,300,000							

Note:

1. Market values are based upon estimates provided by the Rice County Assessors office on 5.28.2020.

TAX CALCULATIONS						
New Use	Total Tax Capacity	Local Property Taxes		Fiscal Disparities Taxes		Market Value Taxes
		Capacity	Tax	Capacity	Tax	
Townhouses	39,170	39,170	51,483	0	0	21,566
TOTAL	39,170	39,170	51,483	0	0	21,566
						73,049
						2,282.79

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.

WHAT IS EXCLUDED FROM TIF?	
Total Property Taxes	73,049
less State-wide Taxes	0
less Fiscal Dispar. Adj.	0
less Market Value Taxes	(21,566)
less Base Value Taxes	(368)
Annual Gross TIF	51,115

Appendix C: Findings

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan for the Spring Creek II Tax Increment Financing District, as required pursuant to Minnesota Statutes, Section 469.175, Subdivision 3 are as follows:

1. *Finding that the Spring Creek II Tax Increment Financing District is a housing district as defined in M.S., Section 469.174, Subd. 11.*

The TIF District consists of a portion of the Development District. The proposed Development is intended for occupancy, in part, by persons or families of low and moderate income as defined in Chapter 462A, Title II of the National Housing Act of 1934, the National Housing Act of 1959, the United States Housing Act of 1937, as amended, Title V of the Housing Act of 1949, as amended, and any other similar present or future federal, state or municipal legislation, or the regulations promulgated under any of those acts. The Developer has represented that at least 40% of the units in the Development will be reserved for rental to persons whose annual income does not exceed 60% of applicable area median income and that no more than 20% of the square footage of buildings that receive assistance from tax increments will consist of commercial, retail or other nonresidential uses.

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.*

The proposed Development will result in the construction of low and moderate income housing units which would not otherwise be constructed in the reasonably foreseeable future. The proposed Development furthers the City's objectives for development and redevelopment and is intended for occupancy, in part, by low and moderate-income persons. Due to the high cost of building affordable housing in the City, the Development is feasible only through assistance, in part, from tax increment financing. The Developer has provided the City its estimated project proforma outlining project sources and uses as well as projected rent, vacancy and financing assumptions. 100% of the assisted housing units are intended to be both rent and income restricted. Affordable rental revenues alone are insufficient to make the Development economically feasible without additional public assistance. City staff and the City's advisors reviewed the Developer's information and have determined the Development is not feasible without the proposed assistance due to anticipated market returns not supporting the anticipated development costs for this site. Based on the review, the City does not expect that a development of this type would occur in the reasonably foreseeable future but-for the use of tax increment assistance.

The necessity of public assistance is true for most affordable housing developments in Minnesota. The Development also requires public assistance beyond tax increment. The Developer has been awarded financing from the Minnesota Housing Finance Agency through an allocation of federal low-income housing tax credits.

3. *Finding that the TIF Plan for the Spring Creek II Tax Increment Financing District conforms to the general plan for the development or redevelopment of the municipality as a whole.*

The TIF Plan will generally complement and serve to implement policies adopted in the City's comprehensive plan. The housing Development contemplated on the property is in accordance with the existing zoning or approved zoning variances for the property. The Planning Commission of the City reviewed the Program Modification and the TIF Plan and approved Resolution 2020-001, on June 24, 2020, that affirms that such plans conform to the general plans for development and redevelopment of the City.

4. *Finding that the TIF Plan for the Spring Creek II Tax Increment Financing District will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of Southbridge Development District by private enterprise.*

Through the implementation of the TIF Plan, the City will provide an impetus for residential development which is desirable and necessary for increased tax base and serving the population of the state of Minnesota; addresses several of the goals and development principles identified within the City's land use and development plans; helps fulfill housing needs of residents with a variety of incomes and provides new housing that would otherwise not be available. The Development proposed to occur within the TIF District is the construction by private enterprise of primarily low and moderate income multi-family housing and will increase the taxable market valuation of the City. The available multi-family housing in the City will increase by approximately 32 rental units with the completion of the Development.



THE DEVELOPMENT PROGRAM
for the
SOUTHBRIDGE DEVELOPMENT DISTRICT

City of Northfield, Rice County, Minnesota

Adopted: November 20, 2012
Modification #1: July 23, 2019
Modification #2 Public Hearing: July 21, 2020





Table of Contents

Municipal Action Taken	3
Section 1 - Introduction	4
Section 2 - Development Program for the Southbridge Development District	5
Definitions	5
Statutory Authority.....	6
Statement of and Finding of Public Purpose	6
Statement of Objectives	7
Statement of Public Facilities and Costs to Be Financed	8
Funding of Developments and Redevelopments.....	8
Environmental Controls	8
Proposed Reuse of Property	8
Open Space to Be Created	9
Administration and Maintenance of Southbridge Development District.....	9
Rehabilitation	9
Relocation	9
Property Acquisition	10
Modification of the Development Program and/or Southbridge Development District ...	10
Description of Boundaries of Southbridge Development District	10
Appendix A: Map of Southbridge Development District.....	11



Municipal Action Taken

(This Municipal Action is only for convenience of reference.)

Based upon the statutory authority described in the Development Program attached hereto, the public purpose findings by the City Council and for the purpose of fulfilling the City's development objectives as set forth in the Development Program, the City Council has created, established and designated the Southbridge Development District pursuant to and in accordance with the requirements of the Municipal Development District Act and the TIF Act as defined in the definitions of this document.

The following municipal action has been taken in connection therewith:

Southbridge Development District

November 20, 2012: The Development Program for the Southbridge Development District was adopted by the City of Northfield.

July 23, 2019: The Development Program for the Southbridge Development District was modified to include the property within the Maple Brook Housing Tax Increment Financing District.

For consideration July 21, 2020: The Development Program for the Southbridge Development District was modified by the City of Northfield to enlarge the Development District to include the property within the Spring Creek II Tax Increment Financing District.

The Spring Creek Housing Tax Increment Financing District

November 20, 2012: The Tax Increment Financing Plan for the Spring Creek Housing Tax Increment Financing District was adopted by the City of Northfield.

October 20, 2015: The Tax Increment Financing Plan for the Spring Creek Housing Tax Increment Financing District was modified to include the updated property description.

The Maple Brook Housing Tax Increment Financing District

July 23, 2019: The Tax Increment Financing Plan for the Maple Brook Housing Tax Increment Financing District was adopted by the City of Northfield.

The Spring Creek Housing II Tax Increment Financing District

For consideration July 21, 2020: The Tax Increment Financing Plan for the Spring Creek II Tax Increment Financing District was adopted by the City of Northfield.



Section 1 - Introduction

The City of Northfield (the "City") has previously established a Development Program for the Southbridge Development District. The following text represents a Modification to the Development Program for the Southbridge Development District. The modification represents a continuation of the goals and objectives set forth in the Development Program for the Southbridge Development District. The substantive changes include enlarging the Development District to include the property identified within Appendix A and include the establishment of the Spring Creek Housing II Tax Increment Financing District, a housing tax increment financing district.



Section 2 - Development Program for the Southbridge Development District

Definitions

The terms defined below shall, for purposes of this Development Program, have the meanings herein specified, unless the context otherwise specifically requires.

"Authority" means the Housing and Redevelopment Authority in and for the City of Northfield.

"City" means the City of Northfield.

"City Council" means the City Council of the City of Northfield.

"Comprehensive Plan" means the documents which contain the objectives, policies, standards and programs to guide public and private land use, development, redevelopment and preservation for all lands and water within the City.

"County" means the County of Rice County, Minnesota.

"Development District" means the real property within the City constituting the Southbridge Development District, as described in the Development Program.

"Development Program" means this Development Program for the Southbridge Development District, as initially proposed, and as it shall be modified.

"Enabling Act" means Minnesota Statutes, 469.124 to 469.133, as amended and supplemented from time to time.

"Land Use Regulations" means all federal, state and local laws, rules, regulations, ordinances, and plans relating to or governing the use of development of land in the City, including but not limited to environmental, zoning and building code laws and regulations.

"Municipal Development District Act" means Minnesota Statutes, 469.124 to 469.133, inclusive, as amended.

"Public Costs" means the costs set forth in the Tax Increment Financing Plan, and any other costs eligible to be financed by Tax Increments under the TIF Act and the Enabling Act.

"Public Improvements" means the public improvements described in the Development Program and Tax Increment Financing Plan.

"State" means the State of Minnesota.

"Tax Increment Bonds" means any tax increment bonds or notes (as defined in the TIF Act) issued by the City to finance the Public Costs as stated in the Development Program for the Southbridge Development District and in the Tax Increment Financing Plans, and any obligations issued to refund such bonds.



"TIF Act" means Minnesota Statutes, Sections 479.174 through 479.1794, inclusive, as amended.

"Tax Increment Financing District" means any tax increment financing district presently established or to be established in the future in the Southbridge Development District.

"Tax Increment Financing Plan" or "Plan" means the Plans adopted by the City for any Tax Increment Financing District.

Statutory Authority

The City established the Southbridge Development District pursuant to the Enabling Act. It is authorized that the City will administer the Southbridge Development District and any tax increment financing districts.

Within the Southbridge Development District, the City plans to create one or more tax increment financing districts established pursuant to the Tax Increment Act to finance the affordable housing proposed for the Development District. The public improvements may be initially financed from other City sources, including, but not limited to the use of improvement bonds issued pursuant to Minnesota Statutes, Chapter 429, which sources the City may reimburse from tax increment proceeds derived from tax increment districts to be created with the Southbridge Development District.

The tax increment district or districts will be created at such time as will enable the City to capture the increase in taxable value of private improvements to be constructed within the Southbridge Development District.

Statement of and Finding of Public Purpose

In recent months, the City has been reviewing the future development of the community. This review has defined several important roles for the City of Northfield:

- Facilitating development activities that are compatible with overall community development objectives of the City.
- Removing the physical and economic barriers to development.
- Providing the infrastructure needed to support development.
- Providing sites for future development.

The City intends to use the powers allowed under the Enabling Act to fill these roles, to promote development and redevelopment throughout the City, and to pool resources in order to reduce financial barriers to providing decent housing and development opportunities.

The City has found that there is a need for development and redevelopment within the Development District based upon the following conditions:

1. The Development District requires active promotion, attraction, encouragement and development of economically sound commerce through government action.
2. The Development District contains vacant, unused, underused and inappropriately used land.
3. The Development District is an appropriate site for the development of affordable rental housing.

Therefore, the City has determined to exercise its authority to develop a program for improving the Development District to provide impetus for private development and redevelopment, to provide decent housing to residents, to maintain and increase employment, to provide infrastructure to serve citizens and employees of the City, to utilize existing land for potential redevelopment and to provide other facilities as are outlined in the Development Program.

The City has also determined that proposed developments to be assisted by the City would not occur solely through private investment in the foreseeable future. The City finds that the welfare of the City of Northfield, as well as the State of Minnesota, requires active promotion, attraction, encouragement and development of economically sound industry and commerce to carry out its stated public purpose objectives.

The City has also determined that any tax increment financing plans to be proposed herein will be consistent with the Development Program, and that the tax increment financing plans will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of the Development District by private enterprise.

Statement of Objectives

The City determines that it is necessary, desirable and in the public interest to establish, designate, develop and administer the Development District. The City determines that the establishment of the Southbridge Development District will provide the City with the ability to achieve certain public purpose objectives not otherwise obtainable in the foreseeable future without City intervention in the normal development process. The City seeks to achieve the following program objectives:

1. Promoting and securing the prompt development of property in the Development District in a manner consistent with the City's planning and with a minimal adverse impact on the environment, which property is less productive because of the lack of proper utilization and lack of investment, and thereby promoting and securing the development of other land in the City;
2. Facilitate the development of affordable rental housing, thereby meeting a broad range of housing needs in the City;
3. Securing the increase in value of property subject to taxation by the City, Independent School District No. 659 and Rice County, and any other taxing jurisdictions in order to better enable such entities to pay for public improvements and governmental services and programs required to be provided by them;

4. Securing the construction and providing of moneys for the payment of the cost of public improvements in the Development District, which are necessary for the orderly and beneficial development of the Development District; and
5. Providing and securing the development of increased opportunities for families to reside in quality rental housing, for senior citizens to choose from housing options which offer a wide array of services without regard to income, and for residents looking for affordable multi-family units.

Statement of Public Facilities and Costs to Be Financed

The preceding objectives will be promoted by providing improvements and opportunities within the Development District which may include various types of site improvements, land acquisition, redevelopment, demolition, parking, street, sewer, water and other public improvements. A description of the items of expenditure and the estimated costs can be found in the Tax Increment Financing Plans for the Tax Increment Financing Districts created within this Development District.

Funding of Developments and Redevelopments

To implement the established objectives, the City plans to utilize a number of public and private financing tools. Funding of the necessary activities and improvements in the Development District is expected to be accomplished through, and is not limited to, tax increment financing, special assessments, state aid for road construction, land write-down, and federal and state grants.

Any public facilities within the Development District will be financially feasible and compatible with longer range development plans. Any acquisition of property for the public improvements will be done to provide the impetus for private development within the Development District.

Environmental Controls

All municipal actions, public improvements and private development shall be carried out in a manner consistent with existing environmental controls and all applicable Land Use regulations.

Proposed Reuse of Property

The property in the Development District is currently owned by the Authority. The City expects the Authority to convey that property to a private developer, under a development agreement among the City, Authority and Developer. Under that agreement, the City and HRA will impose certain obligations on the Developer to construct certain affordable housing facilities, and the City will agree to provide certain tax increment financing assistance to facilitate that development.

As Modified July 23, 2019:

The Development Program contemplates that the City or Authority may acquire and reconvey property to another entity. Prior to formal consideration of the acquisition of any property, the City will require the execution of a binding development agreement with respect thereto and evidence that Tax Increments or other funds will be available to repay the Public Costs associated with the proposed acquisition. It is the intent of the City to negotiate the acquisition of property whenever possible. Appropriate restrictions regarding the reuse and redevelopment of property, as well as imposing certain obligations on the entity to construct certain affordable housing facilities, shall be incorporated into any development agreement to which the City is a party.

Open Space to Be Created

Any open space within the Development District will be created in accordance with the zoning and ordinances of the City.

Administration and Maintenance of Southbridge Development District

Maintenance and operation of the Development District will be the responsibility of the Finance Director. Each year, the administrator of the Development District will submit to the City Council the maintenance and operation budget for the following year.

The Finance Director will administer the Development District pursuant to the provision of the Enabling Act; provided, however, that such powers may only be exercised at the direction of the City Council. No action taken by the Finance Director pursuant to the above-mentioned powers shall be effective without authorization by the City Council.

Rehabilitation

The property in the Development District is currently vacant. After development, owners will be encouraged to maintain their property at a high standard.

Relocation

The property in the Development District is currently vacant and owned by the Authority; no relocation of any persons is required in connection with development of the Development District.

As Modified July 23, 2019:

Any person or business that is displaced as a result of the Development Program will be relocated in accordance with Minnesota Statutes, Sections 117.50 to 117.56. The City accepts its responsibility for providing for relocation assistance pursuant to the Enabling Act. No relocation of any persons is required in connection with the proposed development of the Development District.

Property Acquisition

The property in the Development District is currently owned by the Authority; no relocation of any persons is required in connection with development of the Development District.

As Modified July 23, 2019:

The City may acquire any parcel within the Development District including interior and adjacent street rights of way. Any properties identified for acquisition will be acquired by the City as the City may deem to be necessary or desirable to assist in the implementation of the Development Program. The City may acquire property by gift, dedication, condemnation or direct purchase from willing sellers in order to achieve the objectives of the Development Program. Such acquisitions will be undertaken only when there is assurance of funding to finance the acquisition and related costs.

Modification of the Development Program and/or Southbridge Development District

The City reserves the right to alter and amend the Development Program and the Tax Increment Financing Plans, subject to the provisions of state law regulating such action. The City specifically reserves the right to enlarge or reduce the size of the Development District and Tax Increment Financing Districts, the Development Program, the Public Costs and the amount of Tax Increment Bonds to be issued to finance such cost by following the procedures specified in Minnesota Statutes, Section 469.175, subdivision 4.

Description of Boundaries of Southbridge Development District

The Development District will include parcel 22.07.3.03.003 delineated in the Map located in Appendix A of this Development Program.

As Modified July 23, 2019:

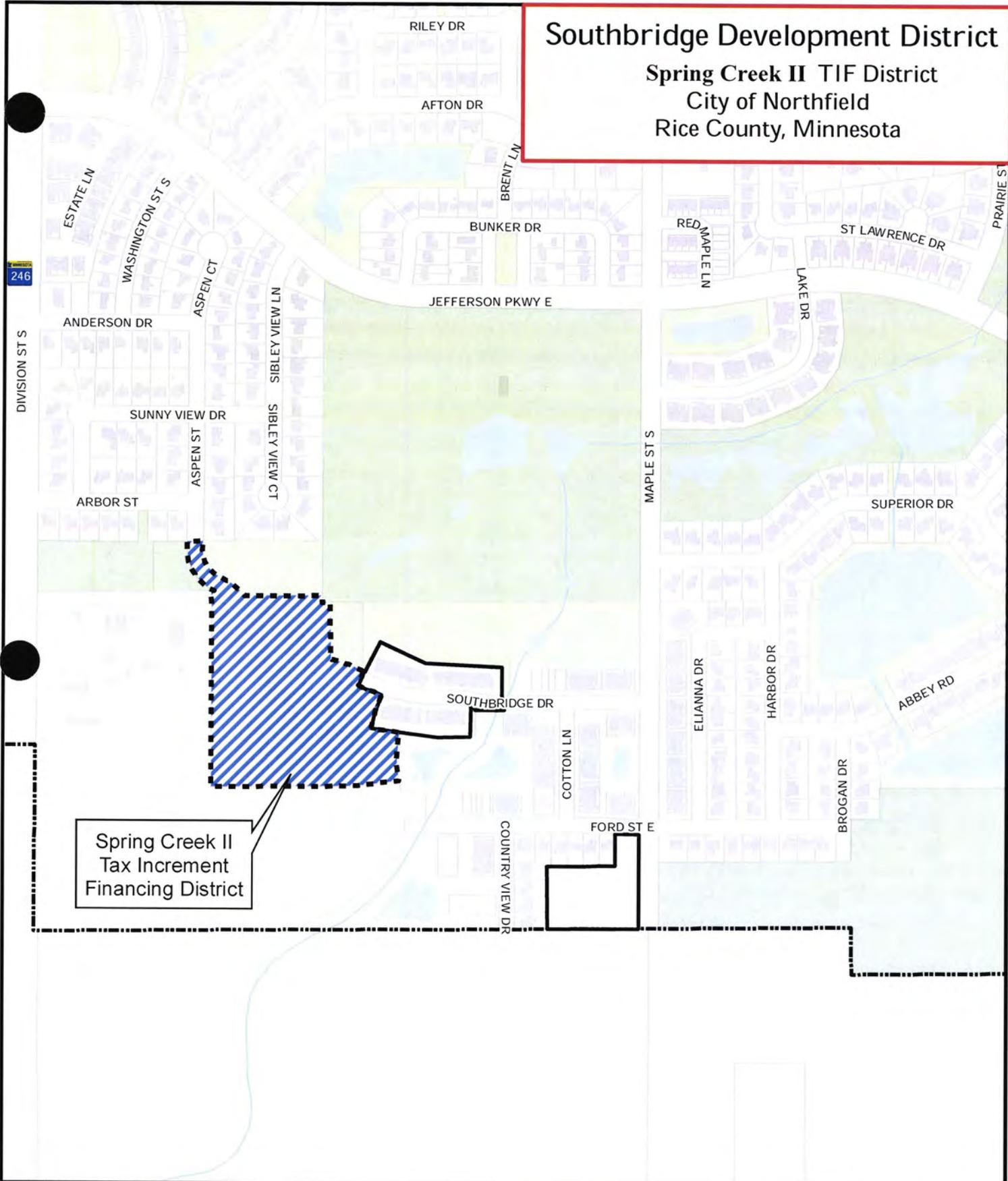
The boundaries of the Development District are hereby enlarged to include the property constituting the Maple Brook Housing Tax Increment Financing District.

As Modified July 21, 2020:

The boundaries of the Development District are hereby enlarged to include the property constituting the Spring Creek II Tax Increment Financing District. The enlarged Development District is shown on the map in Appendix A of this Development Program.

Appendix A: Map of Southbridge Development District

Southbridge Development District
Spring Creek II TIF District
City of Northfield
Rice County, Minnesota



Spring Creek II
 Tax Increment
 Financing District

-  Southbridge Development District
-  Southbridge Development District as expanded
-  Spring Creek II Tax Increment Financing District

Disclaimer: This information is to be used for reference purposes only.
 Property data from Dakota & Rice Counties is approximate and not legally binding.
 Contact the appropriate county with property corrections.

0 250 500 1,000 Ft





Legislation Text

File #: Res. 2020-065, Version: 1

City Council Meeting Date: July 21, 2020

To: Mayor and City Council
City Administrator

From: Nate Carlson, Economic Development Coordinator

Resolution to Approve Tax Increment Financing TIF Plan and District Boundaries for Housing TIF.

Action Requested:

The Northfield City Council shall consider approving Resolution Establishing the Tax Increment Financing (TIF) District Boundaries for the Three Rivers Community Action TIF Request.

Summary Report:

Three Rivers Community Action, Incorporated is requesting Tax Increment Financing (TIF) incentives from the City of Northfield to assist with a major planned housing development. The project has the potential to increase affordable housing options in Northfield by implementing the second phase of the Spring Creek Townhome development. The developer, Three Rivers, has worked with the HRA over the past few years to secure Low-Income Housing Tax Credits for the Spring Creek II project. The HRA will be contributing land to the development. The developer received confirmation last fall that their project was chosen for these tax credits.

Staff determined that a Housing Development Tax Increment Finance District would facilitate the needs of this project and has been working with Ehlers, Inc. to review the TIF application.

The Council is requested to approve the TIF Plan and District boundaries only. A TIF Assistance Agreement will be drafted at a later date following additional review of the financials for the project.

Alternative Options:

N/A

Financial Impacts:

- TIF Amount Requested: 26 years of TIF (Amount to be determined)
- Type of TIF District: Housing Development District (26-year Maximum District Life)
- TIF Uses: Site improvements, construction and engineering and assistance with annual cash shortfall
- TIF Funding Structure: "Pay-as-you-go." The Developer will incur all upfront costs and be reimbursed over time.
- Property contribution of 4.5 acres reduces the land owned by the HRA

Tentative Timelines:

June 5 - Rice County and Northfield School District notified of draft TIF Plan

June 23 - HRA reaffirms support for property contribution and the use of TIF

June 24 - Planning Commission reviews TIF conformance with City Plan

July 8 - Publication of notice of public hearing for Business Subsidy

July 21 - Council holds public hearing on Business Subsidy/TIF

July 21 - Council consideration of Resolution approving TIF Plan and District

TBD - Council approves TIF Agreement

TBD - HRA contribution of property