

**CITY OF SHOREVIEW
AGENDA
REGULAR CITY COUNCIL MEETING
SEPTEMBER 17, 2012
7:00 P.M.**

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

APPROVAL OF AGENDA

PROCLAMATIONS AND RECOGNITIONS

--EQC Green Community Awards Ceremony

CITIZENS COMMENTS - *Individuals may address the City Council about any item not included on the regular agenda. Specific procedures that are used for Citizens Comments are available on notecards located in the rack near the entrance to the Council Chambers. Speakers are requested to come to the podium, state their name and address for the clerk's record, and limit their remarks to three minutes. Generally, the City Council will not take official action on items discussed at this time, but may typically refer the matter to staff for a future report or direct that the matter be scheduled on an upcoming agenda.*

COUNCIL COMMENTS

CONSENT AGENDA - *These items are considered routine and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember so requests, in which event the item will be removed from the Consent Agenda and placed elsewhere on the agenda.*

1. September 4, 2012 City Council Meeting Minutes
2. Receipt of Committee/Commission Minutes—
 - Planning Commission, August 28, 2012
 - Bikeways and Trails Committee, September 6, 2012
3. Monthly Reports
 - Administration
 - Community Development
 - Finance
 - Public Works
 - Park and Recreation

4. Verified Claims
5. Purchases
6. Extension of Minor Subdivision—Alysa DeLange, 5790 Fairview
7. Extension of Minor Subdivision—Tor Unstad, 5108 Lexington Avenue
8. Comprehensive Sign Plan—TCF Bank, 3836 Lexington Avenue North
9. Developer Escrow Reductions

PUBLIC HEARING

10. Public Hearing — Proposed Economic Development Assistance (Business Subsidy) for PaR Systems, Inc., 655 County Road E West--- Authorizing the Execution of a Development Agreement for Tax Increment Financing to Support Expansion Project
11. Public Hearing — Modification of Municipal Development District No. 2, Adoption of Tax Increment Financing Plan for the Establishment of Tax Increment Financing District No. 9 (Economic Development District) and Authorizing the Execution of a Development Agreement for Tax Increment Financing to Support Expansion Project by TSI, Incorporated, 500 Cardigan Road
12. 2012 Assessment Hearing—Buffalo Lane Reconstruction, CP 11-09

GENERAL BUSINESS

13. Site and Building Plan Review—PAR/Mission Construction, 655 County Road E

STAFF AND CONSULTANT REPORTS AND RECOMMENDATIONS

SPECIAL ORDER OF BUSINESS

ADJOURNMENT

**CITY OF SHOREVIEW
MINUTES
REGULAR CITY COUNCIL MEETING
September 4, 2012**

CALL TO ORDER

Mayor Martin called the regular meeting of the Shoreview City Council to order at 7:00 p.m. on September 4, 2012.

PLEDGE OF ALLEGIANCE

The meeting opened with the Pledge of Allegiance.

ROLL CALL

The following members were present: Mayor Martin; Councilmembers Quigley and Wickstrom.

Councilmembers Huffman and Withhart were absent.

APPROVAL OF AGENDA

Mayor Martin stated that the public hearing for tax increment financing for Midland Terrace has been postponed. A new public hearing notice will be published when that matter is to be considered.

MOTION: by Councilmember Quigley, seconded by Councilmember Wickstrom to approve the August 20, 2012 agenda as submitted.

VOTE: Ayes - 3 Nays - 0

PROCLAMATIONS AND RECOGNITIONS

There were none.

CITIZEN COMMENTS

There were none.

COUNCIL COMMENTS

Mayor Martin:

The pool closed today and will be closed until September 21st for maintenance work. The rest of the Community Center is open.

After a request for pickle ball, two sets of courts have been lined for pickleball--one at Shamrock Park and one at the Commons.

The Mounds View School Education Foundation will hold an event, *Rock the Schoolhouse*, on Friday, November 9, 2012, at 7:00 p.m., Silverwood Park in St. Anthony. All are invited.

Councilmember Wickstrom:

One resident in Shoreview has put together a neighborhood directory as part of *Night to Unite*. Councilmember Wickstrom stated that if anyone else is interested to contact her and she will send the template for it. Contact her at ady@adywickstrom.com.

Beyond the Yellow Ribbon will meet Thursday, September 20, at Roseville City Hall, at 7:00 p.m. Focus will be on the faith-based community. Church members from all churches are invited to learn what support can be given to military families.

CONSENT AGENDA

MOTION: by Councilmember Wickstrom, seconded by Councilmember Quigley to approve the Consent Agenda, for August 20, 2012, and all relevant resolutions for all item Nos. 1 through 9:

1. August 13, 2012 City Council Workshop Meeting Minutes
2. August 20, 2012 City Council Meeting Minutes
3. Receipt of Committee/Commission Minutes
 - Economic Development Authority, July 9, 2012
 - Economic Development Commission, July 17, 2012
 - Planning Commission, July 24, 2012
 - Park and Recreation Commission, August 23, 2012
 - Environmental Quality Committee, August 27, 2012
4. Verified Claims in the Amount of \$557,806.75
5. Purchases
6. Approval of Application for Exempt Permit - Emmet D. Williams Elementary PTA
7. Developer Escrow Reduction
8. Approval Final Payment - 2012 Street Seal Coat Project, CP 12-05
9. Approval of Community Center Rate Adjustments

VOTE: Ayes - 3 Nays - 0

PUBLIC HEARINGS

There were none.

GENERAL BUSINESS**ITEMS RELATED TO 2013 TAX LEVY AND BUDGET****A. ADOPT PRELIMINARY TAX LEVY****B. ESTABLISH DATES FOR BUDGET HEARING****Presentation by Assistant Finance Director Fred Espe**

The budget process requires that a preliminary levy be certified to Ramsey County by September 15th. The City Council will then hold budget workshops in September and November. Ramsey County mails estimated tax statements between November 10th and November 22nd. Staff proposes that the City public hearing for the 2013 budget be held on December 3, 2012, and adoption of budget and tax levy on December 17, 2012.

The goals of the tax levy include: 1) maintain existing services, programs and infrastructure; 2) meet existing debt obligations; 3) support capital replacements; 4) an efficient use of tax dollars. The preliminary levy proposed is \$77,470 lower than the 2013 biennial budget adopted last fall. The proposed levy increase for 2013 is 3.31%. Inclusion of the Economic Development Authority (EDA) and Housing Redevelopment Authority (HRA), the increase is 3.41%. The total dollar amount increase is \$314,481. The increase is 1.4% over the two-year budget cycle period.

The median home property value for 2013 taxes is \$222,200, a 5.7% drop in value from 2012. If a residential property decreased in value by the 5.7% amount, this change is equal to a \$26 increase for the Shoreview portion of taxes.

Adoption of the preliminary tax levy sets the maximum levy for 2013. The City Council may make reductions at final adoption but may not increase the levy above the amount set at adoption of the preliminary levy.

Councilmember Wickstrom noted that the majority of increased expenses are due to fire and police protection services.

Councilmember Quigley stated that of the 15 items impacting the levy, 12 were increases and 4 were decreases from the 2012 budget. He is satisfied that the budget is accomplishing the City's goals. The City's prudent operations do not leave large items that can be reduced.

City Manager Schwerm indicated that two items driving the General Fund levy are fire and police protection. The City contracts with Ramsey County for police service, and that budget is increased in 2013 by about 3%, as a result of adding a relief deputy. The Fire Department is continuing to add duty crew hours at the fire stations. This is a six-year program to staff the stations. The program is being implemented over time to reduce the impact to taxes. Staffed stations are able to respond to all medical calls. Beginning next year, the only hours not covered will be overnight hours. The levy is up 3.4% but was originally planned at 4.2%. Last year the

levy was reduced by 0.6%. This works out to 2.8% increase over the biennium, or 1.4% each year.

The second item driving the levy increase is increases to the Street Renewal Fund used for rebuilding streets as well as the Fixed Asset Revolving Fund used to replace all City assets from fire equipment and computers to playground equipment and trails.

Mayor Martin emphasized that the preliminary levy is a not-to-exceed amount. Last year a two-year budget was adopted. The budget for 2013 was estimated closely and turns out to be approximately \$77,000 less. More details will be presented at the public hearing.

Councilmember Wickstrom noted that it is critical that sufficient funds be in the Street Renewal Fund because that enables the City to pick up a greater portion of the cost when streets are improved. The City is able to maintain a policy that the homeowner pays the first time for road improvements, but the City pays subsequent improvements.

Mayor Martin added that there are only a few first-time roads left after which all road work will be at City cost.

MOTION: by Councilmember Quigley, seconded by Councilmember Wickstrom to adopt resolution number 12-78 establishing a preliminary City tax levy of \$9,604,567, and a preliminary HRA tax levy of \$75,000 for collection in 2013.

ROLL CALL: Ayes: Quigley, Wickstrom, Martin
Nays: None

MOTION: by Councilmember Wickstrom, seconded by Councilmember Quigley to set a public budget hearing for Monday, December 3, 2012, at 7:00 p.m. to discuss the 2013 City budget, tax levy and capital improvement program.

ROLL CALL: Ayes: Wickstrom, Quigley, Martin
Nays: None

AGREEMENT FOR LEGAL SERVICES

Presentation by City Manager Terry Schwerm

The Council is asked to approve an engagement letter from the Kelly & Lemmons law firm for city attorney services for both civil law and prosecution services. City Attorney Filla has moved from the Peterson, Fram, & Bergman firm to Kelly & Lemmons. Staff believes that the Kelly & Lemmons firm will be better for the City because of their extensive background in municipal service. The agreement maintains the existing rate structure for attorney services that has been in place for several years. Staff is recommending approval.

City Attorney Filla stated that he is pleased with the move. There is more opportunity to discuss ideas with colleagues and do more government work, which is his special interest.

Councilmember Wickstrom stated that with the experience of Kelly & Lemmons in municipal work, the City will have backup staff that can easily step in if necessary. Should City Attorney Filla decide to retire, the City will be working with a law firm that can continue to provide quality legal service.

MOTION: by Councilmember Quigley, seconded by Councilmember Wickstrom to approve the engagement letter for City Attorney services with Kelly & Lemmons, P.A.

ROLL CALL: Ayes: Quigley, Wickstrom, Martin
Nays: None

ADJOURNMENT

MOTION: by Councilmember Quigley, seconded by Mayor Martin to adjourn the meeting at 7:27 p.m.

VOTE: Ayes - 3 Nays - 0

Mayor Martin declared the meeting adjourned.

THESE MINUTES APPROVED BY COUNCIL ON THE __ DAY OF _____ 2012.

Terry C. Schwerm
City Manager

**SHOREVIEW PLANNING COMMISSION MEETING
MINUTES
August 28, 2012**

CALL TO ORDER

Chair Solomonson called the meeting of the August 28, 2012 Shoreview Planning Commission meeting to order at 7:00 p.m.

ROLL CALL

The following members were present: Chair Solomonson; Commissioners, Ferrington, McCool, Proud, Schumer, Thompson and Wenner.

APPROVAL OF AGENDA

MOTION: by Commissioner Schumer, seconded by Commissioner Ferrington to approve the August 28, 2012 agenda as submitted.

VOTE: Ayes - 7 Nays - 0

APPROVAL OF MINUTES

The following corrections were made:

Page 1: Under Roll Call, it should be noted that Commissioners Schumer and Wenner arrived late.

Page 3: The vote total should be 5 Ayes and 1 Nay.

MOTION: by Commissioner McCool, seconded by Commissioner Schumer to approve the July 24, 2012 Planning Commission minutes as amended.

VOTE: Ayes - 5 Nays - 0 Abstain - 2 (Ferrington, Wenner)

REPORT ON COUNCIL ACTIONS

Presentation by City Planner Kathleen Nordine

The City Council approved all the applications associated with the Development Stage Review PUD for Lakeview Terrace. The applicant has 60 days to submit a final Plat and Final Stage PUD.

OLD BUSINESS

VARIANCE /MINOR SUBDIVISION – EXTENSION

File No: 2425-11-18

Applicant: Alysa B. DeLange and Jessica Jimenez

Location: 5790 and 5784 Fairview

Presentation by Senior Planner Rob Warwick

This application for a variance and minor subdivision was reviewed and approved by the Planning Commission and City Council in August and September of 2011, for these two adjacent properties. The variance reduces the minimum 5-foot side setback for the existing driveway. The subdivision adjusts the common lot line between the two properties. The Council approved the minor subdivision in September 2011. However, the mortgage holder has not agreed to the boundary adjustment, and so the subdivision cannot yet be recorded with Ramsey County. The applicants have requested an extension of the approvals for one year in order to resolve the issue. The subdivision remedies existing encroachments, and no site alterations are proposed. The resulting parcels comply with the R1 District standards. With the boundary adjustment, the existing houses comply with the side setback requirement of 10 feet.

MOTION: by Commissioner Proud, seconded by Commissioner Schumer to extend the variance approved for Alysa DeLange, 5790 Fairview Avenue reducing the required 5-foot side yard setback for an existing driveway to 1-foot from the new property line. Resolution 11-52 has been recorded at Ramsey County. Said extension is for a one-year period to August 28, 2013. Conditions attached to the variance approval shall remain in effect.

VOTE: Ayes - 7 Nays 0

NEW BUSINESS

SITE AND BUILDING PLAN REVIEW

File No: 2453-12-16

Applicant: TSI Incorporated / Loucks Associated

Location: 500 Cardigan Road

Presentation by City Planner Kathleen Nordine

The request is for approval of a proposed parking lot extension. This application is the first phase of an overall facility expansion for TSI. The TSI property is zoned I, Industrial. Surrounding land uses include R3 Multi-family residential to the south; R1 single-family residential to the east; railroad tracks to the north; and I, Industrial to the west. The minimum setback for parking is 20 feet from residential property. The expansion would provide 204 parking stalls for TSI. Access is from two curb cuts off Cardigan Road. An internal connection between the existing parking area and the new parking area will be provided. According to

Code, the minimum number of parking spaces required for TSI is 533; 551 stalls are proposed to meet the growing demand of the company. The proposed parking lot meets all minimum setback requirements. The City requires that 20% of the parking space have landscaped islands. That amount can be reduced to 10% with the use of Best Management Practices. TSI proposes 7% and believes that reducing parking by 16 spaces to achieve the 10% would compromise the parking needed by their growing company. An elongated center island is proposed as well as additional landscaping along the southern property line to provide screening for Shoreview Oaks Apartments.

The proposed storm water management system would be an underground infiltration basin to manage the rate and volume of runoff. Storm water from the basin would be discharged to an existing storm water City pipe at the southern end of the property. With the expanded parking, impervious surface will be at 78%, which is within the 80% minimum. The later building expansion could raise impervious surface to 84%, which will require a variance.

A number of residents expressed concern about storm water drainage. In the past, TSI enhanced the storm water pond, which, to Staff's knowledge resolved many issues.

The Environmental Quality Committee (EQC) has reviewed the plan and provided comment on storm water management, water quality and tree management.

Residents within 350 feet were notified of the proposal. Concerns expressed pertain to operation noise, lighting, alarms and snowplowing. The majority of concerns relate to storm water management and potential flooding of residential property. TSI held a neighborhood meeting on August 22nd.

Staff finds that the site plan for parking complies with City policies, zoning, storm water management and setback requirements. Staff does not believe there will be a negative impact and recommends the Planning Commission forward this proposal to the City Council for approval.

Commissioner Ferrington asked about space for the removal of snow. Ms. Nordine noted that TSI owns a vacant parcel across the street but deferred to the applicant for an answer. Commissioner Ferrington asked also if the roof runoff from the building expansion would be draining to the pond in the southeast corner. Ms. Nordine answered, yes, and that staff has determined that the pond has the capacity for that added drainage.

Commissioner McCool asked the reason the two applications are separate. The Commission is being asked to approve parking for a building plan that has not been reviewed, and that building plan may require a variance for impervious surface. Ms. Nordine explained that the reason is the construction schedule relating grading and parking.

Chair Solomonson asked if storm water drainage to the existing pond would be increased. Ms. Nordine explained that drainage to the pond will actually be reduced, as the runoff from the parking area will be channeled to the underground storm water basin. Chair Solomonson asked about the functioning of the pond and City pipe. Ms. Nordine stated that the pond has flooded in

large rain events. TSI made enhancements to the pond and to Staff's knowledge no problems occurred until 2011, when the rain event was so large that the system was inadequate.

Commissioner Proud asked if the existing storm water system is sufficient to accommodate this proposal. Ms. Nordine stated that the City Engineer and Public Works Director have reviewed and calculated the runoff and determined that the system is sufficient. Catch basins will channel the water to the underground basin where it is piped with existing infrastructure to a storm water pipe on the south side of the property.

Commissioner Ferrington asked if the drainage from the City pipe might flood the pond downstream and threaten surrounding residential property. Ms. Nordine stated that the City Engineer did review that portion of the system and determined that the system is sufficient.

Mr. Peter Coyle, Attorney for TSI, introduced Floyd Graebel, General Counsel; Paul Girard, Facilities Manager; and Chad Lockwood, Civil Engineer. He explained that the parking phase is ahead of the building expansion because of impending winter. TSI is mindful of the interconnectedness of drainage issues with the parking and building phases and will continue to work with staff to address drainage issues.

Commissioner Ferrington suggested that the use of pavers or a pervious surface for parking would eliminate exceeding the amount of impervious surface allowed. **Mr. Coyle** stated that it is TSI's preference to eliminate the need for a variance.

Chair Solomonson asked for an update of the neighborhood meeting that was held. **Mr. Paul Girard** stated that approximately a dozen neighbors attended the meeting. Parking, drainage and the building appearance were all discussed. Concerns expressed were about drainage, headlights, snow removal and lock key noise. Up to this time snow has been pushed to the location of the new proposed building expansion. It is anticipated that at first, some parking space can be used. As the company grows, it will have to be hauled off site.

Commissioner Thompson asked what was discussed with the neighbors regarding drainage. **Mr. Girard** stated that the underground catch basin was explained and how that would keep the southeast basin from overflowing.

Mr. Chad Lockwood, Lockwood Associates, Civil Engineer, stated that currently the soil is sandy clay, which limits the amount of runoff that can be accommodated. Drainage will flow to the southeast basin and then through a City storm water pipe. The release from the infiltration basin is gauged to the current volume rate.

Commissioner Proud asked the maximum water load that could drain from this site. Mr. Lockwood stated that a hydrologic analysis has been done. A 6-inch pipe for a 100 year event is the standard and will be used. Commissioner Proud stated that the standard dates back to the 1960s, and he does not believe it will work.

Commissioner Thompson asked for more information about the event in 2011 that flooded the area. Mr. Warwick stated that about 6 inches of rain fell in a 2-hour period. The system is built

to handle 6 inches of rain in a 24-hour period. Ms. Nordine added that the 2011 event issues were not specific to this site but caused problems throughout the City.

Commissioner Proud requested that a maintenance plan be in place when this matter is considered by the City Council. Mr. Lockwood stated that there will be a maintenance agreement with the City.

Commissioner McCool asked about hazardous materials draining into the system. Mr. Lockwood stated that the underground system has sumps to prevent polluting materials from moving through the system.

Chair Solomonson opened the discussion to public comment.

Ms. Joan Hendrickson, 3519 Cohansey Street, stated that her house was flooded last year. It was the third time it happened. Her concern is that the expanded parking lot will mean more water draining toward their property. There were ruts in her yard. Even after new sod last year, the yard is rutted. Every time it rains because water backs up through the drains. Water comes on three sides of her house. She also gets water from the top of the hill. She does not believe this proposal will address her situation.

Ms. Mary Fensky, 3515 Cohansey Street, stated that the northwest corner of her property touches the southeast corner of the TSI property. She also has flooding concerns. There is a pipe that runs to the holding pond that is being ignored. At present, the holding pond is clogged with so much debris that it is hard to see water. The pipe cannot handle a big storm, and the roof runoff is directed to this holding pond. One event had 5 feet of water running between her property and the Hendricksons. There was a geyser of water shooting out a manhole at least 10 feet in the air on Cohansy. The pond was not expanded until she and her husband threatened a lawsuit. The expansion is not enough because it flooded again in 2011. The problem is not solved and even with an underground basin, the same pipe that has overflowed in the past is not being addressed. An independent engineer is needed to look at these issues. The 100-year benchmark has happened three times since she has lived in her house. Storms have intensified over the last 10 years. Allowing a variance will ignore the minimal standards still being used that date from the 1960s. She showed Commissioners a photograph of the pond that has debris and 4 trees growing in it. She would suggest that further review of this plan be done to find out what data the information presented is relying on. She suggested an escrow account for TSI for potential flooding of homes. She suggested another holding pond on the other side of the property that would drain through a different pipe in a different direction.

Mr. Paul Girard, TSI, stated that water from the apartments flows across TSI property. TSI and the City of Shoreview spent money to improve the holding pond on the southeast corner of the property. The plan for the infiltration chamber will slow the rate of water flow. The chamber will be made with porous material. The parking lot will be graded for runoff to flow to the infiltration chamber. Steps have been taken to reduce water flow. The pond is designed with vegetation to slow the water flow.

Commissioner McCool asked where the reduction of rate and volume is being measured, as the problems seem to come from the pipe capacity, not the pond. Mr. Lockwood stated that flows are being reduced at all discharge points in all directions. The rate is decreased but not the volume, which is being increased.

Commissioner McCool noted the EQC suggestion to oversize the infiltration chamber. Mr. Lockwood stated that the system would have to increase 40% if all drainage were to go through the infiltration system.

Commissioner Proud asked if an outlet to the north was considered. Mr. Lockwood answered; that he wooded area north would severely limit drainage to the north.

Commissioner Ferrington stated that she wants the project to move forward, but more creative solutions are needed. She suggested that temporary parking might be provided on the vacant parcel owned by TSI.

Commissioner Proud agreed and added that he does not want to see this project hurt the neighbors. He asked if the parking lot approval could be deferred to the time the building expansion is proposed because more studies need to be done. He feels pressured to approve but is not confident in the calculations. Mr. Girard explained that the staging is based on weather. With the excavation needed for the infiltration system, the contractor has given a work time frame of mid-September to mid-November. He added that there is not enough parking currently. Parking is occurring in drive aisles. With winter and snow removal, the parking spaces will be needed. In order for the grading to be correct for drainage, 36 parking spaces will be lost immediately upon the beginning of construction.

Ms. Fensky stated that there is not enough specificity. The existing rate benchmark is not good enough. It is faulty and needs to be examined. She understands the need for TSI to expand, but she is also concerned about property values and residents' ongoing fear of flooding. Neighbors want independent assurance from engineers that the storm water management is going to work.

Commissioner Wenner stated that he does not have enough information to vote on this proposal. TSI is a great corporate citizen, but individual property owners are experiencing water, which is coming from somewhere and must be addressed.

Chair Solomonson stated that the professional engineers are dependent on the standard practices. He asked what liability there would be to the City or TSI, if flooding occurs. City Attorney Filla stated that there is a potential problem if the system cannot be served by the City's sewer system. Ms. Nordine stated that the Public Works Director and City Engineer looked at the City's storm water pipe on the south side and determined that it is sufficient for this project and that there will be a reduction in rate.

Commissioner McCool stated that he is sympathetic to the neighbors' problems, but it is not fair to ask the applicant to second guess beyond the standards that have been met as per the Code. His main concern is that money will be wasted on the proposed parking lot without approval of

the requested building expansion that will exceed the City's maximum of 80% impervious surface.

Commissioner Proud agreed that the parking lot should be considered at the same time as the building expansion. In the face of the failure of the system three times, a higher standard is needed. The fact that the proposed system is adequate to the current standard is not suitable because it is 51-year-old data. He is not certain that is the standard that should be used. Staff needs to confirm that the standards are sufficient and that the system will handle the capacity of water. He would like to see the matter tabled this matter until the next regularly scheduled Planning Commission meeting, so that the building and parking lot can be reviewed at the same meeting. If the matter is denied, the Planning Commission would not have another opportunity to review further solutions.

Commissioner Ferrington stated that she does not like the staged plan because the next stage will add water to a system that already has problems. Approving the parking area and then a variance to increase the impervious area is not comfortable scenario, if the water issues have not been adequately addressed. The standard being applied does not address the entire surface area. The problem is not just from TSI but from the hill. She would like to see the whole problem addressed.

Commissioner Schumer stated that both applications should be considered together. But he stated that he is not an engineer. The City engineers have done their due diligence in this matter, but it is a dilemma. He is confident staff will continue to work on all the issues.

Commissioner Thompson asked if the City Engineer had the testimony of neighbors and whether that would change their determination. Ms. Nordine stated that the Public Works Director and City Engineer have met with the neighbors and have first-hand knowledge of the issues raised. In looking at the plan, the proposed drainage system meets City standards and will accommodate the project. She does not believe all the problems presented are from the TSI property.

Ms. Fensky stated that the City Engineer needs to be present to testify and be questioned directly by the Commission and neighbors.

Mr. Coyle stated that there will be another chance to revisit these issues in the next application. He requested that the project move forward with a vote. He assured the Commission that TSI will continue to work to resolve the issues presented.

Chair Solomonson stated that the infiltration basin will make the system work better. He depends on the engineer's analysis. The infiltration basin is pervious surface, and the building application may drop to 80% or less. He stated that he supports staff's analysis.

MOTION: by Commissioner Schumer, seconded by Commissioner McCool, to recommend the City Council approve the Site and Building Plan request submitted for TSI, Incorporated, 500 Cardigan Road for the first phase of a two-phased project. Approval is granted for the expansion of the parking lot and associated improvements. Said approval is subject to the following:

1. The site shall be developed in accordance with the plans submitted. Minor modifications may be made to the plans, subject to approval by the City Planner. Significant changes to the plans require review and approval through the Site and Building Plan review process.
2. Approval of the final grading, drainage, utility, and erosion control plans by the Public Works Director. Items identified in the attached memo from the Assistant City Engineer shall be satisfied prior to the issuance of a building permit for the parking lot expansion.
3. Revisions to the tree preservation and landscape plans shall be made in accordance with the attached memo from the Environmental Officer prior to the issuance of a building permit for this project.
4. Lighting on site shall comply with Section 204.030, Glare, of the Development Code. Details of the proposed pole, pole height and light fixture shall be submitted to the staff prior to the issuance of a building permit. .
5. The applicant shall enter into a Site Development Agreement prior to the issuance of any building permits for this project.
6. The Building Official is authorized to issue a building permit for the project.

Discussion:

Commissioner Proud asked if Commissioners Schumer and McCool would lay aside this motion in order for him to move to table this matter. Commissioners Schumer and McCool withdrew the motion.

MOTION: by Commissioner Proud to table this matter to the next regularly scheduled Planning Commission meeting.

The motion died for lack of a second.

MOTION: by Commissioner Schumer, seconded by Commissioner McCool to recommend the City Council approve the Site and Building Plan request submitted for TSI, Incorporated, 500 Cardigan Road for the first phase of a two-phased project. Approval is granted for the expansion of the parking lot and associated improvements. Said approval is subject to the following:

1. The site shall be developed in accordance with the plans submitted. Minor modifications may be made to the plans, subject to approval by the City Planner. Significant changes to the plans require review and approval through the Site and Building Plan review process.
2. Approval of the final grading, drainage, utility, and erosion control plans by the Public Works Director. Items identified in the attached memo from the Assistant City Engineer shall be satisfied prior to the issuance of a building permit for the parking lot expansion.
3. Revisions to the tree preservation and landscape plans shall be made in accordance with the attached memo from the Environmental Officer prior to the issuance of a building permit for this project.
4. Lighting on site shall comply with Section 204.030, Glare, of the Development Code. Details of the proposed pole, pole height and light fixture shall be submitted to the staff prior to the issuance of a building permit. .
5. The applicant shall enter into a Site Development Agreement prior to the issuance of any building permits for this project.

6. The Building Official is authorized to issue a building permit for the project.

ROLL CALL: Ayes: 3 (McCool, Schumer, Solomonson)
Nays: 4 (Ferrington, Proud, Thompson, Wenner)

MOTION: by Commissioner Proud, seconded by Commissioner Ferrington to deny the motion based on the testimony of the community.

ROLL CALL: Ayes: 4 (Ferrington, Proud, Thompson, Wenner)
Nays: 3 (McCool, Schumer, Solomonson)

Chair Solomonson called a five-minute break and then reconvened the meeting.

FINDING OF CONFORMANCE TO GENERAL PLANS OF CITY FOR PROPOSED TIF DISTRICT NO. 9-TSI, INCORPORATED EXPANSION PROJECT

Presentation by City Planner Kathleen Nordine

State law requires the Planning Commission to find creation of a tax increment finance district in compliance with the City's Comprehensive Plan. The proposed TIF District will support eligible costs associated with the building addition and parking lot expansion. This project qualifies as a 9-year Economic Development TIF District. The use conforms with industrial land use and the zoning designation. The plan supports the City's goal to retain and provide expansion opportunities for existing businesses. Such expansion will provide livable wage jobs, maintain the tax base to generate revenue and support the economic vitality of the City. The City Council and Economic Development Authority have given preliminary approval for the new TIF District.

Statutes require that the Planning Commission find that the new TIF District conforms to the City's Comprehensive Plan. Staff is recommending approval.

Commissioner McCool noted that TIF will be used for site improvements and storm water, but not for building improvements. Ms. Nordine stated that is correct. TIF is being used for storm water management, but it will only be marginal improvements. One of the requirements in the Comprehensive Plan is improvement of storm water management. He questioned the use of TIF for this plan. He noted the listed \$1,980,000 eligible costs. He asked what other items are included for TIF financing.

Mr. Coyle stated that the use of TIF financing can only be used for eligible items.

Mr. Girard explained that originally the company requested a 15-year TIF District that would have allowed renovation of the existing building. However, inspections have shown the building to be in too good a shape to qualify. The project only qualifies for a 9-year TIF District for site improvements, which allows for footings, site preparation, storm water management and the parking lot.

Commissioner Ferrington noted that \$300,000 was quoted for the infiltration system. She asked if the system could be expanded with added TIF dollars. Mr. Girard stated that TIF financing is part of the overall budget, and he cannot answer whether more TIF dollars can be used for the drainage system.

MOTION: by Commissioner Proud, seconded by Commissioner Wenner to adopt Resolution No. 12-74, finding that the modification to Development District No. 2 and Tax Increment Financing Plan for the proposed creation of Tax Increment Financing District No. 9 (an Economic Development District) for the expansion project by TSI, Incorporated conform to the general development and redevelopment plans of the City.

VOTE: Ayes - 6 Nays - 1 (McCool)

COMPREHENSIVE SIGN PLAN

File No: 2456-12-19
Applicant: TCF Bank
Location: 3836 Lexington Ave North

Presentation by Senior Planner Rob Warwick

The existing Sinclair site will be removed and rebuilt by TCF Bank. The proposed sign plan for the site includes: 1) three wall signs, 2) a pylon sign with an integrated message center, 3) two illuminated window signs will display “Open” and 4) traffic direction signs.

Wall signs will be on the north, east and west sides of the building. The wall signs are small, 3% to 4% of each wall elevation area. Code limits the number of wall signs to one, unless the property has frontage on more than one arterial street. The only arterial street is Lexington Avenue. On the northwest corner of the site, TCF has granted an easement for a gateway monument sign for the commercial area at Lexington and Red Fox Road. The TCF Bank pylon sign is proposed southwest of the bank building with a 20 feet height, and an area of 30 square feet that includes a 10-square foot messenger center sign. The messenger center will give time and temperature and other information. Nine traffic directional signs on the site relate to traffic flow. The Public Works Director has reviewed the plan and commented that directional signs be kept out of the road right-of-way because of future road improvements.

The following criteria for reviewing a sign plan should be considered: Location, materials, size, color and illumination. Staff recommends approval of the proposed plan since the plan is consistent with the City’s review criteria. Uniform colors and materials are used. The message center sign is reasonable for this property. In regard to the wall signs, staff finds there is practical difficulty because of the access restrictions to the site. The signs proposed conform to City sign standards.

Property owners within 350 feet were notified of the sign plan. No comments were received.

Commissioner Proud noted that the sign size for the illuminated “Open” and “Closed” sign is 10 inches by 5 feet and asked what else is included in the sign. Mr. Warwick stated that originally the words, “western union” were going to be used, but they have been dropped.

Mr. Mike Kraft, HGT. Architects, stated that the illuminated wall sign will only say, “Open.” It measures approximately 1 foot by 2 feet.

Chair Solomonson asked if there will be additional directional signs on the site. **Mr. Kraft** stated that there will be additional directional signs at the drive-through.

Chair Solomonson noted that although message center signs are not permitted in the City, staff has restricted use to 1 color, 10 seconds, and these signs will not be flashing.

Commissioner McCool asked the meaning of condition No. 2 in the motion, which requires that messages be limited to allow passing motorists to read the entire copy. Mr. Warwick explained that the message must be displayed in its entirety and that it be short enough to be read.

MOTION: by Commissioner Schumer, seconded by Commissioner Thompson, to recommend the City Council approve the Comprehensive Sign Plan submitted by TCF Bank for 3836 Lexington Avenue, subject to the following conditions:

- A. The signs shall comply with the plans submitted for the Comprehensive Sign Plan application. Any significant change will require review by the Planning Commission and City Council.
- B. The applicant shall obtain a sign permit prior to the installation of any signs on the property.
- C. The message center sign shall:
 - 1. Display text using a single color font, and letter height sufficient to be readable by passing motorists without distraction.
 - 2. Messages shall be limited to allow passing motorists to read the entire copy.
 - 3. No graphics shall be displayed on the message center.
 - 4. Messages shall be displayed for a minimum of 10 seconds, and shall change instantaneously.
 - 5. Messages be presented in a static display, and shall not scroll, flash, blink or fade.
- D. Traffic Directional signs shall not be located in the public street right-of-way without the authorization of the appropriate jurisdictional agency.

This approval is based on the following findings of fact:

1. *The plan proposes signs consistent in color, size and materials throughout the site for each type of proposed sign. Each type of sign (Wall, Traffic Directional, etc.) uses uniform color and materials, and with colors generally based on the TCF logo.*
2. *Approving the deviation is necessary to relieve a practical difficulty existing on the property. The business needs visibility from each elevation facing an access point and that the proposed signs provide that needed visibility. Staff believes that lot access presents a practical difficulty that warrants additional business identification. The corner location at the intersection of Lexington (an arterial) and Red Fox Road (a local street) also contributes to the practical difficulty since Red Fox is the main road for this retail area, but is classified as a local road.*
3. *The proposed deviations from the standards of Section 208 result in a more unified sign package and greater aesthetic appeal between signs on the site. The wall signs proposed give a uniform appearance to each building elevation facing a vehicular access point. Message center signs are not uncommon at bank facilities. Use of the message center is reasonable and consistent with previous City decisions regarding message center signs.*
4. *Approving the deviation will not confer a special privilege on the applicant that would normally be denied under the Ordinance. The configuration of the access to the lot and building is unique for this property with two points of ingress that are right turn only, and only one point of egress. The three wall signs have a total area of approximately 64 sq. ft. with each wall sign comprising about 3% of the wall elevation area to which the signs are affixed, less than the 10% permitted by Code.*
5. *The resulting sign plan is effective, functional, attractive and compatible with community standards. The sign plan proposes signs with design and sign areas that generally conform to the provisions of Code.*

VOTE: Ayes - 7 Nays - 0

VARIANCE/SITE AND BUILDING PLAN REVIEW

File No: **2457-12-20**
Applicant: **PaR/Mission Construction**
Location: **655 County Road E.**

Presentation by City Planner Kathleen Nordine

PaR Systems owns the properties at 707 and at 655 County Road E having purchased the parcel at 655 from the City in 2008. Between the two parcels is a private drive access to the Deluxe property to the north. Previous Development Agreements that were executed require PaR to obtain a PUD and develop a master plan for the properties when major improvements are proposed. PaR has indicated that there is an urgent need to expand. Therefore, proposed improvements are submitted through the Site and Building Plan review and variance processes. A condition of approval is that a PUD be proposed in the near future.

The proposal is to construct a new 45,760 square foot manufacturing warehouse and office building. The variance request is to reduce the required front setback for an expanded parking

area. Currently there is an 18,000 square foot office building and an off-street parking lot. A new access drive is proposed off County Road E. Storm water management improvements are included. The proposed use is consistent with the current zoning of BP, Business Park. The variance requested for the expanded parking area is a reduction of the front setback from 20 feet to 6.2 feet.

The exterior building materials are similar to the building at 707 County Road E. Staff has requested that brick be added to tie in with the existing office building. The building height of 66 feet exceeds the maximum 35 feet permitted. The City allows an exception if the height does not exceed firefighting capability, and if an additional 1 foot of setback is provided for every additional foot of height over 35 feet. The Lake Johanna Fire Department has indicated that the firefighting capability is not an issue. The proposed building complies with the setback requirements for the added height.

Code requires a minimum of 230 parking stalls. PaR has proposed 157 parking stalls. The applicant states that the parking proposed more than meets their demand. Proof of parking for 36 additional stalls is shown. Staff's concern is how parking would be provided for a new user should the site ever be vacated. The existing parking lot encroaches into the 20-foot setback. Because the County Road E right-of-way varies, the expanded parking will encroach into the front setback, and a variance is needed.

There are two wetlands on the property, which will require wetland delineations. The proposed access drive off County Road E on the east side of the property will encroach into the 16.5 foot buffer for the wetland.

A tree inventory and landscape plan was submitted but was incomplete. A revised plan was recently submitted, but staff has not had an opportunity to review it. One issue is the number of landmark trees on the property, which has been resolved. Staff is also looking for a plan for overall landscaping of the entire site. This information was recently provided, but staff has not had an opportunity to review it.

The eastern and northern portion of the property will be graded for the development. A storm water pond is proposed, but calculations have not yet been provided for review. Storm water would flow north to the proposed pond. Pond overflow would flow into the City's storm water system.

With regard to the variance, staff believes there is practical difficulty with the varying right-of-way width of County Road E. The existing setback of the western parking lot encroaches into the 20-foot front setback. Also, other nearby parking lots on County Road E do not meet the setback requirements.

The Environmental Quality Committee (EQC) reviewed the proposal but found it to be incomplete. No recommendation was made. The EQC did suggest integrating a sustainable green design on the site.

Property owners within 350 feet were notified of the proposal. No comments were received.

Although incomplete, this proposal was scheduled for this meeting because of PaR's urgent time schedule and to keep the application moving forward. PaR has requested that the plan be presented to the City Council at their September 17th meeting. The two options for the Planning Commission are: 1) table the application and hold a special meeting before September 17th; and 2) Recommend approval on condition of submittal of the required information listed in the motion sheet and approve the variance.

Commissioner Ferrington asked the impervious surface coverage. Ms. Nordine stated that she does not have an exact ratio but believes the proposal falls within the allowed 75%.

Commissioner McCool asked how a PUD can be implemented after the site is improved. Ms. Nordine stated that staff hopes to address parking and storm water issues between the two parcels with a PUD when further improvements are proposed. Commissioner McCool noted the concerns of Ramsey County about the proposed third access.

Mr. Garry Mannor, Mission Construction, stated that PaR's preference is to keep three access points. He plans to talk to the County directly and if necessary, one will be removed. A professional landscaping plan in addition to what has been submitted will be completed within the next two weeks. Truck traffic will be moved to the new building, which will allow for added parking if needed. The owners prefer not to build parking that is not needed but keep green space.

Commissioner McCool asked for further clarification on the number of parking spaces. Mr. Madden stated that the Code requires 230 for the property at 655 County Road E. All parking requirements have been met at the 707 site. The site at 655 has proof of parking for 190 spaces; 157 are proposed to be put in. PaR does not anticipate using 157.

Mr. Mannor added that the storm water plan is also being submitted this week. Work is being done fast in order to provide PaR with the building needed by January 31, 2013. If equipment can be in place and working on September 18, workers will be working overtime to complete the project by January 31st.

Commissioner Ferrington stated that there is a lot of missing information and asked how long it would take to present a complete application. Mr. Madden stated that the wetland delineation will take one to two weeks.

Commissioner Proud stated that he is willing to approve an incomplete proposal with conditions because PaR Systems is a company that can be trusted. He is confident PaR will provide all the information needed for the City Council's review.

Chair Solomonson agreed with Commissioner Proud.

Commissioner McCool stated he would like to have a special meeting in time for the proposal to go to the September 17th Council meeting, when more information will be available. That would not interrupt the fast track for the project.

Chair Solomonson called a five-minute recess for the technician to load a second DVD for continuation of the meeting, then reconvened the meeting.

Commissioner Ferrington stated that the application is too incomplete. It is the Commission's job to vet the application, even though the Council is capable of doing that. More information is needed before she can support it.

Commissioner Schumer stated that he is willing to approve the motion with listed conditions. PaR is an excellent company in the community and will provide all the information needed for the City Council meeting.

Commissioner Wenner stated that while there are some areas that can be done by staff administrative review, the items that are incomplete are ones that the Commission is specifically charged to review. He would like to have a special meeting to consider all the information on the proposal.

Commissioner Thompson agreed that there is not enough information for her to make a recommendation.

MOTION: by Commissioner McCool, seconded by Commissioner Ferrington to table the variance and site and building plan applications, submitted by Mission Construction on behalf of PaR Systems, to a special Planning Commission meeting on September 11, 2012, at 7:00 p.m. Tabling the applications will allow the applicant the additional time needed to provide the following information:

1. A parking management plan shall be submitted to the City addressing: the existing and future parking needs for the property (655 County Road E), including but not limited to: the maximum number of employees working on site, hours of operation, employee shifts, the potential for shared parking with 707 County Road E, proof of parking.
2. Shared parking may be permitted provided information regarding the existing and future parking needs for the 707 building is provided to the City for review. A shared parking and maintenance agreement will be required between the two sites.
3. Submittal of a stormwater management plan, including stormwater calculations, that complies with the City's Surface Water Management Plan and stormwater regulations and policies.
4. Submittal of a wetland delineation by a qualified wetland specialist.
5. County review and approval for the proposed new entry drive onto County Road E.
6. Submittal of a tree preservation and replacement plan for the entire property identifying vegetation/trees to be removed and replaced in accordance with Section 209.050, Vegetation and Woodlands
7. Submittal of a landscape plan for the entire property showing existing landscaping and proposed plant materials including specific plant and tree species, sizes, number and locations. Said plan shall address the City's requirements for landscape islands.

8. Calculation of impervious surface coverage for the existing and proposed site conditions.
9. All other reasonable information requested by staff as staff continues to review the application.

VOTE: Ayes - 5 Nays - 2 (Proud, Schumer)

PUBLIC HEARING – TEXT AMENDMENT – VEHICLE SALES

File No: 2454-12-17
Applicant: City of Shoreview
Location: City Wide

Presentation by City Planner Kathleen Nordine

The City is seeking a Text Amendment to prohibit vehicle sales in commercial districts. In the Development Code for C2, General Commercial Districts, vehicle and equipment sales are permitted under a Conditional Use Permit. Actions needed are to add Section 203.035, Prohibited Uses, which would stipulate prohibition of sales of vehicles and equipment. Section 205.040 (B)(9) would be deleted, as it refers to uses not specified and is repetitive of existing language in Section 205.030. Section 205.043 (C) (2) that addresses vehicle and equipment sales would be deleted.

A phone call was received from Ed Schenk, owner of C & E Hardware, expressed concern about this amendment because he does rent out equipment, such as industrial cleaners and lawn mowers. He requested that equipment sales and rental be better defined. Staff is concerned about heavy equipment

Staff recommends approval for the text amendment to be forwarded to the City Council., or to table this request to add language that would better define vehicle/equipment sales and rental.

Ms. Nordine verified that proper notice was published for the public hearing.

Chair Solomonson opened the public hearing.

Commissioner McCool suggested that further consideration be given to giving more strength to what is required to obtain a Conditional Use Permit.

MOTION: by Commissioner Proud, seconded by Commissioner Schumer to continue the public hearing and table this matter until the next regularly scheduled Planning Commission meeting.

VOTE: Ayes - 7 Nays – 0

MISCELLANEOUS

SHOREVIEW BIKEWAYS & TRAILS COMMITTEE

Meeting Minutes

September 6, 2012

1. CALL TO ORDER

The meeting was called to order at 7:00 p.m.

2. ROLL CALL

Members Present: Keith Severson, Mark Stange, Craig Mullenbach, Craig Francisco, Jay Martin, Jay Thacker, Bill Atkins

Members Absent: Judd Zandstra

Guests: None

City Staff: Charlie Grill

3. APPROVAL OF AGENDA

The agenda was approved.

4. APPROVAL OF MEETING MINUTES

The minutes of the July 12, 2012 meeting were reviewed and approved by consensus of the Committee.

5. COMMITTEE DISCUSSION ITEMS

The meeting began with Charlie reviewing the August monthly report from the public works department. There was some discussion regarding the 694 project. Member Severson made note that there is a meeting regarding the 694 project pedestrian crossing on September 27th from 5:00pm to 7:00pm and encouraged all members to attend.

The committee then reviewed the Tour de Trails event and looked for things that could be improved upon. The main change will be eliminating the "age" section of the preregistration form and replace it with a t-shirt size request. This will ensure all who pre-register will get the correct size t-shirt and will also help us to better estimate the number of t-shirts to purchase. All members agreed that the Tour ran quite smoothly despite the rain. Moving the ride to Sunday appeared to be a positive change and will continue to be an option in the years to come.

The committee also reviewed the staffing and attractions at the Slice Booth. The committee agreed that there should be a different demonstration each day to attract interest. Some of the ideas were to host a bike corral, demonstrate how to change a flat tire and a helmet fitting seminar.

Other ideas the committee thought would draw interest would be to sponsor a 5k run on Saturday, to have metro area trail maps for commuters and perhaps find a way to advertise and demonstrate how to use bike racks on metro transit units.

6. ADJOURNMENT

The meeting was adjourned at 7:30 PM.

DRAFT

Memorandum

To: Mayor and City Council Members
City Manager

From: Tom Simonson
Assistant City Manager and Community Development Director

Date: September 14, 2012

Re: Monthly Report
- Administration Department
- Community Development Department

Election Administration

Under the coordination of the Deputy City Clerk, preparations are well underway for the expected heavy turnout for the November general election. Two additional training sessions will be held for those election judges who did not work for the primary election but will be helping at the general election.

The City has already received a large number of absentee voting applications (over 200) for the general election, which will begin by September 21st. To accommodate absentee voting, the auxiliary window and service desk will be opened at the City Hall to serve residents.

The general election will take place on November 6th.

Development Project Updates

Red Fox Road Retail. Construction work on the phase one retail center project is nearing completion. The developer will begin to turn over the lease spaces to the tenants to begin interior improvements. The retail center will include Chipotle, Leeann Chin, and Five Guys Burgers restaurants, Sport Clips hair salon, and Massage Retreat Spa. So far Leann Chin's and Sport Clips have opened, with Chipotle and Massage Retreat Spa expected to follow in the next several weeks. Five Guys has not started with their interior improvements.

The developer remains confident that a lease agreement with a preferred specialty market to anchor the development will be executed in the next month and reports they are making good progress on terms and conditions.

Sinclair Redevelopment/TCF Bank. The Sinclair Station at Lexington Avenue and Red Fox Road is officially closed, with building demolition and tank removal underway. The property owner is required to complete all demolition work and clean-up prior to closing on the transaction with TCF Bank. There was a delay due to the need to revise the joint access agreement with Target Corporation, which has now been executed. TCF Bank has already submitted a building permit application and will commence with construction as soon as the demolition work is completed and the purchase deal is closed. Construction of the new bank facility is expected to begin this fall with completion in the spring of 2013.

The City Council approved tax increment financing (TIF) assistance for demolition and clean-up to facilitate the redevelopment of the Sinclair gas station property. Through this agreement, the City obtained additional public right-of-way for the planned road improvements and a joint commercial identification sign at the intersection.

PaR Systems. PaR Systems, Inc., located at 707 and 655 County Road E, is seeking site and building plan approval and tax increment financing assistance in support of a planned expansion to their campus. The proposal is for the construction of a new 36,000 square foot facility (with potential expansion to 48,000 square feet) on the 655 property adjacent to their corporate offices and would include City financial participation to facilitate the expansion to meet their continued growth needs. A public hearing is scheduled in consideration of the business subsidy at the September 17th meeting of the City Council.

In 2007, the City and PaR Systems entered into a partnership that facilitated the relocation of the company from their previous Shoreview location. With company projections for continued growth, including recent business acquisitions and some high profile work contracts, PaR Systems is “fast-tracking” the building project to accommodate business commitments. The site and building plan is going through the City’s approval process concurrent with the financing and is also expected to be considered at the Council meeting on September 17th.

TSI Incorporated. TSI, Incorporated, located at 500 Cardigan Road, is also seeking site and building plan approval and tax increment financing (TIF) assistance in support of a planned expansion to their corporate headquarters and manufacturing facility in Shoreview. The proposal includes the creation of a new tax increment district, with a public hearing scheduled for September 17th in consideration of the tax increment plan to establish TIF District No. 9.

TSI, Incorporated has their corporate headquarters and main research/manufacturing facility at 500 Cardigan Road. TSI currently has 440 employees at Shoreview (560 total workers worldwide), and is expected to increase to 464 employees by the end of this year. The company projects a workforce addition of 180 employees at the Shoreview location within the next several years. TSI is designated as a key “landmark” company in the City’s adopted Business Retention and Expansion Plan (BRE).

Based on this projected growth, TSI is hoping to “fast-track” improvements to their facility, including both additional parking and building expansion. The site and building plans are being reviewed by the Planning Commission and will likely be presented to the Council for approval at the first meeting in October.

The current facility is 142,000 square feet and the plan is to construct an approximately a 57,000 square foot expansion to the existing building at the south end and add roughly 275 new surface parking stalls with majority created on the vacant land to the southwest of the building along Cardigan Road. TSI has a goal of obtaining all City approvals by early October so they can break ground in order to complete the building shell prior to winter, with building occupancy by May, 2013.

Westinghouse-PaR Nuclear. Staff has met with officials from Westinghouse PaR Nuclear on plans to expand their facility at 899 Highway 96 in order to support the projected growth of the company. The project could include potential property acquisition for additional parking and

employee space, as well as improvements and expansion of the existing building for production operations.

Midland Plaza Redevelopment/Lakeview Terrace Apartments. The Lakeview Terrace project final approvals have been delayed due to on-going issues with the property owner getting a release of the land necessary for the apartment site from Freddie Mac. The strip of property along the lakeshore is included in the current mortgage through Freddie Mac for the Midland Terrace complex. Tycon Management has been working with Freddie Mac representatives for several years to have this action approved, but the estimated land value has been appraised by an appraisal firm on behalf of Freddie Mac at what the property owner believes to be an inflated price. Tycon has informed the City that they cannot move forward with the project until this matter is resolved. Both the developer and City have been in contact with Freddie Mac officials in hopes of getting them to reconsider and order a new appraisal that more accurately reflects the true current value of the small piece of undeveloped land critical to the project.

Housing and Code Enforcement Activity

McGuire Property. The City Council authorized the commencement of condemnation action against the property at 3339 Victoria Street owned by Richard McGuire. The property has been a long-standing property maintenance and public nuisance issue and City staff believes it is in the public interest to initiate this action to effect the removal of unsafe, hazardous and blighted conditions that exist on the property.

A negotiated purchase is still the goal of the City, and the condemnation action was taken to hopefully get an acquisition deal completed with the property owner. City staff has communicated with the owner on terms of the purchase agreement in effort to finalize, but have also begun preparations for starting the formal condemnation proceedings in the event an agreement cannot be achieved relatively soon.

Rental Licensing. A record 505 rental licenses have been issued by the City so far in 2012. New General Dwelling Unit (GDU) license applications are expected throughout the year as properties are converted and the owners apply for licenses. Staff also actively tries to identify rental properties that have not been licensed through field observations and database searches.

The 2012 inspections continue with a total of about 250 GDUs and 420 Multi-Family Units (MFU) units scheduled for inspection during this year. All of the MFU inspections have been completed for 2012. Approximately 145 GDU inspections have been conducted so far, with the remainder to be done by the end of the year. GDU inspections are scheduled geographically by neighborhood for efficiency and conducted every other week by the Housing and Code Enforcement Officer.

With the continued growth of the rental licensing program, the City's I.T. staff is currently developing a new in-house rental licensing software program that will help streamline the licensing review process and provide more detailed records management capabilities.

Code Enforcement. There have been 8 new code enforcement cases opened in the past month. The table on the following page summarizes the code enforcement activity from the past year and this year to date:

Year	Total Cases	Cases Open	Cases Closed
2011	200	10	190
2012	134	46	88

Citation Issued – One citation issued in 2011 remains pending involving barking dogs and a trial date has been set for this month. A citation that was issued for refuse back in February, 2012 was recently dismissed because the property owner brought it into compliance.

Garbage/Clutter Houses – City and Lake Johanna Fire Department Staff will be conducting a follow-up inspection this month with a homeowner who was previously notified of property maintenance, housing and fire code violations in 2011. This homeowner has been making good progress at bringing the property into further compliance with City Ordinances and Fire Code. Per our agreements with these types of major garbage and/or clutter houses, the City and Lake Johanna Fire Department staff has the authority to conduct follow-up inspections to ensure compliance. An agreement that was originally started in 2010 was recently renewed to allow City and Lake Johanna Fire Department staff yearly access for as long as the homeowner's own the property.

SHINE. Staff is currently following-up with approximately five homeowners who have not complied with housing maintenance requirements found during this spring's SHINE neighborhood inspection.

City Staff mailed SHINE notices this week to approximately 300 property owners located in the Shoreview Oaks and Ponds neighborhoods (see map below). This neighborhood is located in the northeast corner of the City, south of Sherwood Road and adjacent to Turtle Lake Road. SHINE inspections will be completed the second week of October, after the Fall Clean-Up day.



Miscellaneous

- City staff is working with the selected vendor Vision Internet on the planning and schedule for implementing the upgrades to the City and Community Center websites. A working committee of representatives from each City department has been established to work with the website designers on updating content and improved navigating tools to benefit customers and residents. The project should begin in earnest within the next several weeks and could take 6-7 months to complete.
- Attached is the monthly report on building permit activity from the Building Official through August, 2012.
- Also attached is the monthly report from the Housing Resource Center on the housing services provided to Shoreview residents through August, 2012.

- The Planning Commission has a heavy upcoming agenda with expected items scheduled for review at their September 25th meeting to include the TSI building expansion, House of Dreams rezoning and planned unit development for transforming the existing building into mixed-use office and one residential unit, a preliminary plat and planned unit development for a single family residential development and other several other residential applications.
- Construction on the Shoreview Senior Living building on Hodgson Road north of Highway 96 continues to make good progress. The exterior of the building has been constructed with the siding and accent materials being installed. Work continues on the interior sheetrock, mechanical and finishes. The developer reports that approximately 10% of the units have been reserved, which they consider very good considering prospective residents have not been able to tour the facility yet.
- City staff has been working with representatives of locally-based Ecumen to prepare a special pilot forum to be held this October. The objective is to explore the question of what makes a community for all ages. Ecumen has contracted with Stacy Becker to work with the City in preparing a forum of invited community leaders and residents to have a dialogue on the factors and challenges of achieving the goal of being a community for all ages. City staff Ecumen will be covering all costs and coordinating the forum in partnership with the City.
- The City has coordinated with the Shoreview Historical Society a special Heritage Day ceremony to dedicate the rehabilitated Guerin Gas Station to be held in conjunction with the Fire Department open house on Saturday, October 6th from 11 am to 2 pm. Besides the fire station activities and dedication ceremony, tours will also be given of the Lepak/Larson Historic Farmhouse. The City will be providing pony rides and serving refreshments.
- Guerin Gas Station: Staff has contracted with a sign company to design and build an interpretive sign for the structure and an identification sign. *Bob's Garage* – out of Marietta Georgia – has completed construction of the pumps and they were shipped to the week of September 3rd. The signs and pumps will be installed prior to the dedication ceremony. Shown on the right is a photo of one of the two pumps that will be incorporated with the gas station display.



**CITY OF SHOREVIEW
BUILDING INSPECTOR MONTHLY REPORT
COMPARISON OF YEAR 2012 WITH 2011**

	AUGUST 2012		TO DATE		2012		AUGUST 2011		TO DATE		2011	
	PERMITS	VALUATION	PERMITS	VALUATION	PERMITS	VALUATION	PERMITS	VALUATION	PERMITS	VALUATION	PERMITS	VALUATION
DWELLINGS	1	\$330,000	9	\$2,650,000	8	\$2,889,000						
TOWNHOMES			0	\$0	0	\$0						
ADDITIONS	3	\$168,000	35	\$1,263,925	12	\$619,500						
GARAGES			1	\$19,000	4	\$49,500						
MISCELLANEOUS	75	\$399,282	506	\$2,855,259	556	\$3,051,557	64	\$474,559				
APARTMENTS			1	\$7,482,000	0	\$0						
OFFICES			0	\$0	0	\$0						
RETAIL			1	\$1,310,000	0	\$0						
INDUSTRIAL/WAREHOUSE			0	\$0	0	\$0						
PUBLIC BUILDINGS			0	\$0	0	\$0						
COMMERCIAL ADDITIONS			0	\$0	0	\$0						
COMMERCIAL ALTER	9	\$579,167	42	\$6,244,977	27	\$8,525,031	7	\$138,997				
TOTAL	88	\$1,476,449	595	\$21,825,161	607	\$15,134,588	71	\$613,556				

CC: CITY MANAGER
DIR. COMMUNITY DEV
MAYOR

Housing Resource Center - NorthMetro City of Shoreview Monthly Status Report July 1, 2001 - August 31, 2012

	July-01	Jan-02	Jan-03	Jan-04	Jan-05	Jan-06	Jan-07	Jan-08	Jan-09	Jan-10	Jan-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Yr-to-Date	TOTAL		
Number of Calls	43	208	589	168	170	240	275	171	130	271	141	2	5	10	8	19	11	10	10	0	0	0	0	0	75	2,481	
MHFA Fix Up Fund/Rehab/Rental																											
Loan Applications Rec'd	0	6	1	8	6	6	5	3	3	5	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	44	
Loans Closed	0	5	1	5	3	0	3	2	1	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	25	
Shoreview Home Energy Loan																											
Loan Applications Rec'd																										12	
Loans Closed																										10	
Ramsey County Deferred Loan																											
Loan Applications Rec'd	0	0	3	3	2	0	2	3	1	5	1	0	0	0	0	1	0	0	0	0	0	0	0	0	1	21	
Loans Closed	0	0	2	0	0	1	1	1	1	2	4	0	1	0	0	0	0	0	0	0	0	0	0	0	1	13	
Construction Consultation Report																											
Consultation Phone or Walk-in	5	37	14	57	69	72	123	108	71	108	65	2	5	2	3	4	3	5	4	0	0	0	0	0	28	757	
Site Visits	0	25	31	51	31	58	88	67	43	78	47	2	3	3	2	3	1	4	3	0	0	0	0	0	21	540	
Scopes & Inspections	5	31	57	8	0	2	2	2	3	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	113	
TOTAL SERVICES PROVIDED	53	312	698	300	281	379	499	357	253	488	267	6	14	16	14	27	15	19	18	0	0	0	0	0	129	4,016	

NOTE: These numbers reflect the number of CLIENTS serviced. In many instances a client will receive more than one service.

TO: Terry Schwerm, City Manager

FROM: Jeanne A. Haapala, Finance Director

DATE: September 11, 2012

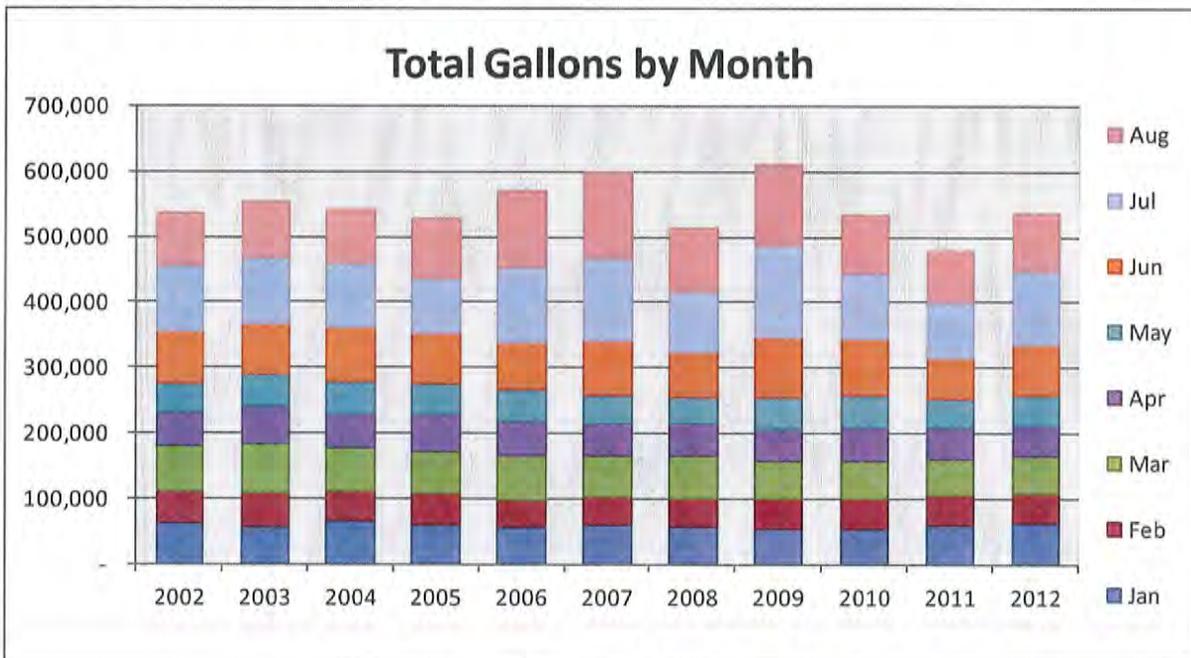
RE: Monthly Finance Report

2012 Water Use and Revenue

Monitoring and evaluating water use and billings has been an interesting exercise this year. As a reminder, residential water tiers were revised in January to split the lowest residential tier into two tiers because about 42% of total gallons were being billed at the lowest residential rate and previous efforts to restructure water rates were not generating sufficient water revenue to offset operating, debt and capital costs. It was simply too difficult to generate the necessary revenue.

We are pleased to report that the rate modification is having the intended result this year, despite water use that is tracking similar to recent years. In fact, barring unforeseen circumstances, staff expects the water fund to end with a modest profit this year. This is very good news for the water fund and for future water rate projections.

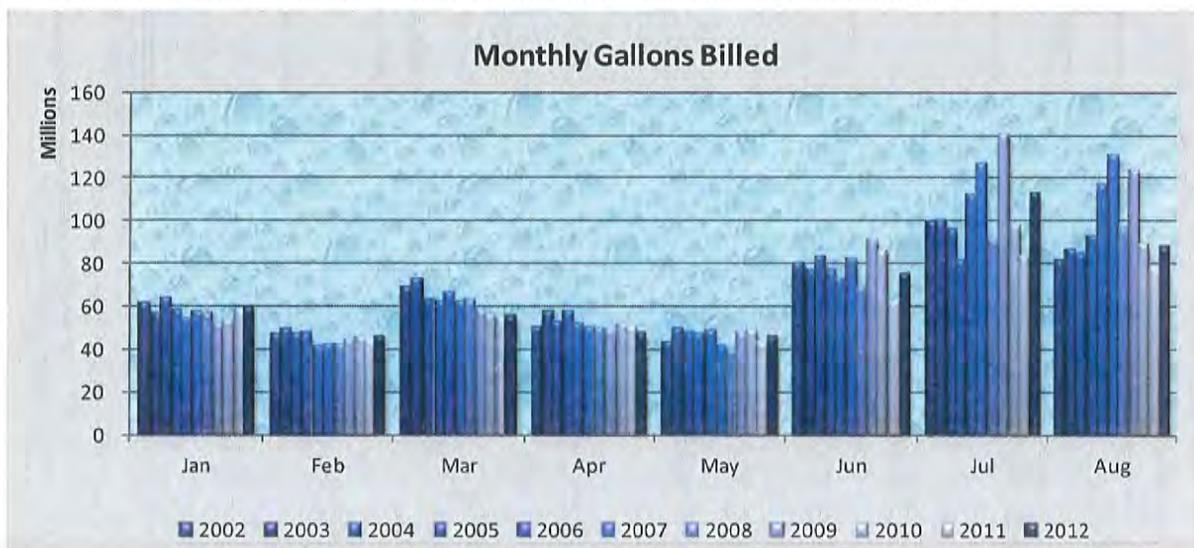
Water Use – Despite the hot and dry periods this summer, gallons sold through August are keeping pace with prior years. The graph below illustrates gallons billed through August of each year. Although consumption levels this year are 12% higher than last year, totals for the year are very close to 2010, 2008, 2005, 2004 and 2002.



The table below shows gallons billed each month since 2002, with the lowest gallons for each month highlighted in blue, and the highest gallons for each month highlighted in amber. The lowest total gallons occurred in 2002, and the highest total gallons occurred in 2003. In fact 8 of the highest months occurred in 2003. So far 2012 has been an uneventful year, with no record lows or highs.

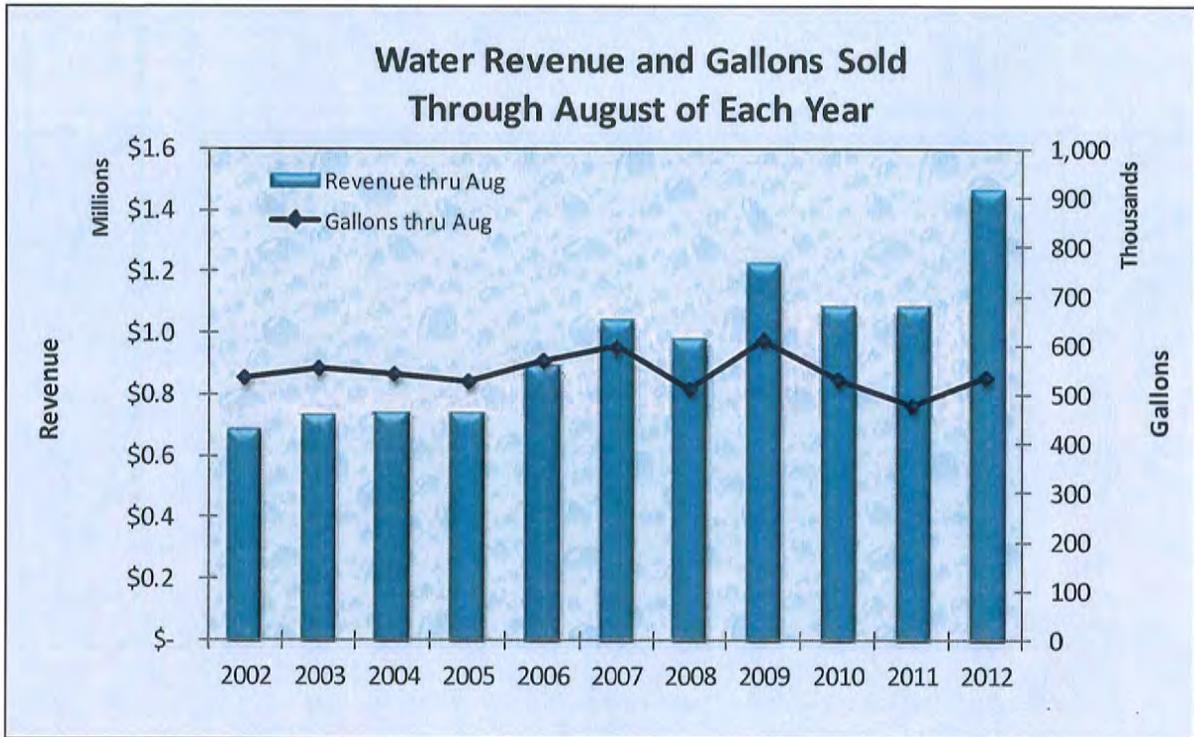
Gallons Billed by Month (millions)											10-Year High		
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	10- Year Low	
Jan	62.3	57.2	64.1	59.1	55.0	58.1	57.1	52.5	53.8	58.7	60.6		
Feb	47.5	49.9	47.3	48.5	42.1	42.8	42.6	45.4	45.6	44.6	46.5		
Mar	69.5	73.6	63.9	62.6	66.5	62.6	63.9	58.8	56.6	54.5	56.6		
Apr	50.9	57.8	52.8	57.7	52.2	50.9	50.2	49.7	52.4	51.1	47.8		
May	43.4	49.9	48.5	47.3	49.1	41.7	40.3	48.2	49.0	43.3	46.7		
Jun	80.6	77.1	83.7	77.4	72.9	83.0	69.4	91.5	86.4	62.9	75.8		
Jul	99.5	100.2	96.4	81.9	113.0	127.1	91.5	140.5	98.4	84.0	112.9		
Aug	82.1	87.3	85.4	93.1	117.2	131.2	97.4	123.9	89.2	77.8	88.6		
Sep	115.9	169.5	134.9	125.7	150.0	165.9	141.9	147.8	101.7	104.3	-		
Oct	95.0	168.6	133.3	131.7	132.2	144.6	155.8	143.1	129.1	137.6	-		
Nov	63.8	111.3	78.8	65.3	65.4	69.7	85.3	82.7	71.2	83.7	-		
Dec	75.0	95.9	83.9	67.7	77.0	70.7	77.8	82.0	77.3	87.8	-		
Total	885.4	1,098.3	973.1	918.2	992.8	1,048.4	973.1	1,066.0	910.8	890.4	535.5		
	low	high											
Jan-Aug	535.7	553.0	542.1	527.7	568.2	597.6	512.3	610.5	531.3	477.0	535.5		
								high		low			

The next graph shows the same information in a different format, with clusters for each month. General declines in water consumption during the months January to May show clearly in this graph, followed by large fluctuations during summer months.



Water Revenue has recovered significantly, despite relatively consistent water consumption for the year. This means the increase in water revenue is entirely due to the new residential rate structure (splitting the lowest tier into two tiers).

The graph below shows the relationship between total gallons and total water revenue each year for all customers combined.



More information about utility rates will be presented to the City Council during upcoming budget workshops.

Monthly Report

Attached is the monthly report for August of 2012.

General Fund
For Year 2012 Through The Month Of August

	Budget	Actual	Variance	Percent YTD	
				This Yr	Last Yr
REVENUES					
Property Taxes	6,467,060	3,241,865	3,225,195	50.13	52.28
Licenses & Permits	292,750	360,935	-68,185	123.29	93.58
Intergovernmental	183,002	175,197	7,805	95.74	89.47
Charges for Services	1,164,450	1,036,892	127,558	89.05	81.66
Fines & Forfeits	62,000	23,102	38,898	37.26	38.25
Interest Earnings	45,000		45,000		
Miscellaneous	35,160	30,318	4,842	86.23	100.61
TOTAL REVENUES	8,249,422	4,868,310	3,381,112	59.01	58.39
EXPENDITURES					
General Government					
Administration	537,154	342,495	194,659	63.76	65.09
Communications	171,288	74,108	97,180	43.27	69.77
Council & commiss	140,231	92,035	48,196	65.63	60.47
Elections	34,453	10,861	23,592	31.52	96.22
Finance/accounting	541,508	355,407	186,101	65.63	65.86
Human Resources	248,382	140,745	107,637	56.66	58.05
Information systems	312,594	205,275	107,319	65.67	64.20
Legal	100,000	45,895	54,105	45.89	40.85
Total General Government	2,085,610	1,266,822	818,788	60.74	63.03
Public Safety					
Emergency services	7,333	4,366	2,967	59.54	85.01
Fire	854,900	861,352	-6,452	100.75	99.94
Police	1,858,994	1,176,652	682,342	63.30	62.42
Total Public Safety	2,721,227	2,042,370	678,857	75.05	74.00
Public Works					
Forestry/nursery	75,596	43,630	31,966	57.71	31.07
Pub Works Adm/Engin	433,056	277,046	156,010	63.97	66.66
Streets	769,973	548,004	221,969	71.17	73.91
Trail mgmt	121,384	92,826	28,558	76.47	59.59
Total Public Works	1,400,009	961,506	438,503	68.68	67.93
Parks and Recreation					
Municipal buildings	126,119	116,626	9,493	92.47	91.64
Park Maintenance	1,117,133	843,728	273,405	75.53	74.77
Park/Recreation Adm	345,201	221,913	123,288	64.29	66.35
Total Parks and Recreation	1,588,453	1,182,267	406,186	74.43	73.71
Community Develop					
Building Inspection	151,486	113,482	38,004	74.91	63.80
Planning/zoning adm	382,837	217,171	165,666	56.73	59.27
Total Community Develop	534,323	330,652	203,671	61.88	60.55

General Fund
For Year 2012 Through The Month Of August

	Budget	Actual	Variance	Percent YTD This Yr Last Yr	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL EXPENDITURES	8,329,622	5,783,618	2,546,004	69.43	69.41
OTHER					
Transfers In	481,000	444,000	37,000	92.31	89.27
Transfers Out	-400,800	-325,000	-75,800	81.09	81.27
TOTAL OTHER	<u>80,200</u>	<u>119,000</u>	<u>-38,800</u>	148.38	167.08
Net change in fund equity		<u>-796,308</u>	<u>947,908</u>		
Fund equity, beginning		<u>3,976,412</u>			
Fund equity, ending		<u>3,180,104</u>			
Less invested in capital assets					
Net available fund equity		<u>3,180,104</u>			

Recycling
For Year 2012 Through The Month Of August

	Budget	Actual	Variance	Percent YTD This Yr Last Yr	
REVENUES					
Intergovernmental	69,000	59,666	9,334	86.47	106.01
Charges for Services	451,300	232,323	218,977	51.48	55.22
TOTAL REVENUES	520,300	291,989	228,311	56.12	61.80
EXPENDITURES					
Public Works					
Recycling	489,474	304,003	185,471	62.11	64.60
Total Public Works	489,474	304,003	185,471	62.11	64.60
TOTAL EXPENDITURES	489,474	304,003	185,471	62.11	64.60
Net change in fund equity	30,826	-12,014	42,840		
Fund equity, beginning		114,960			
Fund equity, ending		102,946			
Less invested in capital assets					
Net available fund equity		102,946			

STD Self Insurance
For Year 2012 Through The Month Of August

	Budget	Actual	Variance	Percent YTD	
				This Yr	Last Yr
REVENUES					
Charges for Services	7,500	5,036	2,464	67.15	65.92
Interest Earnings	600		600		
TOTAL REVENUES	8,100	5,036	3,064	62.17	58.16
EXPENDITURES					
Miscellaneous					
Short-term Disab	8,000	8,415	-415	105.19	147.09
Total Miscellaneous	8,000	8,415	-415	105.19	147.09
TOTAL EXPENDITURES	8,000	8,415	-415	105.19	147.09
Net change in fund equity	100	-3,379	3,479		
Fund equity, beginning		41,503			
Fund equity, ending		38,124			
Less invested in capital assets					
Net available fund equity		38,124			

Community Center
For Year 2012 Through The Month Of August

	Budget	Actual	Variance	Percent YTD This Yr Last Yr	
REVENUES					
Charges for Services	2,269,985	1,520,636	749,349	66.99	68.92
Interest Earnings	8,000		8,000		
Miscellaneous		20	-20		
TOTAL REVENUES	2,277,985	1,520,656	757,329	66.75	68.56
EXPENDITURES					
Parks and Recreation					
Community center	2,445,989	1,583,082	862,907	64.72	62.76
Total Parks and Recreation	2,445,989	1,583,082	862,907	64.72	62.76
Capital Outlay					
Community center	12,930		12,930		
Total Capital Outlay	12,930		12,930		
TOTAL EXPENDITURES	2,458,919	1,583,082	875,837	64.38	62.76
OTHER					
Transfers In	300,000	200,000	100,000	66.67	66.67
TOTAL OTHER	300,000	200,000	100,000	66.67	66.67
Net change in fund equity	119,066	137,573	-18,507		
Fund equity, beginning		828,287			
Fund equity, ending		965,860			
Less invested in capital assets					
Net available fund equity		965,860			

Recreation Programs
For Year 2012 Through The Month Of August

	Budget	Actual	Variance	Percent YTD This Yr Last Yr	
REVENUES					
Charges for Services	1,277,740	1,066,050	211,690	83.43	83.50
Interest Earnings	4,600		4,600		
Miscellaneous		723	-723		
TOTAL REVENUES	1,282,340	1,066,772	215,568	83.19	83.17
EXPENDITURES					
Parks and Recreation					
Adult & youth sports	109,238	73,101	36,137	66.92	79.53
Aquatics	129,694	100,609	29,085	77.57	68.86
Community programs	99,102	80,335	18,767	81.06	60.99
Drop-in Child Care	67,409	40,046	27,363	59.41	78.90
Fitness Programs	198,987	130,652	68,335	65.66	65.73
Park/Recreation Adm	331,258	201,648	129,610	60.87	54.11
Preschool Programs	73,656	43,633	30,023	59.24	56.60
Summer Discovery	167,245	155,063	12,182	92.72	84.21
Youth/Teen	70,213	43,374	26,839	61.78	60.95
Total Parks and Recreation	1,246,802	868,462	378,340	69.66	66.19
TOTAL EXPENDITURES	1,246,802	868,462	378,340	69.66	66.19
OTHER					
Transfers In	65,000	65,000		100.00	100.00
Transfers Out	-75,000	-50,000	-25,000	66.67	66.67
TOTAL OTHER	-10,000	15,000	-25,000	-150.00	-366.67
Net change in fund equity	25,538	213,310	-137,772		
Fund equity, beginning		545,206			
Fund equity, ending		758,516			
Less invested in capital assets					
Net available fund equity		758,516			

Cable Television
For Year 2012 Through The Month Of August

	Budget	Actual	Variance	Percent YTD	
				This Yr	Last Yr
REVENUES					
Charges for Services	280,000	148,024	131,976	52.87	52.74
Interest Earnings	1,800		1,800		
Miscellaneous	1,200	800	400	66.67	40.00
TOTAL REVENUES	283,000	148,824	134,176	52.59	52.07
EXPENDITURES					
General Government					
Cable television	165,095	125,989	39,106	76.31	84.68
Total General Government	165,095	125,989	39,106	76.31	84.68
TOTAL EXPENDITURES	165,095	125,989	39,106	76.31	84.68
OTHER					
Transfers Out	-121,950	-74,000	-47,950	60.68	54.26
TOTAL OTHER	-121,950	-74,000	-47,950	60.68	54.26
Net change in fund equity	-4,045	-51,165	143,020		
Fund equity, beginning		215,665			
Fund equity, ending		164,500			
Less invested in capital assets					
Net available fund equity		164,500			

Econ Devel Auth/EDA
For Year 2012 Through The Month Of August

	Budget	Actual	Variance	Percent YTD	
				This Yr	Last Yr
REVENUES					
Property Taxes	55,000	27,686	27,314	50.34	52.67
TOTAL REVENUES	55,000	27,686	27,314	50.34	52.67
EXPENDITURES					
Community Develop Econ Development-HRA	49,783	29,576	20,207	59.41	62.37
Total Community Develop	49,783	29,576	20,207	59.41	62.37
TOTAL EXPENDITURES	49,783	29,576	20,207	59.41	62.37
Net change in fund equity	5,217	-1,890	7,107		
Fund equity, beginning		185,524			
Fund equity, ending		183,634			
Less invested in capital assets					
Net available fund equity		183,634			

HRA Programs of EDA
For Year 2012 Through The Month Of August

	Budget	Actual	Variance	Percent YTD	
				This Yr	Last Yr
REVENUES					
Property Taxes	70,000	35,071	34,929	50.10	50.92
TOTAL REVENUES	70,000	35,071	34,929	50.10	50.92
EXPENDITURES					
Community Develop Housing Programs-HRA	53,726	34,060	19,666	63.40	68.16
Total Community Develop	53,726	34,060	19,666	63.40	68.16
TOTAL EXPENDITURES	53,726	34,060	19,666	63.40	68.16
Net change in fund equity	16,274	1,011	15,263		
Fund equity, beginning		35,700			
Fund equity, ending		36,711			
Less invested in capital assets					
Net available fund equity		36,711			

Liability Claims
For Year 2012 Through The Month Of August

	Budget	Actual	Variance	Percent YTD	
				This Yr	Last Yr
REVENUES					
Interest Earnings	2,200		2,200		
Miscellaneous	20,000	7,506	12,494	37.53	16.30
TOTAL REVENUES	22,200	7,506	14,694	33.81	14.30
EXPENDITURES					
Miscellaneous					
Insurance Claims	32,000	24,940	7,060	77.94	89.97
Total Miscellaneous	32,000	24,940	7,060	77.94	89.97
TOTAL EXPENDITURES	32,000	24,940	7,060	77.94	89.97
Net change in fund equity	-9,800	-17,433	7,633		
Fund equity, beginning		192,054			
Fund equity, ending		174,621			
Less invested in capital assets					
Net available fund equity		174,621			

Slice SV Event
For Year 2012 Through The Month Of August

	Budget	Actual	Variance	Percent YTD	
				This Yr	Last Yr
REVENUES					
Charges for Services	22,000	23,720	-1,720	107.82	124.09
Miscellaneous	25,000	38,896	-13,896	155.59	157.64
TOTAL REVENUES	47,000	62,616	-15,616	133.23	142.39
EXPENDITURES					
General Government					
Slice of Shoreview	57,200	60,031	-2,831	104.95	107.24
Total General Government	57,200	60,031	-2,831	104.95	107.24
TOTAL EXPENDITURES	57,200	60,031	-2,831	104.95	107.24
OTHER					
Transfers In	10,000	10,000		100.00	100.00
TOTAL OTHER	10,000	10,000		100.00	100.00
Net change in fund equity	-200	12,585	-12,785		
Fund equity, beginning		52,558			
Fund equity, ending		65,143			
Less invested in capital assets					
Net available fund equity		65,143			

Water Fund
For Year 2012 Through The Month Of August

	Budget	Actual	Variance	Percent YTD	
				This Yr	Last Yr
REVENUES					
Special Assessments		948	-948		
Intergovernmental	13,200	13,274	-74	100.56	
Utility Charges	2,464,000	1,470,385	993,615	59.67	48.37
Late fees		23,359	-23,359		
Water meters	2,800	6,060	-3,260	216.44	110.14
Other prop charges	2,000	9,420	-7,420	470.99	104.68
Interest Earnings	55,000	37	54,963	.07	
TOTAL REVENUES	2,537,000	1,523,483	1,013,517	60.05	48.66
EXPENDITURES					
Proprietary					
Water Operations	1,455,461	1,039,501	415,960	71.42	70.71
Total Proprietary	1,455,461	1,039,501	415,960	71.42	70.71
TOTAL EXPENDITURES	1,455,461	1,039,501	415,960	71.42	70.71
OTHER					
Depreciation	-630,000	-420,000	-210,000	66.67	66.67
Transfers Out	-240,000	-175,000	-65,000	72.92	98.34
GO Revenue Bonds	-184,287	-189,555	5,268	102.86	101.70
TOTAL OTHER	-1,054,287	-784,555	-269,732	74.42	80.28
Net change in fund equity	27,252	-300,573	867,289		
Fund equity, beginning		12,445,554			
Fund equity, ending		12,144,981			
Less invested in capital assets		9,427,325			
Net available fund equity		2,717,656			

Sewer Fund
For Year 2012 Through The Month Of August

	Budget	Actual	Variance	Percent YTD	
				This Yr	Last Yr
REVENUES					
Special Assessments		328	-328		
Intergovernmental	10,515	10,577	-62	100.59	
Charges for Services	200	615	-415	307.45	66.90
Utility Charges	3,500,000	2,241,537	1,258,463	64.04	63.00
Late fees		44,703	-44,703		
Facility/area chgs	4,000	2,863	1,137	71.57	97.42
Other prop charges	2,500	6,450	-3,950	258.00	385.88
Interest Earnings	25,000	30	24,970	.12	
TOTAL REVENUES	3,542,215	2,307,103	1,235,112	65.13	64.02
EXPENDITURES					
Proprietary					
Sewer Operations	2,942,296	2,239,043	703,253	76.10	75.98
Total Proprietary	2,942,296	2,239,043	703,253	76.10	75.98
TOTAL EXPENDITURES	2,942,296	2,239,043	703,253	76.10	75.98
OTHER					
Depreciation	-300,000	-200,000	-100,000	66.67	66.67
Transfers Out	-188,000	-123,000	-65,000	65.43	98.01
GO Revenue Bonds	-72,843	-73,832	989	101.36	101.37
TOTAL OTHER	-560,843	-396,832	-164,011	70.76	81.35
Net change in fund equity	39,076	-328,773	695,870		
Fund equity, beginning		7,284,108			
Fund equity, ending		6,955,335			
Less invested in capital assets		4,725,848			
Net available fund equity		2,229,487			

Surface Water Mgmt
For Year 2012 Through The Month Of August

	Budget	Actual	Variance	Percent YTD This Yr Last Yr	
REVENUES					
Special Assessments		65	-65		
Intergovernmental	3,815	3,837	-22	100.57	
Utility Charges	1,056,000	672,575	383,425	63.69	63.57
Late fees		10,406	-10,406		
Lake Impr Dist chgs	48,462	20,901	27,561	43.13	83.53
Other prop charges	5,000	6,154	-1,154	123.08	81.40
Interest Earnings	24,000	11	23,989	.05	
TOTAL REVENUES	1,137,277	713,949	423,328	62.78	64.26
EXPENDITURES					
Proprietary					
Snail Lake Aug.	33,367	9,696	23,671	29.06	15.20
Surface Water Oper	726,866	533,834	193,032	73.44	83.21
Total Proprietary	760,233	543,530	216,703	71.50	79.98
TOTAL EXPENDITURES	760,233	543,530	216,703	71.50	79.98
OTHER					
Contributed Assets		20,231	-20,231		
Depreciation	-218,000	-145,328	-72,672	66.66	66.67
Transfers Out	-107,000	-60,000	-47,000	56.07	100.00
GO Revenue Bonds	-85,602	-86,382	780	100.91	97.84
TOTAL OTHER	-410,602	-271,479	-139,123	66.12	82.02
Net change in fund equity	-33,558	-101,060	305,287		
Fund equity, beginning		7,384,772			
Fund equity, ending		7,283,712			
Less invested in capital assets		6,135,855			
Net available fund equity		1,147,857			

Street Light Utility
For Year 2012 Through The Month Of August

	Budget	Actual	Variance	Percent YTD This Yr Last Yr	
REVENUES					
Special Assessments		30	-30		
Utility Charges	456,000	291,247	164,753	63.87	64.16
Late fees		4,665	-4,665		
Interest Earnings	2,500		2,500		
Miscellaneous	500		500		
TOTAL REVENUES	459,000	295,942	163,058	64.48	64.67
EXPENDITURES					
Proprietary					
Street lighting	251,740	158,255	93,485	62.86	76.12
Total Proprietary	251,740	158,255	93,485	62.86	76.12
Capital Outlay					
Capital Projects		3,178	-3,178		
Total Capital Outlay		3,178	-3,178		
TOTAL EXPENDITURES	251,740	161,433	90,307	64.13	76.38
OTHER					
Depreciation	-40,000	-26,664	-13,336	66.66	66.67
Transfers Out	-15,600	-12,000	-3,600	76.92	100.00
TOTAL OTHER	-55,600	-38,664	-16,936	69.54	73.83
Net change in fund equity	151,660	95,845	89,687		
Fund equity, beginning		749,937			
Fund equity, ending		845,782			
Less invested in capital assets		432,561			
Net available fund equity		413,221			

Central Garage Fund
For Year 2012 Through The Month Of August

	Budget	Actual	Variance	Percent YTD	
				This Yr	Last Yr
REVENUES					
Property Taxes	216,000	108,732	107,268	50.34	52.67
Intergovernmental	120,715	86,531	34,184	71.68	
Cent Garage chgs	1,137,680	1,136,807	873	99.92	98.35
Interest Earnings	22,000	225	21,775	1.02	
TOTAL REVENUES	1,496,395	1,332,295	164,100	89.03	103.27
EXPENDITURES					
Proprietary					
Central Garage Oper	576,564	362,423	214,141	62.86	61.92
Total Proprietary	576,564	362,423	214,141	62.86	61.92
Miscellaneous					
Other Expenses	8,000		8,000		
Total Miscellaneous	8,000		8,000		
Capital Outlay					
Central Garage Oper		264,376	-264,376		
Total Capital Outlay		264,376	-264,376		
TOTAL EXPENDITURES	584,564	626,799	-42,235	107.23	108.16
OTHER					
Sale of Asset	20,000	1,643	18,358	8.21	157.13
Transfers In	180,600		180,600		100.00
Depreciation	-673,000	-448,664	-224,336	66.67	66.67
GO CIP Bonds	-247,157	-247,658	501	100.20	139.06
TOTAL OTHER	-719,557	-694,679	-24,878	96.54	80.18
Net change in fund equity	192,274	10,817	629,128		
Fund equity, beginning		3,713,231			
Fund equity, ending		3,724,048			
Less invested in capital assets		3,228,575			
Net available fund equity		495,473			

INVESTMENT SCHEDULE BY SECURITY TYPE
AS OF 08-31-12

Seq#	Institution	Type	Term	Purchased	Matures	Principal	Yield
<hr/>							
CERTIFICATE DEPOSIT							
<hr/>							
1,143	Morgan Stanley Smith Barney LLC	CD	549	02-24-12	08-26-13	121,000.00	.548000
1,146	Morgan Stanley Smith Barney LLC	CD	550	03-02-12	09-03-13	128,000.00	.550000
1,145	Morgan Stanley Smith Barney LLC	CD	730	02-29-12	02-28-14	249,000.00	.550000
1,147	Morgan Stanley Smith Barney LLC	CD	730	03-07-12	03-07-14	249,000.00	.500000
1,148	Morgan Stanley Smith Barney LLC	CD	731	03-09-12	03-10-14	249,000.00	.650000
1,150	Morgan Stanley Smith Barney LLC	CD	730	03-28-12	03-28-14	249,000.00	.650000
1,141	Morgan Stanley Smith Barney LLC	CD	1,097	02-08-12	02-09-15	150,000.00	1.000000
1,163	Dain Rauscher Investment Services	CD	1,095	07-09-12	07-09-15	248,000.00	1.000000
1,164	Dain Rauscher Investment Services	CD	1,097	07-11-12	07-13-15	248,000.00	1.150000
1,140	Morgan Stanley Smith Barney LLC	CD	1,461	02-08-12	02-08-16	248,000.00	1.150000
1,142	Morgan Stanley Smith Barney LLC	CD	1,461	02-08-12	02-08-16	248,000.00	1.300000
1,155	Morgan Stanley Smith Barney LLC	CD	1,461	05-16-12	05-16-16	98,000.00	1.250000
1,165	Dain Rauscher Investment Services	CD	1,462	07-17-12	07-18-16	248,000.00	1.250000
1,154	Morgan Stanley Smith Barney LLC	CD	1,645	05-16-12	11-16-16	248,000.00	1.300000
1,161	Dain Rauscher Investment Services	CD	1,826	07-06-12	07-06-17	247,000.00	1.800000
1,162	Dain Rauscher Investment Services	CD	1,826	07-06-12	07-06-17	247,000.00	1.800000
1,169	Morgan Stanley Smith Barney LLC	CD	1,826	07-25-12	07-25-17	248,000.00	1.550000
1,172	Morgan Stanley Smith Barney LLC	CD	1,826	07-26-12	07-26-17	247,000.00	1.700000
1,168	Dain Rauscher Investment Services	CD	3,652	07-25-12	07-25-2022	249,000.00	2.425000
1,167	Dain Rauscher Investment Services	CD	5,478	07-19-12	07-19-2027	238,000.00	3.416200
1,174	Dain Rauscher Investment Services	CD	5,477	07-31-12	07-30-2027	246,000.00	3.183400
Total Number Of Investments: 21						4,703,000.00	
<hr/>							
FEDERAL HOME LN BK							
<hr/>							
1,156	Morgan Stanley Smith Barney LLC	FH	3,652	06-07-12	09-07-12	500,000.00	1.983700
1,159	Dain Rauscher Investment Services	FH	3,647	07-03-12	06-28-2022	600,000.00	2.789800
1,160	Dain Rauscher Investment Services	FH	3,647	07-03-12	06-28-2022	405,000.00	2.789800
1,166	Dain Rauscher Investment Services	FH	32,66	07-18-12	07-18-2022	600,000.00	2.998400
1,171	Morgan Stanley Smith Barney LLC	FH	3,652	07-26-12	07-26-2022	600,000.00	2.761000
Total Number Of Investments: 5						2,705,000.00	
<hr/>							
FEDERAL NATL MTG							
<hr/>							
1,144	Dain Rauscher Investment Services	FN	1,782	02-24-12	01-10-17	501,423.23	2.688300
1,176	Dain Rauscher Investment Services	FN	2,078	08-08-12	04-17-18	804,278.48	2.283500
1,152	Dain Rauscher Investment Services	FN	5,478	04-12-12	04-12-2027	1,000,000.00	4.231000
1,158	Dain Rauscher Investment Services	FN	5,478	06-28-12	06-28-2027	600,000.00	3.664700

INVESTMENT SCHEDULE BY SECURITY TYPE
AS OF 08-31-12

Seq#	Institution	Type	Term	Purchased	Matures	Principal	Yield
1,170	Dain Rauscher Investment Services	FN	5,475	07-26-12	07-23-2027	1,007,513.67	3.399500
1,173	Dain Rauscher Investment Services	FN	5,478	07-30-12	07-30-2027	600,000.00	3.498100
1,178	Dain Rauscher Investment Services	FN	5,478	08-13-12	08-13-2027	600,000.00	3.208200
1,151	Dain Rauscher Investment Services	FN	7,305	03-29-12	03-29-2032	500,000.00	4.746800
1,157	Dain Rauscher Investment Services	FN	7,305	06-21-12	06-21-2032	500,000.00	4.247100
Total Number Of Investments: 9						6,113,215.38	

FED HM MORTG POOL

1,175	Dain Rauscher Investment Services	HP	2,549	08-07-12	07-31-19	513,457.55	3.007100
1,179	Wells Fargo Brokerage Services	HP	2,556	08-22-12	08-22-19	500,000.00	1.399400
1,180	Wells Fargo Bank MN, NA	HP	2,556	08-22-12	08-22-19	460,000.00	1.399400
1,149	Morgan Stanley Smith Barney LLC	HP	3,197	03-22-12	12-22-2020	550,000.00	2.583100
1,127	Dain Rauscher Investment Services	HP	3,653	07-29-11	07-29-2021	500,000.00	3.996700
1,153	Morgan Stanley Smith Barney LLC	HP	32,59	05-10-12	02-28-2022	500,000.00	3.006800
Total Number Of Investments: 6						3,023,457.55	

TAXABLE MUNCPL BONDS

1,177	Wells Fargo Brokerage Services	TM	2,579	08-09-12	09-01-19	503,340.00	1.535600
Total Number Of Investments: 1						503,340.00	

INVESTMENT SCHEDULE BY SECURITY TYPE
AS OF 08-31-12

Seq#	Institution	Type	Term	Purchased	Matures	Principal	Yield	
		Sub-Total Of Investments:					17,048,012.93	
		4M Municipal Money Mkt Fund					3,808,047.33	
		2011 COP Debt Service Reserve					11,240.25	
		GMHC Savings Acct USBank					34,736.23	
		4M Fund - Hockey Escrow					117.12	
		Western Asset Govt MM Fund					1,427,275.78	
		GRAND TOTAL OF CASH & INVESTMENTS:					22,329,429.64	

TO: MAYOR, CITY COUNCIL AND CITY MANAGER
FROM: MARK J. MALONEY, PUBLIC WORKS DIRECTOR
DATE: SEPTEMBER 13, 2012
SUBJ: PUBLIC WORKS MONTHLY REPORT

ADMINISTRATIVE ACTIVITIES

Preparations for the public infrastructure improvements required by the proposed Lakeview Terrace redevelopment are essentially at a standstill pending the execution of the necessary project financing documents by the developer/property owner. The City has suspended activities of consultants who were working to finalize plans, specifications and bidding documents for the roadway and railway crossing improvements. The most optimistic schedule now for public improvements would have construction beginning in 2013, with the biggest variable being when the railroad crossing work would be completed.

In addition to the work on the proposed Lakeview Terrace redevelopment, the public works department has this past month had extensive involvement with the redevelopment proposals for TSI, PAR Systems and TCF Bank.

The department has been analyzing the logistics with the Spring and Fall Clean Up Day events and will be presenting ideas for program improvements for Council consideration. The Fall Clean Up Day will be held on Saturday, October 6th.

The Public Works Director recently met with the Ramsey-Washington Metro Watershed District staff to help transition the water management responsibilities resulting from the dissolving of Grass Lake WMO. The group visited locations in Roseville and Shoreview and heard presentations from City staff concerning upcoming infrastructure and redevelopment plans and other opportunities for water quality improvement projects. Their Organization appears well positioned to assume the responsibilities and their staff is already well versed regarding important topics surrounding the water bodies in Shoreview.

Environmental Services –

The Department hosted two separate trainings put on by Fortin Consulting for Road Salt applicators. The trainings were open for both city crews and interested parties from other municipalities, as well as the private sector. One day focused on parking lots and sidewalks maintenance, while the other concentrated more on roadways. The trainings gave an opportunity to learn about the latest de-icing and anti-icing technologies while reducing expenses and environmental impacts.

The forestry department purchased the equipment and materials to inject trees for Emerald Ash Borer. Two members of the Parks crews received a refresher course on the equipment and finished treating the remaining ash trees around the Commons area. These chemical injections for Emerald Ash Borer are coming to an end with the ash trees changing colors and losing leaves. If time allows this fall, we will treat City ash trees in our northern parks. Staff remains busy with other tree inspections for Dutch elm disease, oak wilt, and ash trees across the City.

The Department of Corrections crew removed all plastic netting and weeds at the Milton Street rain gardens and planted a new, simple design of native plants and shrubs. To help stabilize the slopes, a biodegradable straw “net” was used with a landscape edge to limit creeping grasses and weeds. Staff will monitor the gardens for noxious weeds as they get established and water when necessary.

The Environmental Quality Committee will showcase their 2012 Green Community Awards at the City Council meeting Sept 17th. The Committee will have a PowerPoint show of each of the 17 awarded properties and give out certificates with a lawn sign. Local media are interested in interviewing winners.

MAINTENANCE ACTIVITIES

Public Works Maintenance-

All maintenance crews attended a safety training workshop sponsored by the safety committee. They also attended a road salt application training/workshop.

Street Maintenance –

Street crews continue sweeping streets and mowing along trails during the favorable weather. They are spot patching and are beginning to patch around manholes and gate valves in preparation for the winter season. Crews also continue crack filling on streets as time and weather allow. Routine sign maintenance is on-going. Signs are repaired and replaced as needed. Speed trailers and traffic counters continue to be set up each week in different locations throughout the City. Crews continue inspecting and repairing storm sewers, pipes, catch basins and storm ponds. Storm sewer lift stations have been inspected and routine maintenance and repairs are on-going.

Utilities Maintenance –

Utility Crews check wells and lift stations and the booster station and towers each day. They perform routine repairs and regular maintenance at each site. Crews painted lift station panels that were faded and in need of freshening up. Water samples are collected each day and analyzed. Crews have been mowing and trimming at each well and lift station site and will continue to do so throughout the growing season. Each day crews are responsible for locating City utilities within proposed excavation areas. Meters are tested, repaired or replaced as needed.

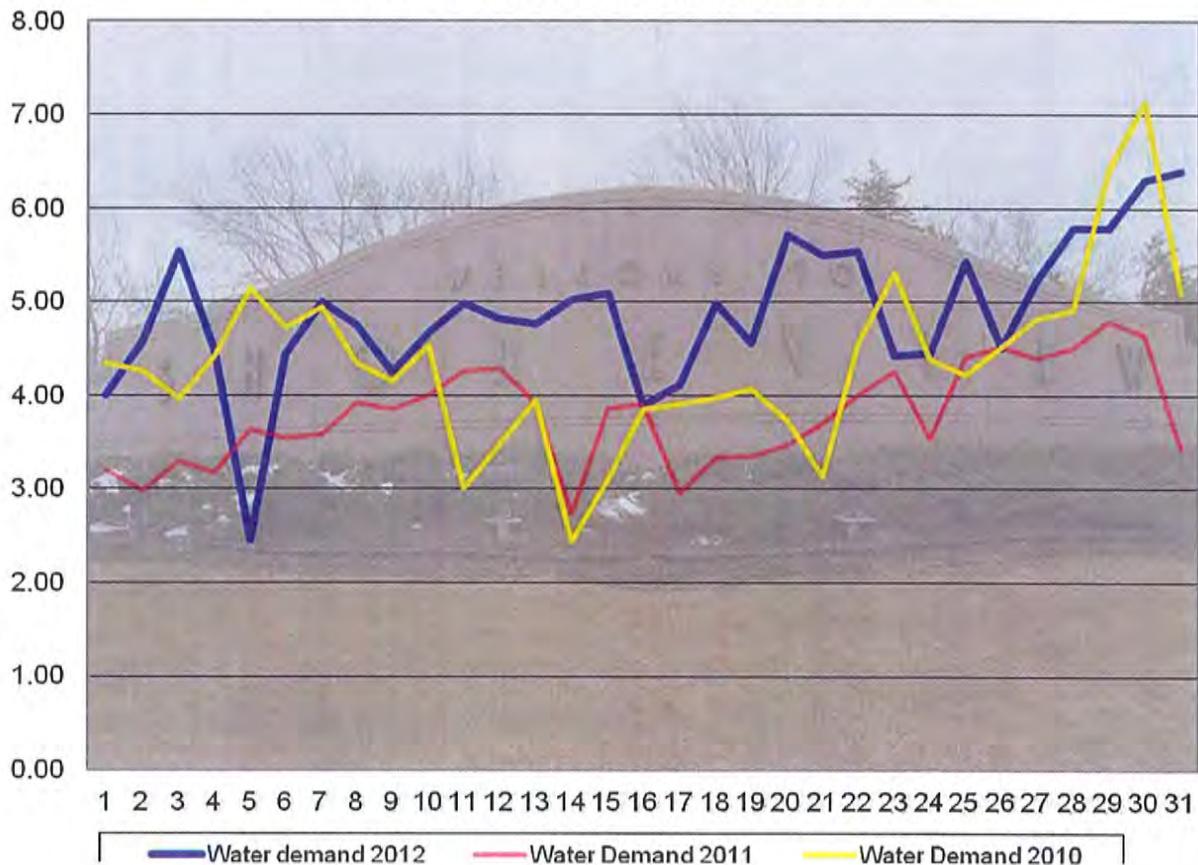
Crews continue exercising and repairing gate valves. They had a demonstration on a tool purchased to repair or replace valve nuts without digging up the valve. This is anticipated to save a great deal of time and money from costly repairs. They are preparing for the upcoming fall flushing of the water system which will begin on September 24. Crews completed the annual jetting of the sanitary sewer system. Each year the crews are scheduled to jet/clean a portion of the sanitary sewer system. They complete at least 1/3 of the City. This year they completed 1/2 of the City and plan to continue to clean at least one half of the City's sanitary sewer system each year.

DOC Crews –

Crews continue with daily cleaning at the Maintenance Facility. They thoroughly cleaned all the windows throughout the facility. They have been working with the Parks Maintenance Department on routine summer maintenance. They have been planting vegetation within City maintained medians and storm sewer infrastructure basins at Milton St.

The following chart shows historic water production for the month of August in 2010, 2011 and 2012.

Historic Water Demand for August



PROJECT UPDATES

Tanglewood/Victoria Street Rehabilitation, Project 11-08

The contractor has completed all work on the project and final payment will be on the Council Agenda for the October 1st Council Meeting.

Floral/Demar/County Road F Neighborhood Reconstruction, Project 12-01

The base course has been paved on Demar Ave. and County Rd. F, topsoil is being placed and will be followed by sod. Street light cables are in and the new poles are being installed. The new watermain has been installed and tested and water services will be completed the week of September 17th on Floral Dr. Storm sewer is about 50% complete and should be finished the week of September 24th with road grading to follow.

Red Fox Road Reconstruction, Project 12-04

City staff met with representatives from Target to discuss the proposed street improvements, acquisition of right-of-way, and storm water infrastructure. The meeting was positive and Target was going to have some internal discussions concerning the information that was provided at the meeting. City staff will meet again with the Target representatives to review the feasibility study when it is nearing completion and receive comments. Staff will also meet with the other business along Red Fox Road in the next few weeks to discuss the project. Staff continues to work on the preparation of the feasibility study.

2012 Street Light Replacement, Project 12-06

The project has been awarded to Q3 Contracting who also completed last year's project. The LED fixtures and aluminum poles have been received. The new poles and fixtures are being installed on Demar and Hanska (formerly Co Rd F) this week. These lights should be operational after electrical inspection and being energized by XCEL. The 3 other replacement areas are scheduled to start around the end of the month.

County Road D and Cottage Place Reconstruction, Project 13-01

City staff, in cooperation with staff from the City of Roseville, held an informational meeting concerning the proposed project for the residents along County Road D on August 7, 2012. The meeting is part of the information gathering process used in the preparation of the feasibility study. The proposed improvements are scheduled for construction in 2013.

REGULAR COUNCIL MEETING
SEPTEMBER 17, 2012

TO: MAYOR AND COUNCILMEMBERS
FROM: TERRY SCHWERM, CITY MANAGER
DATE: SEPTEMBER 11, 2012
RE: MONTHLY REPORT

DEPARTMENT ACTIVITY

The Community Center pool shutdown has gone very well this year. This year's shutdown was a week longer than usual to allow for re-grouting the pool, installation of a new filtration system and pool heater, as well as rehabilitation of the waterslide. In addition, there was a major repair required to the women's locker room shower drains. The Wave Café seating will be expanded with the installation of booths on the wall between the locker rooms. All of these projects are expected to be completed next week and the pool is scheduled to re-open on Saturday, September 22nd.

After consulting with the staff at Brauer & Associates (now WSB Engineering), it has been decided that it will be best to bid the Bucher Park renovation project during the winter months. The City is still in the process of obtaining a permit from the Rice Creek Watershed District for the planned work. WSD staff anticipate better bids on the project during the winter months when contractors are typically trying to arrange their 2013 construction schedules.

Pickleball is now available on four tennis courts in Shoreview. A contractor was able to paint the Pickleball court lines on the courts at Shamrock and Commons Parks the week prior to Labor Day. These courts can now be used for either tennis or Pickleball for the remainder of the 2012 outdoor season.

MAINTENANCE

It was another busy month for the Parks Maintenance crew. The seasonal summer help has gone back to school which means the regular parks crew has an increased number of work activities that need to be completed. Before the summer help left for the season, several smaller projects were completed including repairs to the grass infields at Sitzer, Wilson and Bucher Parks.

Despite the dry weather last month there still have been many areas that need regular mowing. All the irrigated turf areas are getting mowed at least once a week and some of the athletic fields still need to be mowed twice a week. All athletic fields have been aerated in preparation for over-seeding. All parks and grounds were weed whipped and sprayed for weeds. The crew removed two dead trees at Lake Judy Park. The crew also pulled the plants from the planters at the Community Center and then replanted with fall plantings. Some evergreen shrubs were in poor condition, so they were pulled and the beds were planted perennials that match with the upper level plantings.

On a weekly basis the crew mows and paints lines on three full sized soccer fields and nine modified size soccer fields. When the fall leagues are finished for the season there are pitchers mounds and batters boxes that will need repair and we plan on using our new rototiller to turn over all of the non grass areas

of the infields once play is done for the season. Between the parks maintenance crew and the DOC crew all hockey rinks have been painted for the coming season.

The latest round of park/playground inspections has been completed. All minor repairs are complete at this time and we are waiting for one part to complete all necessary repairs. Vandals struck again this month and graffiti was the main issue. Vandals struck the playground at Lake Judy Park and the building and hockey rink at McCullough Park. The crew continues to pick up trash at the Community Center, library and parks on a daily basis. The trash receptacles are dumped on an as needed basis. The crew has also emptied trash at the three off leash areas in the parks. The restrooms at the Haffeman Pavilion and Rice Creek Fields are cleaned before each rental.

COMMUNITY CENTER/CITY HALL MAINTENANCE ACTIVITIES

The custodial crew has been busy keeping the building on its cleaning schedule. Now that the Summer Discovery program is over there are some spaces which require extra cleaning before we begin using them again. The carpeting and walls of room 204 were cleaned so it can be rented for meetings. The floor in room 207 was stripped and waxed to get ready for the preschool program to begin. The crew has been very busy trying to get the carpets clean on the upper level. The crew also performed a deep clean in the Shoreview Room kitchen. The stove, convection oven and dishwasher were torn apart and scrubbed clean. Also, all the kitchen walls were scrubbed clean. A contractor came in and replaced the shelving in the room 207 storage room closet because the old ones were in disrepair.

RECREATION PROGRAMS

The final summer registration numbers have been tallied and most programs performed very well. We saw increases in adult programs, fitness, aquatic programs, and summer camps. The largest decrease was in special events such as concerts, Adventure Quest Carnival, movies, and Wet and Wild. These events are held outdoors and weather typically impacts attendance. On-line registration continues to increase.

Summer Participation	2012	2011	2010	2009
Adult Programs	42	11	20	181
Fitness	972	865	865	853
Adult Sports	13	33	25	33
Aquatics	1361	1253	1208	1173
Childcare (Summer Discovery)	215	202	215	212
Special Events (estimated)	4470	4925	5400	3935
Summer Camps	569	535	542	478
Youth Programs	509	512	310	517
Youth Sports	598	621	632	623
Total	8749	8957	9217	8005
Summer On-line Registrations	2550	2187	1806	1370

Kids Corner Preschool began the school year on Monday, September 10th. One hundred and fifteen preschoolers walked through the doors during the first week, anxious to meet their teachers and begin their preschool program. Kids Corner Preschool has 11 classes that meet September through May.

The Farmers Market continues to be a popular Tuesday afternoon stop. Vendors are bringing out their fall products along with the late summer favorites. The last day of the market is October 16th.

Swim lessons begin September 24th and registration is currently 100 participants ahead of this time last year.

The annual 500 Tournament was held on Thursday, September 13th. Seventy-six card players gathered in the Community Room to enjoy friendly competition, snacks, and prizes.

Touch-a-Truck and the Kids' Garage Sale are planned for Saturday, September 29th from 9:00 a.m. to 12:00 p.m. in the Community Center's lower level parking lot and pavilion. Youth can rent a table for \$15 and sell all the toys and gadgets that they have outgrown. Touch-a-Truck is always a popular event. Kids and adults alike are fascinated by fire trucks, police cars, ambulances, snow plows, and more.

COMMUNITY CENTER

The Community Center remained a popular destination prior to the start of the school year. Daily admission revenue increased 10% compared to August 2011 and playground only passes increased more than 40% compared to last summer. Birthday parties have continued to decrease this month. Staff has created a "private poolside party room" in the birthday party rooms during times that are traditionally less busy with birthday packages. Also, staff has created new "themed" birthday parties which are starting to generate some interest. Wedding receptions decreased more than 50% compared to last summer, primarily due to last minute cancellations. Corporate events increased 200% this August with Metro ECSU training in the banquet and meeting rooms for six days.

There was a slight decrease in cardio equipment usage from July to August with many college students returning to school. However, cardio equipment usage was higher compared to last August. The three oldest LifeFitness elliptical were replaced due to continual maintenance issues. Members were appreciative that these pieces were replaced with the same popular LifeFitness model. There was a demonstration crosstrainer, the Precor AMT, in the fitness center for two weeks for members to use. The feedback received about this machine was very positive. There were 121 personal training sessions redeemed this month. A total of 527 personal training sessions were sold this summer generating over \$23,000.00 in revenue.

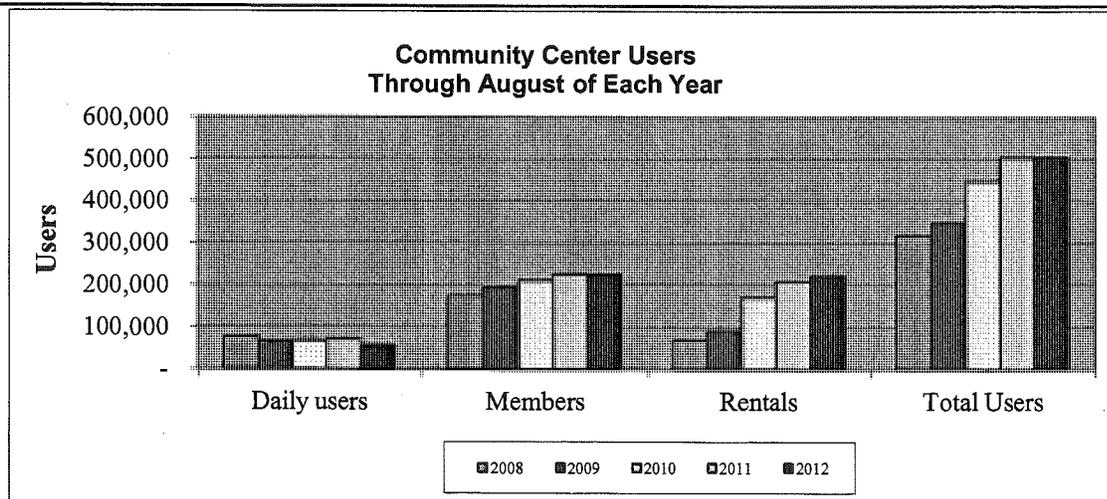
Annual membership sales increased 11% this month compared to last year. The membership categories that had increases were the resident monthly adult membership and the prepaid regular adult membership. The family prepaid resident membership increased the most with more than a 20% gain this month. The family pass still remains the most popular membership category with over 900 active family memberships. There are currently more than 200 active senior membership passes. This pass category has only decreased 4% since last year, even with the start of the SilverSneakers program. There are nearly 400 active SilverSneakers memberships. Staff will be adding a corporate membership

category in the next few months with the goal of adding new members during the noon hour when the Community Center is typically not as active.

The Community Center's gross revenue is comparable to 2011 which was 10% better than 2010. However, the net revenue is almost \$100,000.00 less than last year due to the increase in expenses. There is a \$37,000 difference in full time employee salaries due to changes in employee coding since last year. The increase in supply expenses include: rooftop HVAC unit repairs and credit card fees being distributed differently than last year. However, these two items should even out by the end of the year. Contractual costs increased primarily due to the generator breaking and the need for a rental unit while the original generator was being repaired. The new chiller has proven to be an economical replacement. Even with the summer of 2012 being one of the hottest summers on record, electric costs did not increase this season.

**Community Center Activity Year-to-date
Through August Each Year**

	2008	2009	2010	2011	2012
Number of Users:					
Daily users	75,957	66,057	66,352	70,683	56,843
Members	172,686	193,445	210,975	225,059	225,163
Rentals	69,599	89,958	170,596	208,262	222,909
Total Users	318,242	349,460	447,923	504,004	504,915
Revenue:					
Admissions	\$ 367,984	\$ 409,233	\$ 389,607	\$ 442,368	\$ 422,582
Memberships-annual	282,955	397,408	501,325	564,477	588,798
Memberships-seasonal	97,223	78,343	65,978	66,826	64,597
Room rentals	143,957	138,397	151,481	171,870	172,252
Wave Café	108,855	116,080	127,915	144,624	137,440
Commissions	2,233	3,132	6,084	6,771	8,762
Locker/vending/video	23,212	19,883	20,383	18,522	15,077
Merchandise	5,895	7,247	8,126	10,380	11,022
Other miscellaneous	1,524	421	852	983	129
Building charge	88,000	94,000	93,000	97,000	100,000
Transfers in	126,664	204,800	206,672	198,000	200,000
Total Revenue	1,248,502	1,468,944	1,571,423	1,721,821	1,720,659
Expenditures:					
Personal services	816,945	836,938	850,395	866,761	903,462
Supplies	262,543	247,147	247,810	276,452	306,951
Contractual	276,514	312,602	309,789	343,908	372,669
Total Expenditures	1,356,002	1,396,687	1,407,994	1,487,121	1,583,082
Rev less Exp Year-to-date	\$ (107,500)	\$ 72,257	\$ 163,429	\$ 234,700	\$ 137,577



* Rental users in 2010 and later years include Summer Discovery Prgm

t\data/excel/comm cntr/Monthly report 2012

**Community Center Monthly Activity
For the Year 2011**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Number of Users:													
Daily users	9,573	8,554	12,733	7,331	6,918	8,510	9,591	7,473	2,375	2,799	6,874	8,661	91,392
Members	33,665	30,575	34,019	29,225	25,468	24,211	24,352	23,544	23,660	26,968	27,680	29,395	332,762
Rentals	16,013	14,571	17,692	15,947	17,757	40,042	34,573	51,667	16,013	18,620	16,031	15,945	274,871
Total Users	59,251	53,700	64,444	52,503	50,143	72,763	68,516	82,684	42,048	48,387	50,585	54,001	699,025
Revenue:													
Admissions	\$ 54,768	\$ 50,219	\$ 82,024	\$ 37,760	\$ 32,531	\$ 48,104	\$ 57,434	\$ 41,854	\$ 19,315	\$ 26,823	\$ 35,198	\$ 58,481	\$ 544,511
Indoor playground	6,646	4,955	8,340	4,691	3,281	4,545	3,033	2,183	2,178	2,986	4,786	5,031	52,655
Memberships	134,134	82,408	85,134	64,611	61,088	69,882	64,747	69,299	77,050	85,320	115,092	202,422	1,111,187
Room rentals	22,729	19,569	29,892	16,023	24,736	20,859	19,322	18,740	22,956	21,955	10,411	23,107	250,299
Wave Café	20,526	18,871	25,987	17,064	15,650	15,441	16,165	14,920	10,577	13,462	12,687	14,228	195,578
Commissions	-	143	850	-	1,366	698	2,561	1,153	3,393	2,395	1,944	-	14,503
Locker/vending/video	(1,194)	3,591	2,745	3,128	2,566	3,560	3,243	883	1,842	2,649	1,596	4,997	29,606
Merchandise	1,006	1,018	1,492	1,340	948	1,826	1,546	1,204	1,014	819	879	632	13,724
Other miscellaneous	(80)	75	27	32	757	39	83	50	5	143	65	127	1,323
Building charge	-	-	-	-	-	97,000	-	-	-	-	-	1,441	98,441
Interest	-	-	-	-	-	-	-	-	-	-	-	20,674	20,674
Transfers in	24,750	24,750	24,750	24,750	24,750	24,750	24,750	24,750	24,750	24,750	24,750	24,750	297,000
Total Revenue	263,285	205,599	261,241	169,399	167,673	286,704	192,884	175,036	163,080	181,302	207,408	355,890	2,629,501
Expenditures:													
Personal services	84,388	104,891	105,118	99,020	100,804	107,049	156,509	108,982	96,532	99,084	104,360	185,734	1,352,471
Supplies	30,153	36,056	44,170	42,162	34,276	33,351	29,123	27,161	39,147	44,125	36,298	52,831	448,853
Contractual	22,538	31,672	36,485	42,242	48,682	54,629	63,436	44,224	56,475	65,557	40,038	94,564	600,542
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	137,079	172,619	185,773	183,424	183,762	195,029	249,068	180,367	192,154	208,766	180,696	333,129	2,401,866
Rev less Exp (monthly)	\$ 126,206	\$ 32,980	\$ 75,468	\$ (14,025)	\$ (16,089)	\$ 91,675	\$ (56,184)	\$ (5,331)	\$ (29,074)	\$ (27,464)	\$ 26,712	\$ 22,761	\$ 227,635
Rev less Exp (Ytd)	\$ 126,206	\$ 159,186	\$ 234,654	\$ 220,629	\$ 204,540	\$ 296,215	\$ 240,031	\$ 234,700	\$ 205,626	\$ 178,162	\$ 204,874	\$ 227,635	

Community Center Monthly Activity
For the Year 2010

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Number of Users:													
Daily users	12,396	8,244	10,145	5,086	6,293	7,811	8,478	7,899	2,600	5,189	6,669	7,974	88,784
Members	32,569	30,039	30,018	24,351	22,682	23,343	23,406	24,567	20,281	23,593	26,860	26,695	308,404
Rentals	16,552	14,271	16,027	14,710	16,223	30,877	29,480	32,456	14,120	16,373	13,243	16,302	230,634
Total Users	61,517	52,554	56,190	44,147	45,198	62,031	61,364	64,922	37,001	45,155	46,772	50,971	627,822
Revenue:													
Admissions	\$ 55,503	\$ 47,668	\$ 54,719	\$ 31,183	\$ 35,032	\$ 40,977	\$ 50,122	\$ 38,742	\$ 18,995	\$ 25,431	\$ 33,763	\$ 42,844	\$ 474,979
Indoor playground	7,028	6,623	6,012	2,611	2,846	4,446	2,790	3,305	620	2,541	3,920	4,650	47,392
Memberships	111,690	75,142	68,524	57,725	61,958	61,663	64,227	66,374	78,838	75,158	121,981	197,214	1,040,494
Room rentals	18,519	27,898	14,573	19,724	22,695	16,744	18,713	12,615	23,057	16,713	16,852	12,561	220,664
Wave Café	18,052	17,720	18,813	14,915	13,174	15,261	14,708	15,272	9,617	11,457	13,834	13,993	176,816
Commissions	870	1,051	-	658	-	1,375	1,367	763	1,967	1,356	227	993	10,627
Locker/vending/video	1,317	2,387	4,880	4,296	1,239	2,101	2,802	1,361	4	3,262	948	4,873	29,470
Merchandise	730	932	903	1,147	790	1,043	1,400	1,181	312	711	715	792	10,656
Other miscellaneous	(90)	67	25	(790)	1,025	30	414	171	89	80	183	740	1,944
Building charge	-	-	-	-	-	93,000	-	-	-	-	-	1,415	94,415
Interest	-	-	-	-	-	-	-	-	-	-	-	8,017	8,017
Transfers in	25,834	25,834	25,834	25,834	25,834	25,834	25,834	25,834	25,834	25,834	25,834	25,826	310,000
Total Revenue	239,453	205,322	194,283	157,303	164,593	262,474	182,377	165,618	159,333	162,543	218,257	313,918	2,425,474
Expenditures:													
Personal services	87,881	107,137	99,770	97,359	97,921	97,380	157,769	105,178	95,479	100,266	101,590	171,540	1,319,270
Supplies	13,838	38,074	39,579	27,156	36,732	32,132	30,501	29,798	35,361	28,190	24,843	69,336	405,540
Contractual	5,022	26,404	63,856	28,989	51,368	39,593	36,322	58,235	48,831	60,881	30,144	95,218	544,863
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	106,741	171,615	203,205	153,504	186,021	169,105	224,592	193,211	179,671	189,337	156,577	336,094	2,269,673
Rev less Exp (monthly)	\$ 132,712	\$ 33,707	\$ (8,922)	\$ 3,799	\$ (21,428)	\$ 93,369	\$ (42,215)	\$ (27,593)	\$ (20,338)	\$ (26,794)	\$ 61,680	\$ (22,176)	\$ 155,801
Rev less Exp (ytd)	\$ 132,712	\$ 166,419	\$ 157,497	\$ 161,296	\$ 139,868	\$ 233,237	\$ 191,022	\$ 163,429	\$ 143,091	\$ 116,297	\$ 177,977	\$ 155,801	

MOTION SHEET

MOVED BY COUNCILMEMBER _____

SECONDED BY COUNCILMEMBER _____

To approve the following payment of bills as presented by the finance department.

Date	Description	Amount
09/04/12	Accounts payable	\$ 14,013.41
09/06/12	Accounts payable	\$ 116,915.92
09/10/12	Accounts payable	\$ 48,008.29
09/12/12	Accounts payable	\$ 168,183.16
09/13/12	Accounts payable	\$ 12,030.62
09/17/12	Accounts payable	\$ 221,240.88
Sub-total Accounts Payable		\$ 580,392.28
	Payroll 124472 to 124522 958572 to 958769	\$164,514.25
Sub-total Payroll		\$ 164,514.25
TOTAL		\$ 744,906.53

ROLL CALL:	AYES	NAYS
Huffman		
Quigley		
Wickstrom		
Withhart		
Martin		

09/17/12

COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line Amount	Invoice Amt
AMERICAN MESSAGING	LOCK BOX PAYMENT - MONTHLY	101	40210	3190		009	\$4.26	\$4.26
BROCK WHITE, LLC	MILTON STREET PLANTINGS	603	45850	2180		001	\$130.47	\$130.47
HAWKINS, INC.	POOL CHEMICALS	220	43800	2160		001	\$245.64	\$245.64
HAWKINS, INC.	POOL & WHIRL POOL CHEMICALS	220	43800	2160		001	\$2,472.37	\$2,472.37
JEFF ELLIS & ASSOCIATES, INC	LIFEGUARDING LICENSE	220	43800	3190		007	\$237.00	\$237.00
LIFEGUARD STORE, THE	BACK BOARD STRAPS, OXYGEN DEVICES,CLAMPS	220	43800	2200		001	\$171.85	\$206.35
		220	43800	2200		004	\$34.50	
MATHESON TRI-GAS INC	CO2 FOR WHIRLPOOL	220	43800	2160		002	\$89.13	
ROSEVILLE, CITY OF	TAX AND LICENSE FOR NEW 707	701	46500	5400			\$5,045.49	\$5,045.49
S & S TREE SPECIALISTS, INC	TREE SERVICES EAB TREATMENT	101	43900	3190		004	\$235.68	\$235.68
S & S TREE SPECIALISTS, INC	TREE SERVICES EAB TREATMENT	101	43900	3190		004	\$203.54	\$203.54
S & S TREE SPECIALISTS, INC	TREE SERVICES EAB TREATMENT	101	43900	3190		004	\$139.26	\$139.26
S & S TREE SPECIALISTS, INC	TREE SERVICES EAB TREATMENT	101	43900	3190		004	\$257.10	\$257.10
S & S TREE SPECIALISTS, INC	TREE SERVICES EAB TREATMENT	101	43900	3190		004	\$289.24	\$289.24
S & S TREE SPECIALISTS, INC	TREE SERVICES EAB TREATMENT	101	43900	3190		004	\$171.40	\$171.40
S & S TREE SPECIALISTS, INC	TREE SERVICES EAB TREATMENT	101	43900	3190		004	\$182.11	\$182.11
S & S TREE SPECIALISTS, INC	TREE SERVICES	101	43900	3190		004	\$267.81	\$267.81
S & S TREE SPECIALISTS, INC	TREE SERVICES EAB TREATMENT	101	43900	3190		004	\$267.81	\$267.81
S & S TREE SPECIALISTS, INC	TREE SERVICES EAB TREATMENT	101	43900	3190		004	\$465.99	\$465.99
S & S TREE SPECIALISTS, INC	TREE SERVICES EAB TREATMENT	101	43900	3190		004	\$235.68	\$235.68
S & S TREE SPECIALISTS, INC	TREE SERVICES EAB TREATMENT	101	43900	3190		004	\$267.81	\$267.81
TARGET COMMERCIAL INVOICE	SENIOR SUPPLIES	225	43590	2174	002		\$72.32	\$72.32
UPPER CUT TREE SERVICES	PUBLIC TREE AND STUMP REMOVAL W012-23	101	43900	3190		002	\$727.77	\$727.77
WATSON COMPANY	BREAK ROOM SUPPLIES	101	40800	2180			\$90.04	\$90.04
WATSON COMPANY	WAVE CAFE FOOD FOR RESALE	220	43800	2590			\$1,290.45	\$1,290.45
WW GOETSCH ASSOCIATES, INC	SUMP PUMP FIX	220	43800	2200		003	\$418.69	\$418.69
Total of all invoices:							\$14,013.41	

COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line	Amount	Invoice Amt
ALI, NORA	FACILITY REFUND	220	22040					\$150.00	\$150.00
ALL POOLSIDE	EROSION RED 425 SNAIL LK RD RES 12-75	101	22030					\$1,000.00	\$1,000.00
AMERICAN FASTENER	GUERIN GAS STATION PROJECT	459	40800	5200				\$19.13	\$19.13
AQUATIC RECREATION COMPANY LLC	REPLACEMENT WHEEL FOR PALM TREE	220	43800	2200		004		\$160.31	\$160.31
BAILEY, DEBORAH	DEFENSIVE DRIVE 4 HR	220	22040					\$16.00	\$16.00
BAMZAI, ARJUN	FACILITY REFUND	220	22040					\$50.00	\$50.00
COCA COLA REFRESHMENTS	WAVE CAFE BEVERAGE FOR RESALE	220	43800	2590				\$333.26	\$333.26
COMMISSIONER OF REVENUE- WH TA	WITHHOLDING TAX - PAYDATE 09-07-12	101	21720					\$9,377.24	\$9,377.24
COMMUNITY HEALTH CHARITIES - M	EMPLOYEE CONTRIBUTIONS: 09-07-12	101	20420					\$103.25	\$103.25
GENESIS EMPLOYEE BENEFITS, INC	VEBA CONTRIBUTIONS: 09-07-12	101	20418					\$5,685.00	\$5,685.00
GENESIS EMPLOYEE BENEFITS, INC	ADMINISTRATION FEE: AUGUST 2012	101	20416					\$364.90	\$364.90
GENESIS EMPLOYEE BENEFITS, INC	FLEX - MED/DEPENDENT CARE 09-07-12	101	20431					\$414.00	\$414.00
GOPHER	MCCULLOUGH SOCCER NET	225	43510	2170		007		\$106.46	\$106.46
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590				\$15.48	\$15.48
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590				\$15.48	\$15.48
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590				\$16.36	\$16.36
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590				\$16.35	\$16.35
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590				\$15.47	\$15.47
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590				\$15.51	\$15.51
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590				\$15.50	\$15.50
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591				\$19.99	\$19.99
HOERL, KAROLINA	ACTIVITY REFUND	220	22040					\$67.90	\$67.90
HOLZINGER, IRENE	REVVING	220	22040					\$25.00	\$25.00
ICMA/VANTAGEPOINT TRANSFER-300	EMPLOYEE CONTRIBUTIONS PAYDATE:09-07-12	101	21750					\$4,594.59	\$4,594.59
ICMA/VANTAGEPOINT TRANSFER-705	ROTH CONTRIBUTIONS: 09-07-12	101	20430					\$265.00	\$265.00
JEWELL, TED W.	SOFTBALL UMPIRE AUGUST 13,23,27	225	43510	3190		001		\$138.00	\$138.00
KANSAS STATE BANK-GOVT FINANCE	CONTRACT LEASE PAYMENT/SEPT 2012	220	43800	3960				\$1,089.00	\$1,089.00
KLAERS, STEVE	TOTAL BODY WORKOUT	220	22040					\$67.80	\$67.80
MALONEY, DEBORAH	TUITION REIMBURSEMENT - SUMMER 2012 SEM	101	40500	4500				\$647.20	\$1,618.00
		601	45050	4500				\$404.50	
		602	45550	4500				\$404.50	
		603	45850	4500				\$161.80	
MATHESON TRI-GAS INC	CO2 FOR WHIRLPOOL	220	43800	2160		002		\$89.13	\$89.13
MENARDS CASHWAY LUMBER **FRIDL	SUPPLIES FOR VENT WELL 6	601	45050	2280		005		\$18.32	\$18.32
METROPOLITAN COURIER CORPORATI	ARMORED CAR SERVICES: 09-07-12	101	40500	4890				\$104.21	
		220	43800	4890				\$104.20	
		601	45050	4890				\$104.20	
		602	45550	4890				\$104.20	\$416.81
MEZCO INC	GRADING CERT 5230 OAKRIDGE RES 12-75	101	22025					\$1,000.00	
MINNESOTA CHILD SUPPORT PAYMEN	PAYDATE:09-07-12	101	20435					\$217.50	\$217.50
MINNESOTA ENVIRONMENTAL FUND	MN ENVIRONMENTAL EMPL CONTRIB: 09-07-12	101	20420					\$27.00	\$27.00
MINNESOTA POLLUTION CONTROL AG	THURY D/CEIRTIFICATION RENEWAL	602	45550	4500		003		\$23.00	\$23.00
PARTY AMERICA CORPORATE OFFICE	FARMERS MARKET SUPPLIES 9/4/12	225	43590	2174		001		\$29.87	\$29.87
PATRICK, DANIEL	PASS REFUND	220	22040					\$440.00	\$440.00
PICHE, DAVID	EROSION REDUCT 515 GRAMSIE RES 12-75	101	22030					\$500.00	\$500.00
PUBLIC EMPLOYEES RETIREMENT AS	EMPL/EMPLOYER CONTRIBUTIONS:09-07-12	101	21740					\$27,246.45	\$27,246.45
RAMSEY COUNTY PARKS & REC.	SHOREVIEW ARENA ICE RENTAL- SKATING LESS	225	43580	3171				\$3,004.82	\$3,004.82
RAMSEY COUNTY TREASURER	LIFE INSURANCE: SEPT 2012	101	20414					\$2,719.57	\$2,919.57
		101	20417					\$200.00	
REMUS, STUART	ZUMBA	220	22040					\$67.20	\$67.20
RITZ CAMERA	TRAINING FOR CAMERA USAGE/PHOTOGRAPHY	101	40200	4500		005		\$160.00	

COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line Amount	Invoice Amt
SAM'S CLUB DIRECT	FARMERS MARKET SUPPLIES 9/4	225	43590	2174		001	\$318.72	\$318.72
SMITHBERG, SARAH	FACILITY REFUND	220	22040				\$300.00	\$300.00
T-MOBILE	SERVICE - 7/27 - 8/26/12	601	45050	3190			\$63.12	\$63.12
TARGET COMMERCIAL INVOICE	SUMMER DISCOVERY SNACKS	225	43535	2170		004	\$37.95	\$37.95
TARGET COMMERCIAL INVOICE	PRESCHOOL SUPPLIES	225	43555	2170			\$182.81	\$182.81
TARGET COMMERCIAL INVOICE	KIDS CARE SUPPLIES	225	43560	2170			\$106.81	\$106.81
THE WORKS	SUMMER DISCOVERY FIELD TRIP	225	43535	3190		001	\$120.00	\$120.00
TREASURY, DEPARTMENT OF	FEDERAL WITHHOLDING TAX:09-07-12	101	21710				\$21,912.47	\$52,375.78
		101	21730				\$23,820.97	
		101	21735				\$6,642.34	
UNITED WAY - GREATER TWIN CITI	EMPLOYEE CONTRIBUTIONS: 09-07-12	101	20420				\$99.00	
WOLDT, ALAN	EROSION REDUCT 800 CO RD I RES 12-75	101	22030				\$1,000.00	\$1,000.00
XIONG, CHAES	PASS REFUND	220	22040				\$241.91	\$241.91
YANG, MARY	FACILITY REFUND	220	22040				\$100.00	\$100.00
YOUNG, LESLEY	REIMBURSEMENT/FARMERS MARKET SUPPLIES	225	43590	2174		001	\$35.17	\$35.17
							Total of all invoices:	\$116,915.92

COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line Amount	Invoice Amt
AARP C/O RICHARD KEY	DEFENSIVE DRIVING/30 PARTICIPANTS	225	43590	3174		003	\$386.00	\$386.00
ACE SOLID WASTE	DUMPSTER SERVICE CC AND PARKS	220	43800	3640			\$1,136.15	\$1,625.43
		101	43710	3950			\$489.28	
BROWN, RAYMOND	SOFTBALL UMPIRE AUG 28 & SEPT 4	225	43510	3190		001	\$92.00	\$92.00
COMMISSIONER OF REVENUE- WH TA	WITHHOLDING TAX - PAYDATE 09-07-12	101	21720				\$32.95	\$32.95
CORBO, JAMES	SOFTBALL UMPIRE AUG 23,28,30,SEPT 4,6	225	43510	3190		001	\$230.00	\$230.00
JEWELL, TED W.	SOFTBALL UMPIRE AUG 30 & SEPT 6	225	43510	3190		001	\$92.00	\$92.00
JONES, MICHAEL	SOFTBALL UMPIRE SEPT 6	225	43510	3190		001	\$46.00	\$46.00
KELLY & LEMMONS, P.A.	AUGUST 2012 LEGAL FEES	101	40600	3020			\$3,845.00	
		101	40600	3030			\$5,171.93	
		101	40600	3040			\$876.00	\$9,892.93
MCCAREN DESIGNS INC	OCTOBER HORTICULTURE SERVICES FOR POOL	220	43800	3190		007	\$1,278.23	\$1,278.23
MENARDS CASHWAY LUMBER **FRIDL	FENCE FOR PUBLIC WORKS BUILDING	701	46500	2183		001	\$255.43	\$255.43
MINNCOR INDUSTRIES	OFFICE FURNITURE	101	43400	2010			\$1,346.63	\$1,346.63
MINNESOTA DEPT LABOR AND INDUS	BUILDING SURCHARGE REPORT: AUGUST	101	20802				\$1,493.06	\$1,463.20
		101	34060				-\$29.86	
MINNESOTA EXTERIORS	PERMIT REFUND 2012-01617	101	32500				\$464.15	
		101	34850				\$5.00	\$481.57
		101	20802				\$12.42	
PEARSON BROS INC	FINAL PMT 2012 SEALCOAT PROJ 12-05	404	42200	3190			\$13,726.58	
PETERSON FRAM & BERGMAN	JULY 2012 LEGAL FEES	101	40600	3020			\$2,250.05	\$5,400.50
		101	40600	3030			\$2,492.45	
		101	40600	3040			\$658.00	
PORTER, DANIEL	SOFTBALL UMPIRE AUGUST 27	225	43510	3190		001	\$46.00	
RUGRODEN, JOHN L.	SOFTBALL UMPIRE AUG 23 & 30	225	43510	3190		001	\$92.00	\$92.00
SAARION, BENJAMIN	SOFTBALL UMPIRE AUG 28 & SEPT 4	225	43510	3190		001	\$92.00	\$92.00
SCHMID, BRIAN	SOFTBALL UMPIRE AUGUST 27	225	43510	3190		001	\$46.00	\$46.00
THOENNES PLUMBING AND HEATING	REFUND ON PART OF PERMIT 12-01597	101	32620				\$210.00	\$210.00
TOKLE INSPECTIONS INC	INSPECTIONS SERVICES FOR SEPT 2012	101	44300	3090			\$7,440.40	\$7,440.40
TREASURY, DEPARTMENT OF	FEDERAL WITHHOLDING TAX: 09-07-12	101	21710				\$75.66	\$343.52
		101	21730				\$209.46	
		101	21735				\$58.40	
TRI TECH DISPENSING	ICE MACHINE CLEANING	220	43800	3890			\$584.79	
UPPER CUT TREE SERVICES	PUBLIC TREE REMOVAL WO 12-11 AND WO12-14	101	43900	3190		002	\$2,714.63	\$2,714.63
WINDOW WORLD TWIN CITIES	REFUND DUPLICATE PAYMENT 12-1427 CH#6129	101	20802				\$1.00	\$89.50
		101	32500				\$83.50	
		101	34850				\$5.00	

Total of all invoices: \$48,008.29

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COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line	Amount	Invoice Amt
AUTOMOTIVE REFLECTIONS	INS CLAIM PC16143: UNIT 202	260	47400	4340				-\$2,119.32	-\$2,119.32
ACE SOLID WASTE	MAINT CENTER SOLID WASTE PICKUP	701	46500	3640				\$223.62	\$223.62
ALLEN, DEANNE	MINUTES - 8/20 CC, 9/4 CC, 8/28 PC	101	40200	3190		001		\$400.00	\$550.00
		101	44100	3190				\$150.00	
ALLIED WASTE SERVICES #899	GARBAGE AND RECYCLING FOR THE SLICE	270	40250	3950				\$805.60	
AMERI PRIDE LINEN & APPAREL SE	UNIFORM RENTAL PARKS	101	43710	3970				\$59.91	\$59.91
AMERI PRIDE LINEN & APPAREL SE	UNIFORM RENTAL PARKS	101	43710	3970				\$59.91	\$59.91
AMERI PRIDE LINEN & APPAREL SE	UNIFORM RENTAL PARKS	101	43710	3970				\$59.91	\$59.91
AMERI PRIDE LINEN & APPAREL SE	UNIFORM RENTAL CC	220	43800	3970				\$48.32	\$48.32
AMERI PRIDE LINEN & APPAREL SE	UNIFORM RENTAL CC	220	43800	3970				\$48.32	\$48.32
AMERI PRIDE LINEN & APPAREL SE	UNIFORM RENTAL CC	220	43800	3970				\$48.32	\$48.32
AMERI PRIDE LINEN & APPAREL SE	UNIFORM RENTAL CC	220	43800	3970				\$48.32	\$48.32
AMSAN BRISSMAN KENNEDY	CLEANING SUPPLIES CC	220	43800	2110				\$817.28	\$817.28
AMSAN BRISSMAN KENNEDY	CLEANING SUPPLIES CC	220	43800	2110				\$473.76	\$473.76
AUTOMOTIVE REFLECTIONS	INS CLAIM PC16143: UNIT 202	260	47400	4340				\$2,119.32	\$2,119.32
BELL, JOHN	REFUND CLOSING OVERPYMT-860 MONTEREY DR	601	36190					\$11.53	\$11.53
BETHEL UNIVERSITY	GRANT MONIES FOR THE GERMAN BAND CONCERT	101	22071					\$2,227.00	\$2,227.00
CITY OF APPLE VALLEY	GOVERNMENT PAYROLL REVIEW/KUSCHEL	101	40500	4500		013		\$25.00	\$25.00
CITY OF SHOREVIEW	CASH PRIZE FOR 500 TOURNAMENT	225	43590	2174		002		\$200.00	\$200.00
CLASSIC CATERING/PICNIC PLEASE	VOLUNTEER DINNER DEPOSIT	101	40100	4890		001		\$200.00	\$200.00
COMCAST	CABLE FOR CC	220	43800	3190		001		\$224.39	\$224.39
COMFORT SUITES, DULUTH	AWWA CONFERENCE:TW,DC,KC	601	45050	4500		002		\$490.94	\$490.94
CULLIGAN	IRON FILTER RENTAL FOR POOL	220	43800	3950				\$94.05	\$94.05
FIRST STUDENT, INC	AUGUST 1 FIELD TRIP BUS COST	225	43535	3190		003		\$1,170.00	\$1,170.00
FIRST STUDENT, INC	AUGUST 15 FIELD TRIP BUS COST	225	43535	3190		003		\$810.00	\$810.00
IDENTITY STORES, LLC	SOCCER COACHES SHIRT	225	43510	2170		007		\$20.52	\$20.52
JRK SEED CO.	EAB TREATMENT MATERIALS AND CHEMICALS	101	43900	2180		002		\$9,508.36	\$9,508.36
KUSH, RICHARD	REFUND CLOSING OVRPYMT-1414 KNOLL DRIVE	601	36190					\$8.46	\$8.46
MELVIN, TESSIA	EDA FOOD FOR SEPTEMBER MEETING	240	44400	2180				\$51.45	\$51.45
METROPOLITAN COUNCIL ENVIRONME	SEWER SERVICE-OCTOBER 2012	602	45550	3670				\$141,589.12	\$141,589.12
MINNESOTA DEPARTMENT OF REV -	ON ROAD DIESEL FUEL TAX: AUGUST 2012	701	46500	2120		002		\$377.06	\$377.06
MOUNDS VIEW PUBLIC SCHOOLS	DISTRICT FIELD FEES - SUMMER BALL FIELDS	225	43510	3190		015		\$2,001.00	\$2,001.00
PLUMBMASTER, INC	REPAIR SUPPLIES CC	220	43800	2240		001		\$202.28	\$202.28
PMA FINANCIAL NETWORK, INC	JULY 2012 BANK FEES	101	40500	4890		004		\$147.70	\$147.70
PRESS PUBLICATIONS	EMPLOYMENT AD JULY 2012	220	43800	3190		004		\$300.44	\$300.44
PRESS PUBLICATIONS	RESIDENT GUIDES	220	43800	3190		004		\$802.47	\$802.47
RICOH AMERICAS CORPORATION	MAINTENANCE/COPIES: PARKS DEPT.	101	40200	3850		002		\$595.46	\$595.46
S & S TREE SPECIALISTS, INC	TREE SERVICES	101	43900	3190		004		\$187.47	\$187.47
S & S TREE SPECIALISTS, INC	TREE SERVICES EAB INJECTION	101	43900	3190		004		\$246.39	\$246.39
S & S TREE SPECIALISTS, INC	TREE SERVICES EAB INJECTIONS	101	43900	3190		004		\$203.54	\$203.54
S & S TREE SPECIALISTS, INC	TREE SERVICES EAB INJECTIONS	101	43900	3190		004		\$176.76	\$176.76
UPPER MIDWEST ATHLETIC CONSTRU	PICKLEBALL LINES ON COURTS PARKS	101	43710	3190				\$2,400.00	\$2,400.00
WORKLIFE & FLEXIBILITY	CONFERENCE/ELLIOTT	101	40210	4500		001		\$120.00	\$120.00
YALE MECHANICAL INC	CLEARING OF CLOGGED DRAIN	220	43800	3810		003		\$257.25	\$257.25
YALE MECHANICAL INC	TESTING PIPES FOR LEAKS	220	43800	3810		003		\$291.25	\$291.25

Total of all invoices: \$168,183.16

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COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line Amount	Invoice Amt
ROSE, MICHELLE	REFUND SUMMER DISCOVERY OVERPAYMENT	220	22040				-\$10.00	-\$10.00
ARDITO, CARRIE	FACILITY REFUND	220	22040				-\$25.00	-\$25.00
ARDITO, CARRIE	FACILITY REFUND	220	22040				\$25.00	\$25.00
BEILKE, MARY	PRESCHOOL SUPPLIES	225	43555	2170			\$140.85	\$140.85
BOFINGER, TODD	ACTIVITY REFUND	220	22040				\$25.50	\$25.50
CUB FOODS	PRESCHOOL SUPPLIES	225	43555	2170			\$406.78	\$406.78
DONE RIGHT FOOD SERVICES, INC	SUMMER DISCOVERY LUNCHES AND MILK	225	43535	2170			\$510.00	\$6,799.50
		225	43535	3190			\$6,289.50	
GENESIS EMPLOYEE BENEFITS, INC	FLEX - MED/DEPENDENT CARE 09-14-12	101	20431				\$405.36	\$613.69
		101	20432				\$208.33	
HELMER, TERRY	TABATA (30 MINUTES)	220	22040				\$46.90	\$46.90
HER, MALY	FACILITY REFUND	220	22040				\$300.00	\$300.00
JEPKO, JON	SOFTBALL (TUE MEN'S)	220	22040				\$150.00	\$150.00
KAUFMAN SIGN COMPANY	SIGN REPAIR CC	220	43800	3810		003	\$865.00	
KRAMER, AILEEN	PT SPEC WANDA 3+1	220	22040				\$692.00	\$692.00
MIDWEST SPECIAL SERVICES, INC	CLEANING FOR AUGUST	220	43800	3190		002	\$220.43	\$220.43
ROSE, MICHELLE	REFUND SUMMER DISCOVERY OVERPAYMENT	220	22040				\$10.00	\$10.00
SALO, KIM	ACTIVITY REFUND	220	22040				\$163.00	\$163.00
SCHOOL SPECIALTY	PRESCHOOL SUPPLIES	225	43555	2170			\$610.05	\$610.05
SHI, CHUN	SD WEEKLY TUITION	220	22040				\$192.50	\$192.50
SIMPLEXGRINNELL LP	KITCHEN HOOD INSPECTION	220	43800	3190		004	\$351.33	\$351.33
SOLA, BECKY	MILEAGE REIMBURSEMENT AND PRESCHOOL SUPP	101	43400	3270			\$121.60	\$159.19
		225	43555	2170			\$37.59	
STENZEL, ASHLEY	TUMBLING TYKES	220	22040				\$9.00	\$9.00
WERNER, MIKE	CARDIO GROOVE	220	22040				\$46.90	\$46.90
WEYANDT, ROBERT	ACTIVITY REFUND	220	22040				\$112.00	\$112.00
WINTER, EMILY	SF 2	220	22040				\$126.00	\$126.00
							Total of all invoices:	\$12,030.62

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COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line Amount	Invoice Amt
3M	YELLOW SIGN MATERIAL	101	42200	2180		003	\$745.59	\$745.59
3M	BLACK EC FILM FOR SIGNS	101	42200	2180		003	\$674.89	\$674.89
ABM EQUIPMENT & SUPPLY INC	PARTS FOR VAC-CON	701	46500	2220		002	\$76.95	\$76.95
AMERI PRIDE LINEN & APPAREL SE	UNIFORM RENTALS - MAINTENANCE CENTER	101	42200	3970		001	\$45.30	\$181.24
		601	45050	3970		001	\$45.30	
		602	45550	3970		001	\$45.30	
		603	45850	3970		001	\$22.67	
		701	46500	3970		001	\$22.67	
AMERI PRIDE LINEN & APPAREL SE	UNIFORM RENTALS - MAINTENANCE CENTER	101	42200	3970			\$45.30	
		601	45050	3970			\$45.30	\$181.24
		602	45550	3970			\$45.30	
		603	45850	3970			\$22.67	
		701	46500	3970			\$22.67	
AMERI PRIDE LINEN & APPAREL SE	UNIFORM RENTAL PARKS	101	43710	3970			\$59.91	\$59.91
AMERI PRIDE LINEN & APPAREL SE	UNIFORM RENTAL PARKS	101	43710	3970			\$59.91	\$59.91
AMERI PRIDE LINEN & APPAREL SE	UNIFORM RENTAL PARKS	101	43710	3970			\$59.91	\$59.91
AMERI PRIDE LINEN & APPAREL SE	UNIFORM RENTAL PARKS/LESS CREDIT 519976	101	43710	3970			\$45.76	\$45.76
AMERI PRIDE LINEN & APPAREL SE	UNIFORM RENTAL CC	220	43800	3970			\$48.32	\$48.32
AMERI PRIDE LINEN & APPAREL SE	UNIFORM RENTAL CC	220	43800	3970			\$53.42	\$53.42
AMERI PRIDE LINEN & APPAREL SE	UNIFORM RENTAL CC	220	43800	3970			\$48.32	\$48.32
AMERICAN FASTENER	NUTS AND BOLTS FOR SKIMMERS	603	45850	2180		002	\$67.94	
AMSAN BRISSMAN KENNEDY	CLEANING SUPPLIES CC	220	43800	2110			\$2,219.21	\$2,219.21
AMSAN BRISSMAN KENNEDY	CLEANING SUPPLIES CC	220	43800	2110			\$70.24	\$70.24
AMSAN BRISSMAN KENNEDY	CLEANING SUPPLIES CC	220	43800	2110			\$35.42	\$35.42
AMSAN BRISSMAN KENNEDY	CLEANING SUPPLIES CC	220	43800	2110			\$2,584.06	\$2,584.06
AMSAN BRISSMAN KENNEDY	CLEANING SUPPLIES CC	220	43800	2110			\$1,329.05	\$1,329.05
ARAMARK REFRESHMENT SERVICES	COFFEE & SUPPLIES MAINTENANCE CENTER	701	46500	2183			\$124.24	\$124.24
ASPEN EQUIPMENT CO	LADDER RACK AND DIVIDERS FOR NEW #305-12	701	46500	5400			\$3,876.36	
AUTO PLUS	PROPANE	701	46500	2180		001	\$24.57	\$24.57
BAUER BUILT TIRE AND BATTERY I	TIRE FOR UNIT 201	701	46500	2230		001	\$195.14	\$195.14
BAUER BUILT TIRE AND BATTERY I	TIRES FOR 1 TONS & 201	701	46500	2230		001	\$1,046.46	\$1,046.46
BAUER BUILT TIRE AND BATTERY I	TIRES FOR 1 TONS & EQUIPMENT	701	46500	2230		001	\$1,832.46	\$1,832.46
BDI	BEARING FOR S-2 SWEEPER	701	46500	2220		002	\$27.85	
BEISSWENGERS HARDWARE	SHOP SUPPLIES	701	46500	2180		001	\$11.96	\$11.96
BEISSWENGERS HARDWARE	SMALL TOOLS	701	46500	2400		001	\$2.88	\$2.88
BEISSWENGERS HARDWARE	TRASH BAGS	101	43710	2240			\$36.32	\$36.32
BEISSWENGERS HARDWARE	PAINT BRUSHES AND ROLLER COVERS	101	43710	2240			\$21.67	\$21.67
BEISSWENGERS HARDWARE	CLEANING SUPPLIES CC	220	43800	2110			\$41.31	\$41.31
BEISSWENGERS HARDWARE	RAKE HANDLE	603	45850	2180		001	\$32.69	\$32.69
BEISSWENGERS HARDWARE	PARTS FOR BALL CART TRAILER	701	46500	2220		002	\$7.38	\$7.38
BLACKBURN MANUFACTURING COMPAN	PAINT	570	47000	5920			\$102.04	\$102.04
BOYER TRUCK PARTS INC.	PARTS FOR VAC-CON	701	46500	2220		001	\$30.77	\$30.77
C & E HARDWARE	ELECTRIC SUPPLIES FOR WELL 6 VENT	601	45050	2280		005	\$14.38	\$14.38
C & E HARDWARE	ELECTRIC SUPPLIES	601	45050	2280		005	\$5.53	\$5.53
C & E HARDWARE	ELECTION SUPPLIES	101	40300	2180			\$32.72	\$32.72
C & E HARDWARE	SUPPLIES FOR CRACK SEALING	101	42200	2180		001	\$8.55	\$8.55
C & E HARDWARE	COUPLINGS	601	45050	2280		005	\$6.41	\$6.41
C & E HARDWARE	SUPPLIES FOR STORM SEWERS	603	45850	2180		003	\$18.73	\$18.73
C & E HARDWARE	SCREEN	601	45050	2280		005	\$9.63	\$9.63
C & E HARDWARE	BELT FOR WELL 2	601	45050	2280		005	\$11.78	\$11.78
CENTURY COLLEGE	PPLP TRAINING	101	40210	3190		010	\$1,790.00	\$2,685.00

COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line Amount	Invoice Amt
		101	40500	4500		002	\$895.00	
COMMERCIAL ASPHALT CO	ASPHALT	101	42200	2180		002	\$182.97	
COMPLETE HEALTH, ENVIRONMENTAL	MTCE PLAN AUGUST 2012	101	40210	3190		007	\$610.00	\$610.00
COORDINATED BUSINESS SYSTEMS	SERVICE MITA 9500 PRINTER	101	40550	3860		004	\$177.84	\$177.84
DAVE'S SPORT SHOP	BASKETBALL NETS	101	43710	2240			\$44.57	\$44.57
DULTMEIER SALES	JETTER HOSE	602	45550	2280		001	\$1,156.60	\$1,156.60
FACTORY MOTOR PARTS COMPANY	BATTERIES FOR LIFT STATIONS/LESS CREDIT	603	45850	2180		002	\$171.94	\$171.94
FACTORY MOTOR PARTS COMPANY	1 BATTERY FOR STOCK	701	46500	2180		001	\$103.85	\$103.85
FACTORY MOTOR PARTS COMPANY	WINTER WIPER BLADES	701	46500	2180		001	\$310.88	\$310.88
FLAGSHIP RECREATION	SLATS FOR PICNIC TABLE	101	43710	2240			\$193.44	\$193.44
GARELICK STEEL COMPANY	SUPPLIES FOR BAFFLE AT OWASSO HIGHTS LIF	603	45850	2180		003	\$101.53	\$101.53
GARELICK STEEL COMPANY	STEEL FOR VENT WELL 6	601	45050	2280		005	\$92.66	\$92.66
GOODPOINTE TECHNOLOGY INC	ROAD CONDITION SURVEY	404	42200	3190			\$2,935.20	\$2,935.20
GOPHER STATE ONE-CALL	GOPHER ONE LOCATE CHARGE	601	45050	3190		001	\$141.11	\$564.44
		602	45550	3190		001	\$141.11	
		603	45850	3190		001	\$141.11	
		604	42600	3190			\$141.11	
GRAINGER, INC.	DAMPER AND BATTERIES	601	45050	2280		005	\$319.27	
GRAINGER, INC.	SAFETY GLASSES	601	45050	2280		001	\$61.35	\$61.35
HAWKINS, INC.	FLOURIDE AND C-5 FOR TREATMENT	601	45050	2160		002	\$1,892.43	\$1,892.43
HENRY'S WATERWORKS, INC	HYDRANT FLAGS	601	45050	2280		003	\$1,228.66	\$1,228.66
HILLCREST ANIMAL HOSPITAL	AUGUST 2012	101	41100	3199			\$4.50	\$4.50
HILLYARD, INC - MINNEAPOLIS	CLEANING EQUIPMENT REPAIRS CC	220	43800	3810		003	\$1,236.66	\$1,236.66
HUGO EQUIPMENT COMPANY	PARTS FOR SOD CUTTER	701	46500	2220		002	\$18.16	\$18.16
HUGO EQUIPMENT COMPANY	FUEL CAP FOR TORO MOWER	701	46500	2220		002	\$5.92	\$5.92
IDENTITY STORES, LLC	COMMUNITY CENTER POLO UNIFORMS	220	43800	2180		005	\$691.98	\$691.98
INFRASTRUCTURE TECHNOLOGIES, I	VAC TUBE HOLDER	602	45550	2282		001	\$210.66	\$210.66
INTERSTATE POWER SYSTEMS, INC	FILTERS FOR UNIT 306	701	46500	2220		001	\$521.25	\$521.25
JRK SEED CO.	DYLOX GRUB CONTROL FOR PARKS	101	43710	2260			\$2,407.10	\$2,407.10
LEAGUE OF MINNESOTA CITIES	DUES 9/1/12 - 8/31/13	101	40100	4330		001	\$16,708.00	\$16,708.00
LEAGUE OF MINNESOTA CITIES	MAYOR ANNUAL DUES TO MN MAYORS ASSOC.	101	40100	4330		003	\$30.00	\$30.00
LHB	MIDLAND TERRACE/LAKEVIEW TIF ANALYSIS	101	22020				\$520.25	\$520.25
LHB	TSI TIF ESCROW	101	22020				\$827.25	\$827.25
LILLIE SUBURBAN NEWSPAPERS INC	LEGAL NOTICES	101	40200	3360		001	\$113.76	\$113.76
LINDERS GREENHOUSE *** ST. PAU	FLOWERS FOR PLANTERS AT COMM CNTR	101	43710	2260			\$363.38	\$363.38
LUBRICATION TECHNOLOGIES, INC	MOTOR OIL	701	46500	2130		001	\$2,269.97	\$2,269.97
MCMASTER CARR SUPPLY CO	REPAIR SUPPLIES CC	220	43800	2240		001	\$1,262.55	\$1,262.55
MENARDS CASHWAY LUMBER **FRIDL	SUPPLIES TO REPLACE HANDLES ON GRILLS	101	43710	2240			\$41.88	\$41.88
MENARDS CASHWAY LUMBER **FRIDL	WEED BAGS FOR DOC CREW	101	43710	2240			\$24.52	\$24.52
MIRACLE RECREATION EQUIPMENT C	SWING SET CHAIN	101	43710	2240			\$78.32	\$78.32
NAPA AUTO PARTS	OIL FILTER WRENCH	701	46500	2400		001	\$8.00	\$8.00
OFFICE DEPOT	CALENDAR	101	40500	2010		002	\$14.43	\$14.43
OFFICE DEPOT	GENERAL OFFICE SUPPLIES	101	43400	2010			\$72.12	\$72.12
OFFICE DEPOT	GENERAL OFFICE SUPPLIES	101	43400	2010			\$105.57	\$105.57
OFFICE DEPOT	GENERAL OFFICE SUPPLIES	101	40200	2010		002	\$12.71	\$74.69
		101	43400	2010			\$61.98	
OFFICE DEPOT	GENERAL OFFICE SUPPLIES	101	40200	2010		002	\$214.21	
OFFICE DEPOT	CALENDAR	220	43800	2010			\$10.93	\$10.93
OFFICE DEPOT	PRESCHOOL SUPPLIES	225	43555	2170			\$4.32	\$4.32
OFFICE DEPOT	PRESCHOOL SUPPLIES	225	43555	2170			\$14.87	\$14.87
OFFICE DEPOT	PRESCHOOL SUPPLIES	225	43555	2170			\$52.17	\$52.17

COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line Amount	Invoice Amt
OFFICE DEPOT	PRESCHOOL SUPPLIES	225	43555	2170			\$2.91	\$2.91
OFFICE DEPOT	PRESCHOOL SUPPLIES	225	43555	2170			\$1,159.82	\$1,159.82
OPTIMUM MECHANICAL SYSTEMS, IN	HVAC REPAIRS MAINTENANCE CENTER	701	46500	3196			\$250.00	\$250.00
OPTUMHEALTH FINANCIAL SERVICES	AUG COBRA-RETIREEES GEN NOTICE	101	40210	3190		003	\$57.20	\$57.20
ORKIN EXTERMINATING CO., INC.	PEST CONTROL SERVICE	220	43800	3190			\$162.15	\$162.15
PARTSMASTER	GRINDING DISK	701	46500	2180		001	\$48.36	\$48.36
PLUMBMASTER, INC	REPAIR SUPPLIES CC	220	43800	2240		001	\$67.09	\$67.09
PLUMBMASTER, INC	REPAIR SUPPLIES CC	220	43800	2240		001	\$148.87	\$148.87
PLUMBMASTER, INC	REPAIR SUPPLIES CC	220	43800	2240		001	\$609.39	\$609.39
PLUMBMASTER, INC	REPAIR SUPPLIES CC	220	43800	2240		001	\$576.54	\$576.54
PLUMBMASTER, INC	REPAIR SUPPLIES CC	220	43800	2240		001	\$75.46	\$75.46
PRESS PUBLICATIONS	ACCESS SHOREVIEW - AUGUST 2012	101	40400	3390		003	\$270.30	\$270.30
PRESS PUBLICATIONS	PRESCHOOL INSTRUCTOR AD	101	40210	3360		001	\$149.00	\$149.00
PUSH PEDAL PULL	REPAIRS TO FITNESS EQUIPMENT	220	43800	3890			\$48.80	\$48.80
RAMSEY COUNTY	FLEET SUPPORT FEE AUGUST 2012	101	41500	3890			\$24.96	\$24.96
RAMSEY COUNTY	LAW ENFORCEMENT SEPTEMBER 2012	101	41100	3190		001	\$153,395.28	\$153,395.28
RAMSEY COUNTY PROPERTY RECORDS	EMERGENCY COMMUNICATION RADIO USER FEE	701	46500	4330		003	\$134.16	\$134.16
REED'S SALES AND SERVICE	DRILL MOTOR	701	46500	2180		001	\$14.03	\$14.03
REED'S SALES AND SERVICE	SWITCH FOR DRILL	701	46500	2180		001	\$25.98	\$25.98
SOCIETY FOR HUMAN RESOURCE MGM	MEMBERSHIPS/DUES	101	40210	4330			\$180.00	\$180.00
ST. PAUL, CITY OF	ASPHALT	101	42200	2180		002	\$144.07	\$144.07
ST. PAUL, CITY OF	ASPHALT	101	42200	2180		002	\$144.07	\$144.07
ST. PAUL, CITY OF	ASPHALT	101	42200	2180		002	\$72.03	\$72.03
ST. PAUL, CITY OF	ASPHALT	101	42200	2180		002	\$144.07	\$144.07
STEPP MANUFACTURING CO INC	HEATING ELEMENT FOR CRACK SEALER	701	46500	2220		002	\$366.62	\$366.62
TERMINAL SUPPLY CO	PARTS FOR Z-MOWERS	701	46500	2220		002	\$89.64	\$89.64
UNIVERSITY OF MINNESOTA	WORKZONE TRAFFIC CONTROL WORKSHOP/CURLEY	101	42200	4500		001	\$100.00	\$350.00
			601	45050	4500		\$100.00	
			602	45550	4500		\$100.00	
			603	45850	4500		\$50.00	
UPPER CUT TREE SERVICES	GRIND STUMPS AT WILSON PARK	101	43710	3190			\$528.61	\$528.61
VAN PAPER COMPANY	TOILET PAPER FOR CRACK SEALING	101	42200	2180		002	\$145.62	\$145.62
VAN PAPER COMPANY	TRASH BAGS FOR PARKS	101	43710	2110			\$169.25	\$169.25
W.D.LARSON COMPANIES LTD, INC.	FILTER FOR STOCK	701	46500	2180		001	\$50.28	\$50.28
YALE MECHANICAL INC	POOL AHU, FILTER CHANGE AND CONTRACTUAL	220	43800	3190		007	\$1,477.75	\$1,477.75
YALE MECHANICAL INC	AAON COOLING UNIT REPAIRS	220	43800	3810		002	\$1,602.89	\$1,602.89
YALE MECHANICAL INC	REPAIR LEAKING RPZ	101	43710	3190			\$126.50	\$126.50
YALE MECHANICAL INC	REPAIR RPZ	101	43710	3190			\$70.75	\$70.75
YALE MECHANICAL INC	REPAIR LEAKING RPZ	101	43710	3190			\$124.00	\$124.00
YALE MECHANICAL INC	REPAIR LEAKING RPZ	101	43710	3190			\$70.75	\$70.75
YALE MECHANICAL INC	REPAIR LEAKING RPZ	101	43710	3190			\$70.75	\$70.75
YALE MECHANICAL INC	REPAIR LEAKING RPZ	101	43710	3190			\$70.75	\$70.75
YALE MECHANICAL INC	REPAIR LEAKING RPZ	101	43710	3190			\$126.50	\$126.50
YALE MECHANICAL INC	REPAIR LEAKING RPZ	101	43710	3190			\$70.75	\$70.75
YALE MECHANICAL INC	REPAIR LEAKING RPZ	101	43710	3190			\$70.75	\$70.75
YALE MECHANICAL INC	REPAIR LEAKING RPZ	101	43710	3190			\$126.50	\$126.50
YALE MECHANICAL INC	REPAIR LEAKING RPZ	101	43710	3190			\$70.75	\$70.75
ZACKS INC.	SHOP SUPPLIES	701	46500	2180		001	\$172.27	\$824.42
			701	46500	2180		\$652.15	

Total of all invoices: \$221,240.88

=====

Purchase Voucher

City of Shoreview
 4600 Victoria Street North
 Shoreview MN 55126

Voucher Number	30,013		
Vendor number	00416 1	2012	
Vendor name	METROPOLITAN COUNCIL ENVIRONMENTAL		
Address	SERVICES SDS 12-1064 P.O. BOX 86 MINNEAPOLIS MN 55486-1064		

Date	Comment line on check	Invoice number	Amount
09-05-12	SEWER SERVICE-OCTOBER 2012	997710	\$141,589.12

THIS IS AN EARLY CHECK, PLACE VOUCHER IN EARLY CHECK FILE

Return to:	
------------	--

This Purchase Voucher is more than \$25,000.00; was the state's cooperative venture considered before purchasing through another source?

Purchase was made through the state's cooperative purchasing venture.

Purchase was made through another source. The state's cooperative purchasing venture was considered.

Cooperative purchasing venture consideration requirement does not apply.

Account Coding	Amount
602 45550 3670	\$141,589.12

Is sales tax included on invoice?	<input checked="" type="radio"/> Not Taxable
If no, amount subject to sales use tax	\$
Reviewed by:	<u>Debbie Engblom</u> 9-11-12
(signature required)	Debbie Engblom
Approved by:	<u>Terry Schwerm</u>
(signature required)	Terry Schwerm

Two quotes must be attached to purchase voucher for all purchases between \$10,000 and \$50,000. If no quote is received, explain below:

Quote 1	
Quote 2	
Explanation if no quote received	

Purchase Voucher

City of Shoreview
 4600 Victoria Street North
 Shoreview MN 55126

Voucher Number	30,080
Vendor number	01337 2 2012
Vendor name	RAMSEY COUNTY
Address	90 PLATO BLVD W. PO BOX 64097 ST. PAUL MN 55164-0097

Date	Comment line on check	Invoice number	Amount
09-07-12	LAW ENFORCEMENT SEPTEMBER 2012	SHRFL-001161	\$153,395.28

This Purchase Voucher is more than \$25,000.00; was the state's cooperative venture considered before purchasing through another source?

Purchase was made through the state's cooperative purchasing venture.

Purchase was made through another source. The state's cooperative purchasing venture was considered.

Cooperative purchasing venture consideration requirement does not apply.

Account Coding	Amount
101 41100 3190 001	\$153,395.28

Is sales tax included on invoice?	Not Taxable
If no, amount subject to sales use tax	\$
Reviewed by:	<u>Terri Hoffard</u>
(signature required)	Terri Hoffard
Approved by:	<u>TJ</u>
(signature required)	Terry Schwerm

Two quotes must be attached to purchase voucher for all purchases between \$10,000 and \$50,000. If no quote is received, explain below:

Quote 1	
Quote 2	
Explanation if no quote received	

PROPOSED MOTION

MOVED BY COUNCILMEMBER _____

SECONDED BY COUNCILMEMBER _____

To extend the approval of the Minor Subdivision application submitted for 5790 and 5784 Fairview for a period of one additional year, subject to the following conditions:

1. The minor subdivision shall be in accordance with the approval of the Shoreview City Council on September 6, 2011.
2. This approval shall expire if the subdivision has not been recorded with Ramsey County by August 28, 2013.

This approval is based on the following findings:

1. The subdivision is consistent with the policies of the Comprehensive Plan and in compliance with the regulations of the Development Code.
2. The proposed lots conform to the adopted City standards for the R1 District.
3. The lot boundary adjustment remedies existing encroachments and brings the existing dwellings into compliance with the current side setback requirements.

ROLL CALL: AYES _____ NAYS _____

Huffman	_____	_____
Quigley	_____	_____
Wickstrom	_____	_____
Withhart	_____	_____
Martin	_____	_____

Regular City Council Meeting
September 11, 2012

TO: Mayor, City Council, City Manager
FROM: Rob Warwick, Senior Planner
DATE: September 12, 2012
SUBJECT: File No. 2425-11-18; Extension Request for Minor Subdivision, Alyssa Delange and Jessica Jimenez, 5790 and 5784 Fairview Avenue

INTRODUCTION

In September 2011, the City Council approved a request submitted by Alyssa Delange and Jessica Jimenez to adjust the common side property line at 5790 and 5784 Fairview Avenue. The lot line adjustment remedies existing encroachments. The approval included a condition requiring that the subdivision be recorded with Ramsey County within one year. The applicants have requested an extension for the approval because the minor subdivision has not yet been recorded, since the lender for Ms. Jimenez has not yet agreed to the lot line adjustment.

An application was also submitted for a variance to reduce the setback for the existing driveway from 5-feet to 1-foot from the proposed side lot line. The Planning Commission approved the variance at their August 23, 2011 meeting, and Resolution 11-52, approving the variance has been recorded with Ramsey County. At their August 28, 2012 meeting, the Planning Commission extended approval of the variance for an additional year to allow time for the applicants to record the subdivision with Ramsey County.

BACKGROUND

Attached is a statement from the applicant requesting a one year extension to the minor subdivision approval. The minor subdivision has not yet been recorded because approval is needed by the lender for Ms. Jimenez. The survey depicting the subdivision is attached. The variance resolution has been filed with Ramsey County, and the variance approval has been extended by the Planning Commission.

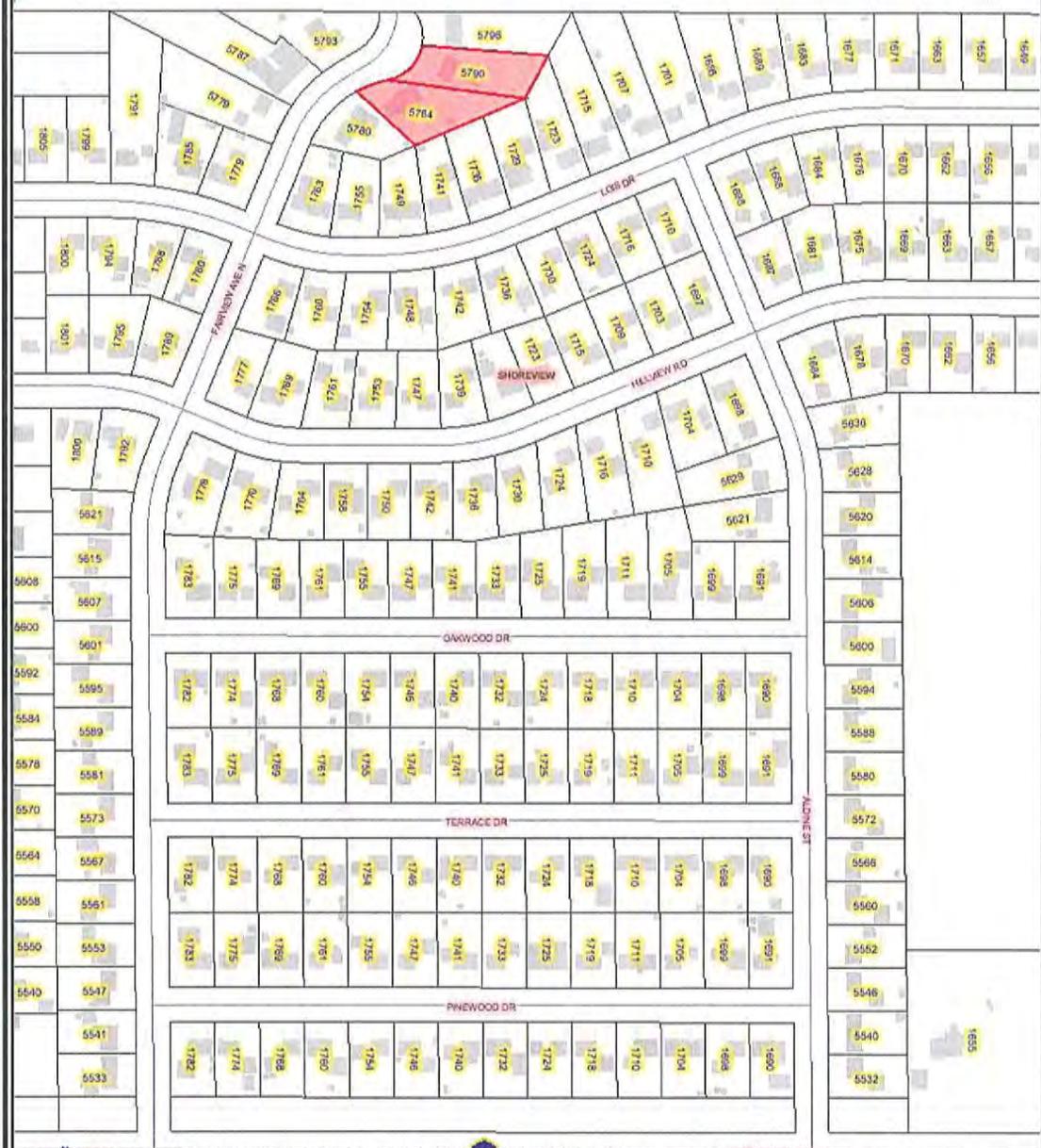
STAFF RECOMMENDATION

Extending the subdivision for a one year period will not have any adverse impact on the adjoining properties and provide time for Ms Jimenez to obtain approval from her lender. There have been no changes to the R1 district standards that affect the variance or subdivision. Staff recommends the City Council approve the request to extend the subdivision approval for an additional year. All other conditions of approval will remain in effect.

Attachments

- 1) Location Map
- 2) Applicant's Statement
- 3) Approved Subdivision – Survey
- 4) Motion

- Selected Features
- Municipalities
- Road Centerlines (County)
- County Road
- Interstate Hwy
- State Hwy
- Roads
- Water
- Structures
- Parcel Polygons
- Highway Shields
- Street Name Labels



DISCLAIMER: This map is neither a legally recorded map nor a survey and is not intended to be used as one. This map is a compilation of records, information and data located in various city, county, state and federal offices and other sources regarding the area shown, and is to be used for reference purposes only.
 SOURCES: Ramsey County (July 5, 2011), The Lawrence Group, July 5, 2011 for County parcel and property records data; July 2011 for commercial and residential



Robert Warwick <rwarwick@shoreviewmn.gov>

FW: Update - Variance and Minor Subdivision

10 messages

Alysa DeLange <Alysa.DeLange@chrobinson.com>
To: "rwarwick@SHOREVIEWMN.GOV" <rwarwick@shoreviewmn.gov>
Cc: "alyk235@comcast.net" <alyk235@comcast.net>

Tue, Aug 14, 2012 at 7:43 AM

Good Morning, Rob.

Hope all is well with you. I wanted to touch base and ask if there is a possibility for us to get an extension on the deadline to exchange deeds. Things with Jessica's (Ms. Jimenez) lender are taking a bit longer to be approved so we have been at a standstill for a few months.

Please let me know what options are out there in regards to an extension for having the deeds endorsed by the City and then recorded with Ramsey County.

Please also let me know if you need any other info to look up our file.

Thanks so much for your help!

Regards,

Alysa DeLange

651-238-2843

MINOR SUBDIVISION

~for~ ALYSA DELANGE

~of~ 5790 FAIRVIEW AVENUE NORTH

LEGAL DESCRIPTION

Lot 30, Block 1, EDGETOWN ACRES, Ramsey County, Minnesota

PROPOSED PARCEL A:

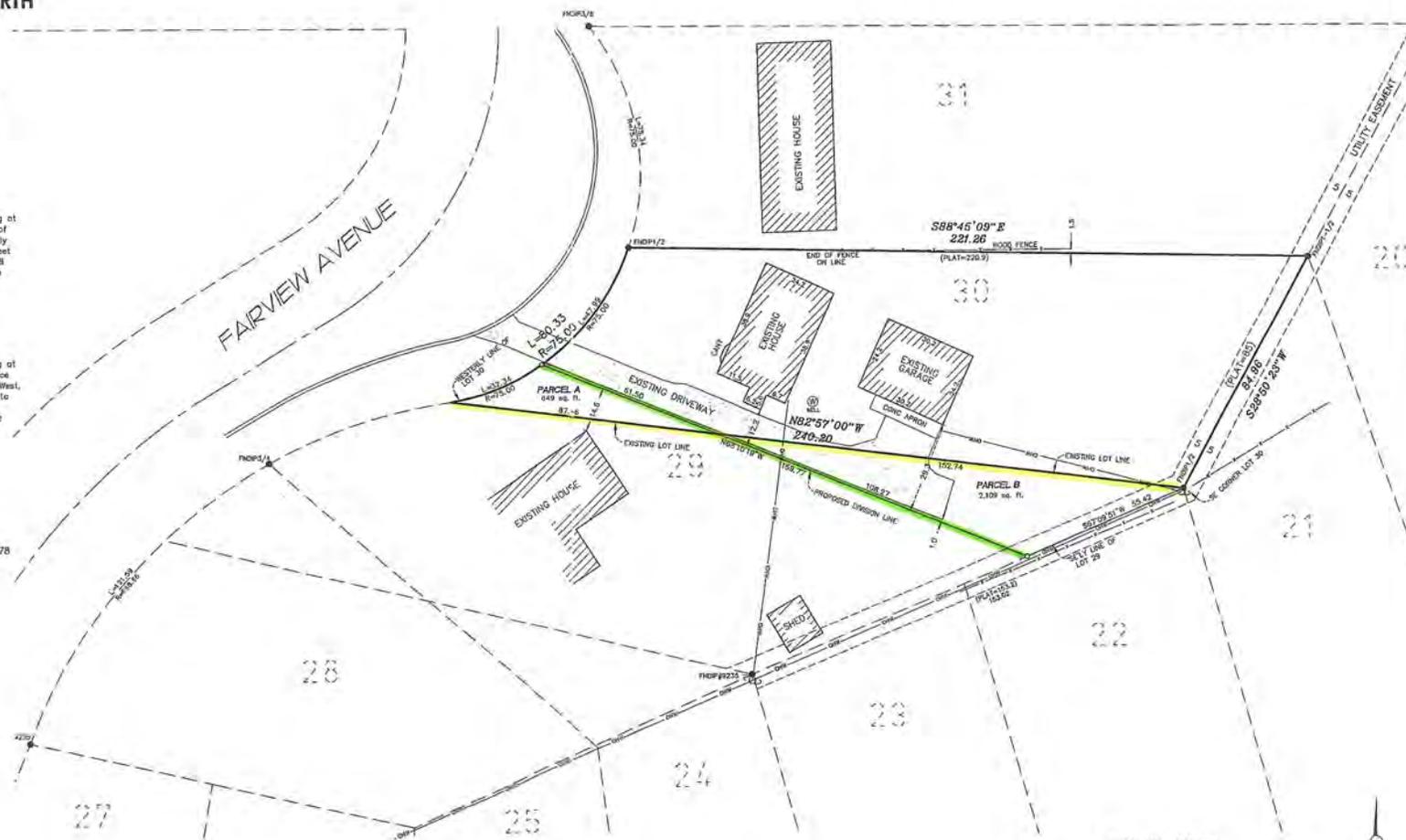
That part of Lot 30, Block 1, EDGETOWN ACRES, Ramsey County, Minnesota, lying southerly of the following described line: Commencing at the southeast corner of said Lot 30; thence on an assumed bearing of South 87 degrees 09 minutes 51 seconds West, along the southeasterly line of Lot 29, Block 1, said EDGETOWN ACRES, a distance of 55.42 feet to the point of beginning of the line to be described; thence North 68 degrees 10 minutes 19 seconds West a distance of 189.77 feet to the westerly line of said Lot 30 and side line there terminating.

PROPOSED PARCEL B:

That part of Lot 29, Block 1, EDGETOWN ACRES, Ramsey County, Minnesota, lying northerly of the following described line: Commencing at the southeast corner of Lot 30, Block 1, said EDGETOWN ACRES; thence on an assumed bearing of South 87 degrees 09 minutes 51 seconds West, along the southeasterly line of said Lot 29, a distance of 55.42 feet to the point of beginning of the line to be described; thence North 68 degrees 10 minutes 19 seconds West a distance of 189.77 feet to the westerly line of said Lot 30 and side line there terminating.

LEGEND

- DENOTES IRON MONUMENT FOUND AS LABELED
- DENOTES IRON MONUMENT SET, MARKED RLS# 41578
- DENOTES FENCE LINE
- DENOTES OVERHEAD WIRE
- ▭ DENOTES BITUMINOUS SURFACE



NOTES

- Field survey was completed by E.G. Rud and Sons, Inc. on 07/22/10.
- Bearings shown are on an assumed datum.
- This survey was prepared without the benefit of title work. Additional easements, restrictions and/or encumbrances may exist other than those shown herein. Survey subject to revision upon receipt of a current title commitment or an attorney's title opinion.

DRAWN BY: JER	JOB NO: 10281LS	DATE: 07/22/10
CHECK BY: JER	SCANNED []	
1		
2		
3		
NO.	DATE	DESCRIPTION
BY		

I hereby certify that this survey, plan or report was prepared by me or under my direct supervision and that I am a duly Registered Land Surveyor under the laws of the State of Minnesota.

JASON E. RUD
 JASON E. RUD
 Date: 8/30/10 License No. 41578



E.G. RUD & SONS, INC.
 EST. 1977
 Professional Land Surveyors
 6776 Lake Drive NE, Suite 110
 Lino Lakes, MN 55014
 Tel. (651) 361-8200 Fax (651) 361-8701

Existing side property line
 Proposed side property line

PROPOSED MOTION

MOVED BY COUNCILMEMBER _____

SECONDED BY COUNCILMEMBER _____

To extend approval of the Minor Subdivision located at 5108 Lexington Avenue for a period of one additional year, subject to the following conditions:

1. The minor subdivision shall be in accordance with the plans submitted, prepared by E. G. Rud and dated August 25, 2011.
2. The applicant shall pay a Public Recreation Use Dedication fee as required by Section 204.020 of the Development Regulations before the City will endorse deeds for recording. The fee will be 4% of the fair market value of the property, with credit given for the existing residence.
3. Public easements for drainage and utility shall be conveyed to the City as required by the Public Works Director. The applicant shall be responsible for providing legal descriptions for all required easements. Easements shall be conveyed before the City will endorse deeds for recording.
4. Municipal water and sanitary sewer service shall be provided to both lots.
5. Access for the future house on Parcel A shall be from Kimberly Lane only. Direct access onto Lexington Avenue is prohibited.
6. The subdivision and future construction on Parcel A is subject to the permitting requirements of the Rice Creek Watershed District (RCWD), and no City permits shall be issued prior to approvals by the RCWD.
7. The applicants shall enter into a Development Agreement with the City. This agreement shall be executed prior to the City's release of the deeds for recording.
8. Any work within the Lexington Avenue right-of-way is subject to the permitting authority of Ramsey County.
9. Tree removal requires replacement trees per City Code. City requirements for the tree removal and protection plan shall be detailed in the Development Agreement.
10. This approval shall expire after one year if the subdivision has not been recorded with Ramsey County.

This approval is based on the following findings:

1. The subdivision is consistent with the policies of the Comprehensive Plan and in compliance with the regulations of the Development Code.
2. The proposed lots conform to the adopted City standards for the R1 District.
3. Municipal water and sanitary sewer service are available for each proposed parcel.

ROLL CALL: **AYES** _____ **NAYS** _____

Huffman	_____	_____
Quigley	_____	_____
Wickstrom	_____	_____
Withhart	_____	_____
Martin	_____	_____

Regular City Council Meeting
September 11, 2012

T:/2011pcf/2427-11-21 5108 lexington/ccmotion extension request

TO: Mayor, City Council, City Manager
FROM: Rob Warwick, Senior Planner
DATE: September 12, 2012
SUBJECT: File No. 2427-11-21; Extension Request for Minor Subdivision, Tor Unstad, 5108 Lexington Avenue

INTRODUCTION

In September 2011, the City Council approved a request submitted by Tor Unstad to subdivide the property located at 5108 Lexington Avenue. The subdivision creates two lots, one developed with the existing house and attached garage, and the second is vacant for the future development of a new single family home. The approval included a condition requiring that the subdivision be recorded with Ramsey County within one year. The applicant has requested an extension for the approval because the minor subdivision has not yet been recorded.

BACKGROUND

Attached is a statement from the applicant requesting the extension. The minor subdivision has not yet been recorded because approval from the lender for Mr. Unstad's mortgage is necessary. The survey depicting the subdivision is attached.

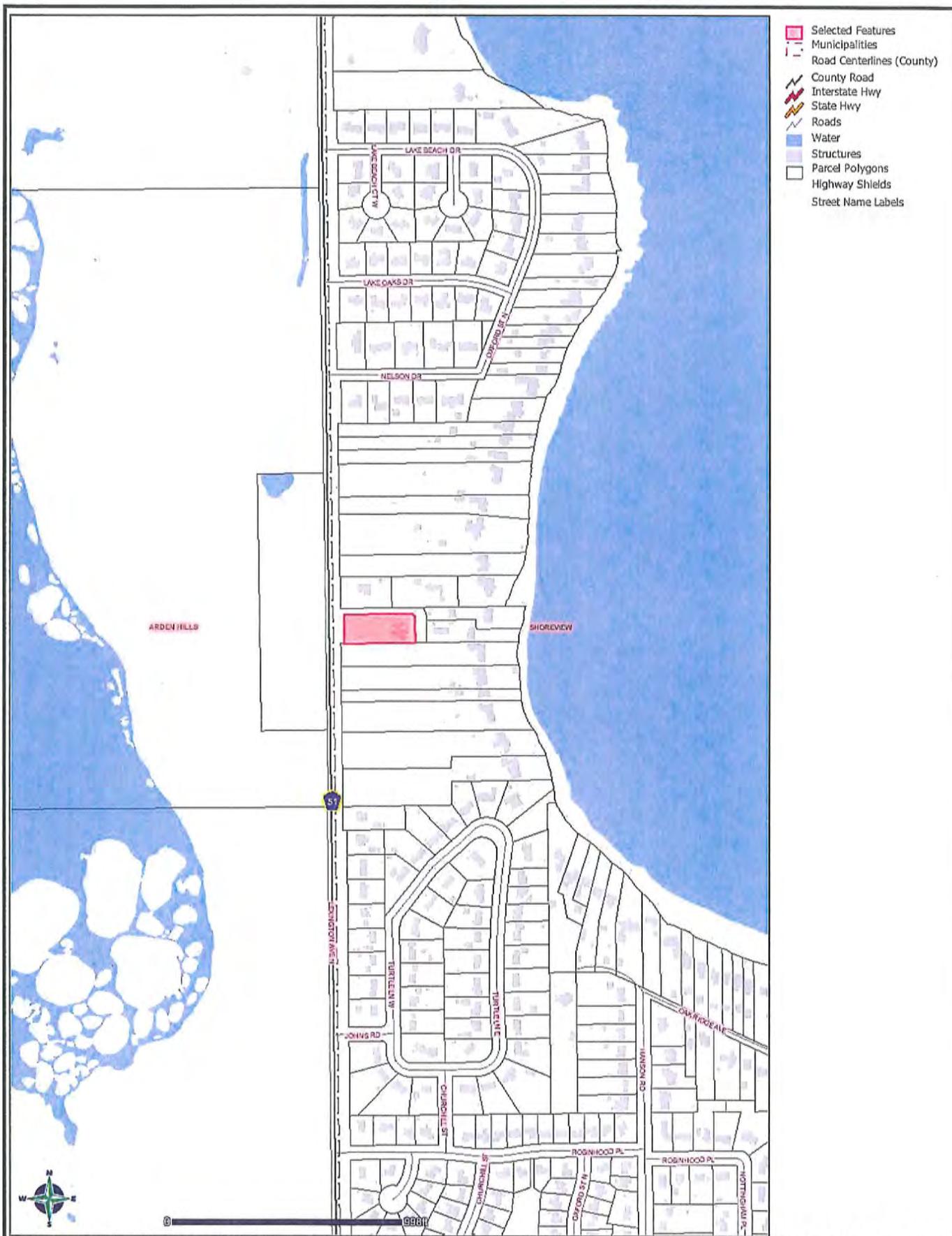
STAFF RECOMMENDATION

Extending the subdivision approval for an additional year will not have any adverse impact on the adjoining properties and provide time for Mr. Unstad to obtain approval from his lender. There have been no changes to the R1 district standards that affect the subdivision. Staff recommends the City Council approve the request to extend the subdivision approval for an additional year. All other conditions of the original approval will remain in effect.

Attachments

- 1) Location Map
- 2) Applicant's Statement
- 3) Approved Subdivision – Survey
- 4) Motion

t:\2011\pcf\2427-11-21 unstad\9-12-12 extension request ccreport



DISCLAIMER: This map is neither a legally recorded map nor a survey and is not intended to be used as one. This map is a compilation of records, information and data located in various city, county, state and federal offices and other sources regarding the area shown, and is to be used for reference purposes only.

SOURCES: Ramsey County (August 1, 2011), The Lawrence Group; August 1, 2011 for County parcel and property records data; August 2011 for commercial and



DISCLAIMER: This map is neither a legally recorded map nor a survey and is not intended to be used as one. This map is a compilation of records, information and data located in various city, county, state and federal offices and other sources regarding the area shown, and is to be used for reference purposes only.

SOURCES: Ramsey County (August 29, 2011), The Lawrence Group; August 29, 2011 for County parcel and property records data; August 2011 for commercial and residential data; April 2009 for color aerial imagery; All



Robert Warwick <rwarwick@shoreviewmn.gov>

Tor Unstad - Minor Subdivision File No. 2428-11-21

2 messages

Tor Unstad <tor.unstad@comcast.net>
To: rwarwick@shoreviewmn.gov

Fri, Sep 7, 2012 at 3:44 PM

Rob,

Last year I applied for a subdivision on my property located at 5108 Lexington Ave N. I had until October 17th of this year to complete the transaction and file it with the county and/or state.

I am having some difficulties getting the bank on board and it looks like I am going to have to re-finance the entire mortgage to make this thing work. I spoke with someone at your office this afternoon and she told me to send you an email asking for an extension. If I could get six to eight months beyond the October 17th deadline I should be able to make this happen. Please let me know if you can bring that up before the council. Also, are there any fees associated with getting an extension and if so how much are they?

Thank you.

Regards,

Tor Unstad

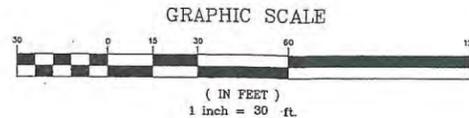
651-788-5002

tor.unstad@comcast.net

MINOR SUBDIVISION

~for~ TOR UNSTAD
 ~of~ 5108 LEXINGTON AVENUE NORTH
 SHOREVIEW, MN 55126

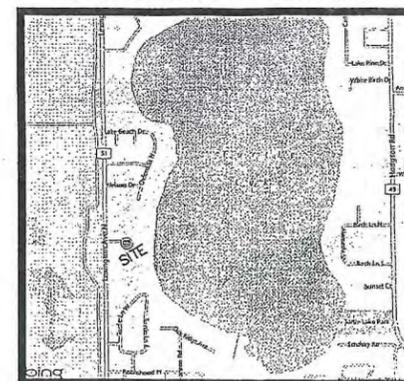
(11x17 REDUCTION SCALES 1"=60')



NORTH

VICINITY MAP

PART OF SEC. II, TWP. 30, RNG. 23



CITY OF SHOREVIEW
 RAMSEY COUNTY, MINNESOTA
 (NO SCALE)

EXISTING PROPERTY DESCRIPTION:

Lot 1, Block 1, UNSTAD ADDITION, Ramsey County, Minnesota,

PROPOSED DRAINAGE & UTILITY EASEMENT DESCRIPTION:

A perpetual easement for drainage and utility purposes over, under and across the east 20 feet of the west 136 feet of Lot 1, Block 1, UNSTAD ADDITION, Ramsey County, Minnesota,

PROPOSED PROPERTY DESCRIPTION:

PARCELA

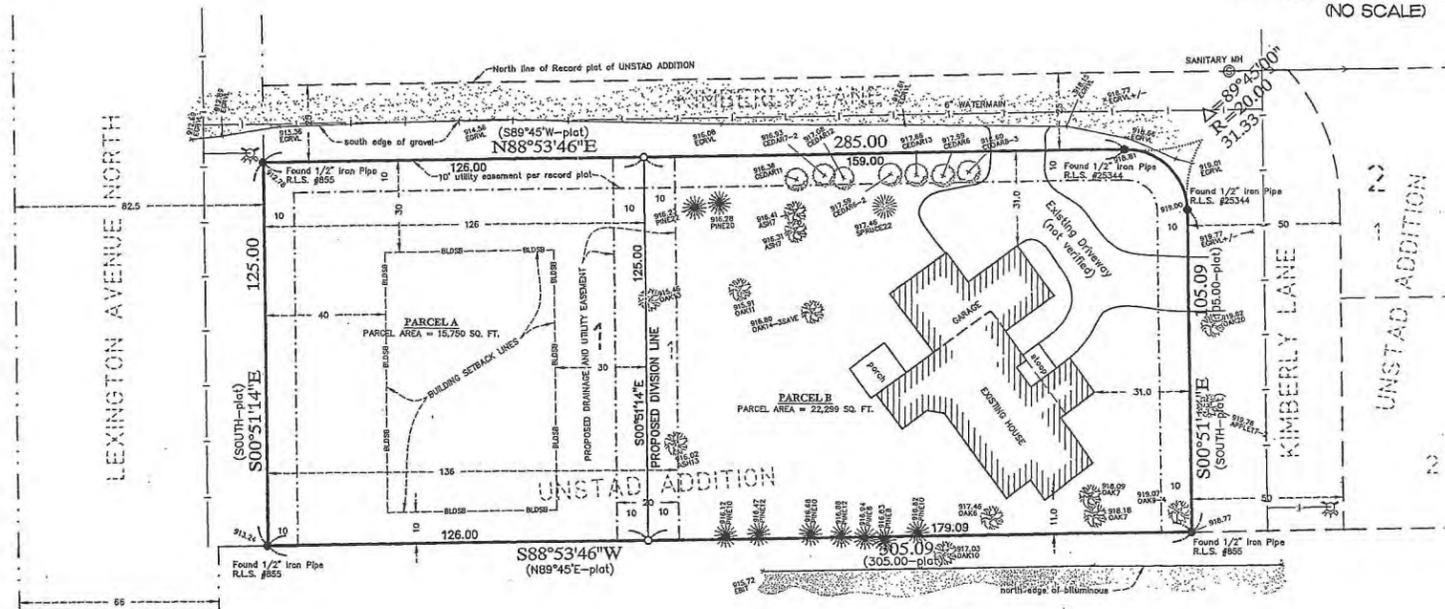
The west 126 feet of Lot 1, Block 1, UNSTAD ADDITION, Ramsey County, Minnesota. Subject to easements of record.

PARCELB

That part of Lot 1, Block 1, UNSTAD ADDITION, Ramsey County, Minnesota, lying east of the west 126 feet thereof. Subject to easements of record.

NOTES

- Bearings shown are on an assumed datum.
- Curb shots are taken at the top and back of curb.
- This survey was prepared without the benefit of title work. Additional easements, restrictions and/or encumbrances may exist other than those shown hereon. Survey subject to revision upon receipt of a current title commitment or an attorney's title opinion.
- No field survey was completed for the preparation of this Minor Subdivision. All field information shown on this survey is from a previous survey of the property in March 2005.
- This property is currently zoned R-1 (Detached Residential). Both proposed parcels meet the minimum lot requirements for this zoning district.
- There are trees on proposed Parcel A that have not been located.



I hereby certify that this survey, plan or report was prepared by me or under my direct supervision and that I am a duly Registered Land Surveyor under the laws of the State of Minnesota.

Daniel W. Obermiller
 DANIEL W. OBERMILLER

Date: 8/25/11 License No. 25341

LEGEND

- DENOTES IRON MONUMENT FOUND AS LABELED
- DENOTES IRON MONUMENT TO BE SET, MARKED RLS# 25341

DRAWN BY: BAB	JOB NO: 11404MS	DATE: 8/23/11	
CHECK BY: DWO	SCANNED		
1	8/25/11	ADD UTILITIES	BAB
2			
3			
NO.	DATE	DESCRIPTION	BY

S:\rud\CAD\11pro\11404\11404ns.dwg 8/25/2011 3:26:35 PM CDT

E.G. RUD & SONS, INC.
 Professional Land Surveyors
 6776 Lake Drive NE, Suite 110
 Lino Lakes, MN 55014
 Tel. (651) 361-8200 Fax (651) 361-8701

MOTION

MOVED BY COUNCIL MEMBER: _____

SECONDED BY COUNCIL MEMBER: _____

To approve the Comprehensive Sign Plan request submitted by TCF Bank, permitting the redevelopment of the Sinclair property, 3836 Lexington Avenue, with a retail bank facility, subject to the following conditions:

- A. The signs shall comply with the plans submitted for the Comprehensive Sign Plan application. Any significant change will require review by the Planning Commission and City Council.
- B. The applicant shall obtain a sign permit prior to the installation of any signs on the property.
- C. The message center sign shall:
 1. Display text using a single color font, and letter height sufficient to be readable by passing motorists without distraction.
 2. Messages shall be displayed in their entirety to allow passing motorists to read the entire copy.
 3. No graphics shall be displayed on the message center.
 4. Messages shall be displayed for a minimum of 10 seconds, and shall change instantaneously.
 5. Messages shall be presented in a static display, and shall not scroll, flash, blink or fade.
- D. Traffic Directional signs shall not be located in the public street right-of-way without the authorization of the appropriate jurisdictional agency.

This approval is based on the following findings of fact:

1. *The plan proposes signs consistent in color, size and materials throughout the site for each type of proposed sign. Each type of sign (Wall, Traffic*

Directional, etc.) uses uniform color and materials, and with colors generally based on the TCF logo.

2. *Approving the deviation is necessary to relieve a practical difficulty existing on the property.* The business needs visibility from each elevation facing an access point and that the proposed signs provide that needed visibility. Staff believes that lot access presents a practical difficulty that warrants additional business identification. The corner location at the intersection of Lexington (an arterial) and Red Fox Road (a local street) also contributes to the practical difficulty since Red Fox is the main road for this retail area, but is classified as a local road.
3. *The proposed deviations from the standards of Section 208 result in a more unified sign package and greater aesthetic appeal between signs on the site.* The wall signs proposed give a uniform appearance to each building elevation facing a vehicular access point. Message center signs are not uncommon at bank facilities. Use of the message center is reasonable and consistent with previous City decisions regarding message center signs.
4. *Approving the deviation will not confer a special privilege on the applicant that would normally be denied under the Ordinance.* The configuration of the access to the lot and building is unique for this property with two points of ingress that are right turn only, and only one point of egress. The three wall signs have a total area of approximately 64 sq. ft. with each wall sign comprising about 3% of the wall elevation area to which the signs are affixed, less than the 10% permitted by Code.
5. *The resulting sign plan is effective, functional, attractive and compatible with community standards.* The sign plan proposes signs with design and sign areas that generally conform to the provisions of Code.

ROLL CALL: **AYES** _____ **NAYS** _____

Huffman	_____	_____
Quigley	_____	_____
Wickstrom	_____	_____
Withhart	_____	_____
Martin	_____	_____

Regular City Council Meeting
September 17, 2012

TO: Mayor, City Council, City Manager
FROM: Rob Warwick, Senior Planner
DATE: September 12, 2012
SUBJECT: Comprehensive Sign Plan Review, TCF Bank, 3836 Lexington Avenue, File 2456-12-19

INTRODUCTION AND BACKGROUND

TCF Bank has submitted an application for Comprehensive Sign Plan for the property at 3836 Lexington Avenue. The applicant proposes a sign plan for the new retail bank that has been approved for the property. The plans include three wall signs, a pylon sign with an integrated message center, two illuminated window signs, and traffic directional signs. The multiple wall signs, message center sign and illuminated window signs represent deviations from the Sign Code, which can be permitted with the approval of a Comprehensive Sign Plan. The application was complete August 17, 2012.

PROJECT DESCRIPTION AND DEVELOPMENT CODE REQUIREMENTS

The property is located at the southeast corner of the intersection of Lexington Avenue and Red Fox Road. Access to the property is from both public streets via right-in-only, and a private driveway on the Target property immediately to the east. The property is located in the commercial area occupied by Target, the Exxon fuel station, Wendy's, and the Red Fox Road retail area that is just completing construction. TCF has conveyed an easement for a future gateway sign for this retail area. The 10- by 20-foot easement for this gateway monument sign is located on the northwest corner of the TCF property at the corner of Lexington and Red Fox Road.

TCF is also conveying added easements for right-of-way along both Lexington Avenue (15 feet) and Red Fox Road (10 feet). In spring 2013 the City plans a street project to widen Red Fox Road, and the County will add a right turn lane to Lexington Ave. The ROW easements conveyed by TCF will make these road projects possible. In this report, all references to the TCF property are to the lot after conveyance of these ROW easements. The easements and resulting lot lines are shown on the attached site plan.

The zoning designation is PUD, Planned Unit Development. The underlying zoning designation is C-2, General Commercial. The property is currently developed with a fuel station and vehicle service center and all of the existing improvements will be removed for the new TCF Bank.

A comprehensive sign plan is required when two or more signs of any single type are proposed for a project, and an approved plan may vary from the design and dimensional standards of the Sign Code. In this case, the total number of wall signs exceeds the one wall sign permitted by the Code. Three wall sign are proposed, one each on the north, east and west building elevations. A message center sign is proposed to be integrated into the freestanding pylon sign. The Sign Code specifies that message center signs are permitted only on sites developed with public/quasi-public land uses and, therefore, is permitted only as an approved deviation. Finally,

two illuminated window signs are proposed for the bank, and such illuminated signs are otherwise not permitted. See the attached plans.

WALL SIGNS

One wall sign is permitted per principal structure, except when the structure faces two arterial roads in which case one sign facing each arterial is permitted. Wall signs are limited to a maximum size of 10% of the area of the building elevation to which they are affixed. This property has frontage on two streets but only one is an arterial, and so one wall sign is permitted by the Sign Code.

The three proposed wall signs all show the TCF logo and the signs are less than 10% of the area of the elevation to which the signs are affixed, as summarized in the table below.

Wall Signs	Dimensions	Sign Area	Wall Elevation Area	Percent
East Elevation	5'3" by 3'2"	16.6 sq ft.	537 sq ft.	3 %
West Elevation	5'3" by 3'2"	16.6 sq ft.	532 sq ft.	3 %
North Elevation	4'5" by 7'4"	32.4 sq ft.	812 sq ft.	3.9 %

FREESTANDING SIGN

A freestanding sign is proposed for the southwest corner of the property, setback 5-feet from the new Lexington Avenue right-of-way. The pylon sign is a cabinet style and internally illuminated. The pylon sign has an area of 30 square feet, including a message center sign that is about 10 square feet. The message center sign will principally be used to display the time and temperature and status of the drive up window, but is intended to provide the bank flexibility in advertising the full range of services provided by this TCF branch bank. The Sign Code permits pylon signs with a maximum height of 30-feet and a maximum area of 30 square feet, and so the proposed sign complies with height and size criteria. The pylon sign will be located approximately 150 feet from the retail area gateway sign, and so complies with the required 75-foot of sign separation required by the Sign Code.

Freestanding Sign	Dimensions	Sign Area	Height
Pylon	6.66 ft. by 4.5 ft.	30 sq ft.	20 ft.

Message Center signs are permitted only when on the site of a public/quasi-public land use per the Sign Code, and so this sign type is permitted for commercial use only with the approval of a Comprehensive Sign Plan. Message center signs in the C-2 District may not exceed 30 square feet of area. TCF plans to display the time and temperature on the message center sign and also identify services provided by the bank. Conditions are recommended to minimize the distraction the sign might present to drivers viewing the sign from Lexington Avenue.

A 30-foot high flag pole is proposed next to the entry on the north. The height complies with the 30-foot maximum specified in the Sign Code.

DIRECTIONAL AND OTHER SIGNAGE

There are also three signs on the canopy to identify the drive-up banking lanes. Each of these signs are less than 2 square feet in area and are permitted since the total area of the three signs does not exceed 10% of the canopy fascia area.

Traffic directional signs are allowed, provided they are as small and low to the ground as necessary to convey the message. There are nine traffic directional signs proposed for the site. Five of these are double faced signs. The number of directional signs is due to the traffic flow that results having three vehicular access points but only one of which allows vehicular egress from the site. The Director of Public Works has reviewed the proposed sign plan, noting the sizes and locations are acceptable, except for several signs located within the new Red Fox Road right-of-way. The applicant has agreed to locate those signs within the new property lines. See the attached comments.

The sign package also includes two illuminated window signs identifying that the bank is open. The window signs are approximately 1 by 2 feet (about 2 sq. ft. each) less than the maximum 33% of the window area and so comply with size requirements of the Sign Code. However illuminated window signs are not permitted and so require represent a deviation that must be approved with a Sign Plan.

STAFF REVIEW

Comprehensive Sign Plan review considers five elements governing sign design within the site: location, materials, size, color and illumination. When a deviation is proposed approval shall be based on findings. These findings are reviewed below:

- 1. The plan proposes signs consistent in color, size and materials throughout the site for each type of proposed sign. Each type of sign (Wall, Traffic Directional, etc.) uses uniform color and materials, and with colors generally based on the TCF logo.*
- 2. Approving the deviation is necessary to relieve a practical difficulty existing on the property. The business needs visibility from each elevation facing an access point and the proposed signs provide that needed visibility. Staff believes that lot access presents a practical difficulty that warrants additional business identification. The corner location at the intersection of Lexington (an arterial) and Red Fox Road (a local street) also contributes to the practical difficulty since Red Fox is the main road for this retail area, but is classified as a local road.*
- 3. The proposed deviations from the standards of Section 208 result in a more unified sign package and greater aesthetic appeal between signs on the site. The wall signs proposed give a uniform appearance to each building elevation facing a vehicular access point.*

Message center signs are not uncommon at bank facilities. Use of the message center is reasonable and consistent with previous City decisions regarding message center signs.

4. *Approving the deviation will not confer a special privilege on the applicant that would normally be denied under the Ordinance.* The configuration of the access to the lot and building is unique for this property with two points of ingress that are right turn only, and only one point of egress. The three wall signs have a total area of approximately 64 sq. ft. with each wall sign comprising about 3% of the wall elevation area to which the signs are affixed, less than the 10% of each elevation that is permitted by Code.
5. *The resulting sign plan is effective, functional, attractive and compatible with community standards.* The sign plan proposes signs with design and sign areas that generally conform to the provisions of Code.

REQUEST FOR COMMENT

Property owners within 350 feet of the site were notified of the requests. No public comments have been submitted in response to the notice.

PLANNING COMMISSION

The application was reviewed by the Planning Commission at their August 28th meeting. Commissioners identified that the sign package has been tastefully prepared, and expressed appreciation for the cooperation with the City that the bank has demonstrated during the planning process. The Commission unanimously (7-0) recommended approval of the sign plan to the City Council.

RECOMMENDATION

The Planning Commission and staff have reviewed the proposal in accordance with the sign criteria and recommend approval of the Comprehensive Sign Plan, subject to the following conditions:

- A. The signs shall comply with the plans submitted for the Comprehensive Sign Plan application. Any significant change will require review by the Planning Commission and City Council.
- B. The applicant shall obtain a sign permit prior to the installation of any signs on the property.
- C. The message center sign shall:
 1. Display text using a single color font, and letter height sufficient to be readable by passing motorists without distraction.
 2. Messages shall be displayed in their entirety to allow passing motorists to read the entire copy.

3. No graphics shall be displayed on the message center.
 4. Messages shall be displayed for a minimum of 10 seconds, and shall change instantaneously.
 5. Messages shall be presented in a static display, and shall not scroll, flash, blink or fade.
- D. Traffic Directional signs shall not be located in the public street right-of-way without the authorization of the appropriate jurisdictional agency.

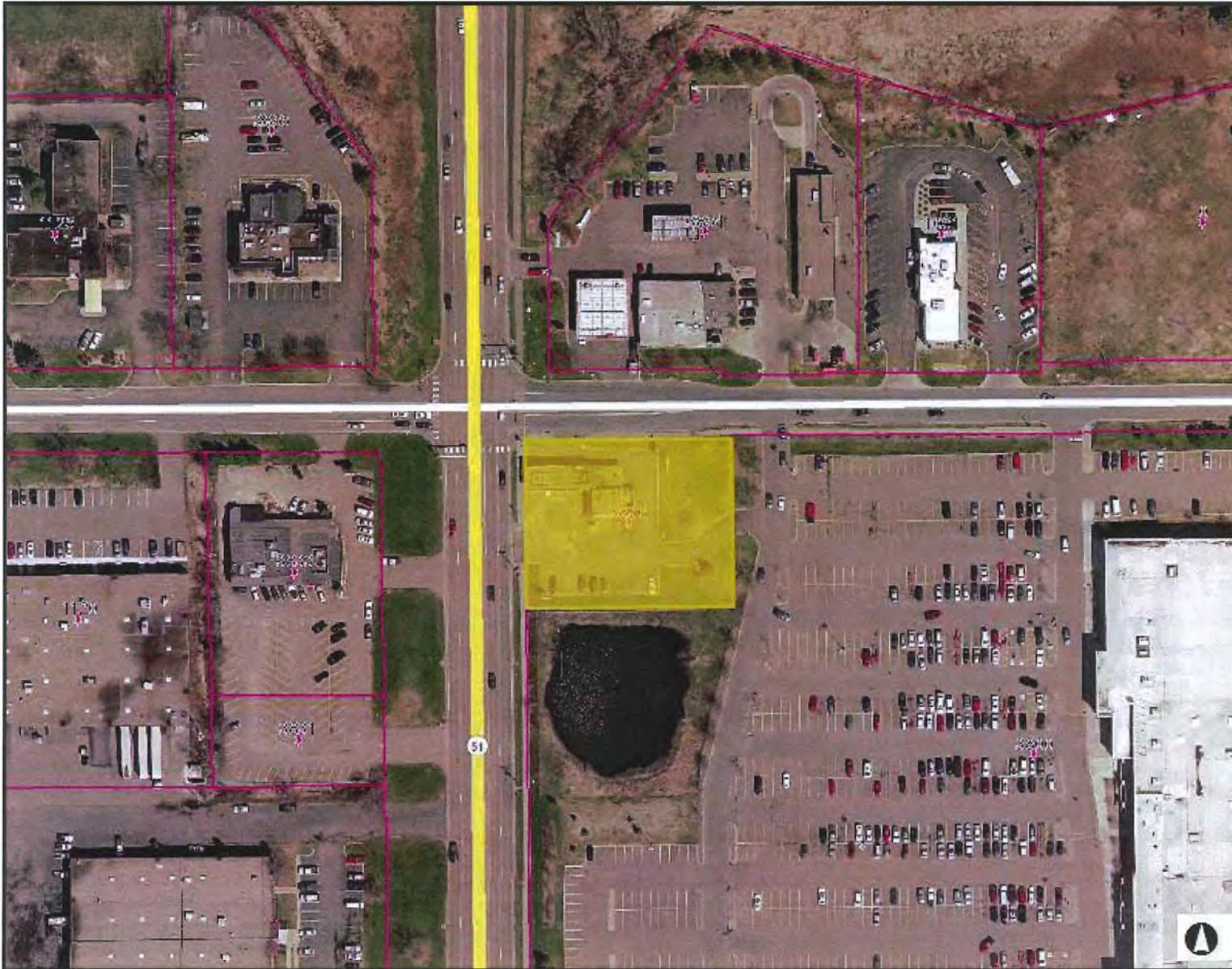
Attachments:

1. Location Map
2. Submitted Plans
3. Comment from Mark Maloney, Director of Public Works
4. Proposed Motion

T:/2012 pci/2456-12-19 3836 lexington TCF sign plan/cc report.doc

Legend

- County Offices
- City Halls
- Schools
- Hospitals
- Fire Stations
- Police Stations
- Recreational Centers
- Parcel Points
- Parcels



Notes

3836 Lexington Avenue

293.3 0 146.64 293.3 Feet

NAD_1983_HARN_Adj_MN_Ramsey_Feet
 © Ramsey County Enterprise GIS Division

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

THIS MAP IS NOT TO BE USED FOR NAVIGATION



Robert Warwick <rwarwick@shoreviewmn.gov>

Shoreview TCF Bank Sign

Mike Kraft <MKraft@htg-architects.com>

Wed, Aug 22, 2012 at 1:18 PM

To: Robert Warwick <rwarwick@shoreviewmn.gov>, "dnelson2@tcfbank.com" <dnelson2@tcfbank.com>

Cc: Kathleen Nordine <knordine@shoreviewmn.gov>, John Zum <JZum@htg-architects.com>

Rob,

1. We agree that the directional signs are to be within the 'new' property lines.
2. The message center is intended to provide information beyond just time/temp and drive-up status. TCF would like to maximize use of the message center in terms of messages. We understand that the Shoreview Community Center sign has messages that change about every 10 seconds. TCF would like similar capabilities.

MikeK

From: Robert Warwick [mailto:rwarwick@shoreviewmn.gov]

Sent: Wednesday, August 22, 2012 12:15 PM

To: dnelson2@tcfbank.com

Cc: Mike Kraft

Subject: Shoreview TCF Bank Sign

[Quoted text hidden]

8/22/12

Shoreviewmn.gov Mail - TCF Traffic Control and Directional Signage



Robert Warwick <rwarwick@shoreviewmn.gov>

TCF Traffic Control and Directional Signage

1 message

Mark Maloney <mmaloney@shoreviewmn.gov>

Wed, Aug 22, 2012 at 10:26 AM

To: "WARWICK, ROBERT" <rwarwick@shoreviewmn.gov>, "NORDINE, KATHLEEN" <knordine@shoreviewmn.gov>

Cc: "WESOLOWSKI, TOM" <twesolowski@shoreviewmn.gov>

Rob/Kathleen:

With regard to the Signage Review Package drawing dated August 3, 2012, the designs, sizes, heights and locations of the proposed on-site traffic and directional signage are acceptable with the exception of the signs shown within the proposed public right of way expansion along Red Fox Road. Those signs should be relocated outside of the area marked on the drawing as "New 10'-0" Right of Way" to avoid conflict with the road reconstruction project scheduled for Spring 2013.

Mark

—

Mark Maloney, Director of Public Works
City of Shoreview
4600 Victoria Street North
Shoreview, MN 55126
(651) 490-4651

TO: MAYOR, CITY COUNCIL, CITY MANAGER
FROM: THOMAS L. HAMMITT
SENIOR ENGINEERING TECHNICIAN
DATE: SEPTEMBER 12, 2012
SUBJECT: DEVELOPER ESCROW REDUCTIONS

INTRODUCTION

The following escrow reductions have been prepared and are presented to the City Council for approval.

BACKGROUND

The property owners/builders listed below have completed all or portions of the erosion control and turf establishment, landscaping or other construction in the right of way as required in the development contracts or building permits.

4368 Reiland Ln	Erosion control completed
866 County Road I	Erosion control completed
5264 Oxford St	Erosion control completed
5555 Park Place Dr	Erosion control completed
4979 Hodgson Rd	Erosion control completed
1021 Red Fox Rd	Erosion control completed
508 Bucher Ave	Erosion control completed
4275 Brigadoon Dr	Erosion control completed
4460 Chatsworth St	Erosion control completed

RECOMMENDATION

It is recommended that the City Council approve releasing all or portions of the escrows for the following properties in the amounts listed below:

4368 Reiland Ln	Paul Nord Inc	\$ 500.00
866 County Road I	John Schmitt	\$ 500.00
5264 Oxford St	Schrader Companies	\$ 1,000.00
5555 Park Place Dr	Building Arts Sustainable LLC	\$ 1,000.00
4979 Hodgson Rd	Urban Companies	\$ 7,000.00
1021 Red Fox Rd	Stonehenge USA	\$10,000.00
508 Bucher Ave	Authority Fence & Deck	\$ 500.00
4275 Brigadoon Dr	Mike Fleischhacker	\$ 1,000.00
4460 Chatsworth St	Zawadski Homes	\$ 1,000.00

PROPOSED

**EXTRACT OF MINUTES OF MEETING OF THE
CITY COUNCIL OF SHOREVIEW, MINNESOTA**

HELD SEPTEMBER 17, 2012

* * * * *

Pursuant to due call and notice thereof, a meeting of the City Council of the City of Shoreview, Minnesota was duly called and held at the Shoreview City Hall in said City on September 17, 2012 at 7:00 p.m. The following members were present:

and the following members were absent:

Member introduced the following resolution and moved its adoption.

RESOLUTION NO. 12-79

**RESOLUTION ORDERING ESCROW REDUCTIONS
AT VARIOUS LOCATIONS IN THE CITY**

WHEREAS, various builders and developers have submitted cash escrows for erosion control, grading certificates, landscaping and other improvements, and

WHEREAS, City staff have reviewed the sites and developments and is recommending the escrows be returned.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Shoreview, Minnesota, as follows:

The Shoreview Finance Department is authorized to reduce the cash deposit in the amounts listed below:

4368 Reiland Ln	Paul Nord Inc	\$ 500.00
866 County Road I	John Schmitt	\$ 500.00
5264 Oxford St	Schrader Companies	\$ 1,000.00
5555 Park Place Dr	Building Arts Sustainable LLC	\$ 1,000.00
4979 Hodgson Rd	Urban Companies	\$ 7,000.00
1021 Red Fox Rd	Stonehenge USA	\$10,000.00
508 Bucher Ave	Authority Fence & Deck	\$ 500.00
4275 Brigadoon Dr	Mike Fleischhacker	\$ 1,000.00
4460 Chatsworth St	Zawadski Homes	\$ 1,000.00

The motion for the adoption of the foregoing resolution was duly seconded by Member and upon vote being taken thereon, the following voted in favor thereof:

Proposed Motion

MOVED BY COUNCILMEMBER _____

SECONDED BY COUNCILMEMBER _____

To close the public hearing in consideration of the proposed business subsidy, providing economic development assistance to PaR Systems, Inc.

VOTE:	AYES: _____	NAYS: _____
Huffman	_____	_____
Quigley	_____	_____
Wickstrom	_____	_____
Withhart	_____	_____
Martin	_____	_____

* * * * *

Proposed Motion

MOVED BY COUNCILMEMBER _____

SECONDED BY COUNCILMEMBER _____

To adopt Resolution No. 12-81, approving the business subsidy for economic development assistance to PaR Systems, Inc. and authorize the execution of a Development Agreement providing tax increment financing support for construction of a new facility at their campus, subject to the terms and conditions outlined in said agreement.

VOTE:	AYES: _____	NAYS: _____
Huffman	_____	_____
Quigley	_____	_____
Wickstrom	_____	_____
Withhart	_____	_____
Martin	_____	_____

Memorandum

To: Mayor and City Council Members
Cc: City Manager
From: Tom Simonson
Assistant City Manager and Community Development Director
Date: September 13, 2012
Re: PaR Systems, Inc. – 655 County Road E West
Public Hearing for Business Subsidy for Tax Increment Financing Assistance to
Support Economic Development Expansion Project

Introduction

PaR Systems, Inc., located at 707 and 655 County Road E West, is seeking tax increment financing assistance in support of a planned expansion to their campus in Shoreview. The proposal is for the construction of a new building on the 655 County Road E West property adjacent to their corporate offices and would include City financial participation to facilitate the expansion to meet their continued growth needs. A public hearing is scheduled in consideration of the business subsidy on September 17th and the City Council is being asked to approve a Tax Increment Development Agreement in support of the economic development project.

Background

In 2007, the City and PaR Systems entered into a partnership that facilitated the relocation of the company from their previous Shoreview location. PaR Systems acquired the former Curtis 1000 printing facility at 707 County Road E West and undertook expansion and major remodeling to the building. As part of the relocation, the City acquired the former Sheriff's Patrol Station property at 655 County Road E West from Ramsey County and sold the site to PaR Systems at a discounted price that equaled \$1.2 million of financial assistance. The 655 property was critical to the PaR Systems relocation in order to accommodate future company growth. The project resulted in the successful retention of a major business in the community with highly skilled jobs which continues to grow. The move also allowed their former sister company PaR Nuclear Westinghouse to expand operations at the property located at 899 Highway 96 West, a facility that was shared when the PaR Nuclear division was acquired by Westinghouse.

PaR Systems is proposing building a new 36,000 square foot facility (with potential expansion to 48,000 square feet) on the 655 County Road E West property. PaR Systems would retain the existing building that houses their corporate management operations. PaR has undertaken significant investments to the 655 building including replacement of the mechanical systems and major renovations to the interior office spaces.

With company projections for continued growth, including recent business acquisitions and some high profile work contracts, PaR Systems is “fast-tracking” the building project to accommodate business commitments. The site and building plan is going through the City’s approval process concurrent with the financing and is also expected to be considered at the Council meeting on September 17th.



Tax Increment Financing

PaR Systems has formally applied for tax increment financing assistance for the expansion project, a copy of which is included with this report. Since both PaR Systems properties are within the existing Deluxe TIF District No. 1 (having generated tax increments since the building improvements), creation of a new TIF district is not permissible under the law. Therefore, the City must utilize other available tax increment resources in order to assist with this project.

The following is a summary of the project scope and proposed project financing:

→ Project Scope

- PaR Systems is planning to construct a new 36,000 square foot manufacturing/production building on vacant land just east of the existing office at their site located at 655 County Road E West.
- The company anticipates growing its employment base at the 707 and 655 sites by 30% over the next few years.
- The acquisition of a new product line and continued growth in their Shoreview locations has driven the need for the construction of the new manufacturing building.

- The estimated total project costs for the new facility and corresponding site improvements is \$4,619,016.
- The new facility will be financed under a lease/purchase agreement with Welsh Companies, similar to the mechanism used on the move to the 707 building.
- PaR Systems contribution to the project is \$800,000 for the capital equipment.

→ **Project Financing**

- Property is within the boundaries of TIF District No. 1, thereby not allowing for the creation of a new tax increment district for this project.
- TIF District No. 1 expires at the end of 2014, which means there will be little, if any, time remaining in the life of the district to capture the tax increment revenues generated from the new building.
- EDA authorized staff to look at possible funding from existing fund resources from TIF District No. 1 to assist.
- Original TIF request from PaR Systems was for \$750,000 in assistance.
- Staff is recommending the following combination of funding sources:
 - \$600,000 in up-front financing from TIF District No. 1 – payable at time of project completion.
 - The amount of financing is equivalent to what the new facility would generate if a new a 9-year Economic Development District was created. This is the type of TIF District that the City would have established to assist PaR if the existing site was not already located within an existing district.
- The TIF funds will be used to cover eligible site improvements, excavation, utilities, and parking facilities.

Attached for your review and consideration is a draft Tax Increment Development Agreement, outlining the terms and conditions of the City's proposed public financing assistance to PaR Systems, prepared by our tax increment development attorney Robert Deike. PaR Systems has agreed to the main provisions of the development agreement, but approval action will allow for minor revisions prior to final execution by the parties.

Recommendation

The Economic Development Authority reviewed the financing request of PaR Systems at their meeting on September 10th, and unanimously voted to recommend approval. PaR Systems representatives attended the meeting, and expressed appreciation for the City's continued support and partnership.

PaR Systems is considered a key "landmark/emerging" business in the City's Business Retention and Expansion Plan (BRE), and is an important to the overall strength of the business community. Since the funding source for assistance would come from the soon to expire TIF District No. 1, the building expansion should generate property taxes beginning in 2015. It should also be recognized that PaR Systems has been a significant contributor to the tax

increment fund being used to assist this building project since they relocated and undertook reinvestment in the properties.

Staff recommends to the City Council adoption of Resolution No. 12-81, approving a Tax Increment Financing Development Agreement providing assistance for the planned expansion project of PaR Systems, Inc., subject to the terms and conditions outlined in the agreement.

CITY OF SHOREVIEW, MINNESOTA

RESOLUTION NO. 12-81

**RESOLUTION AUTHORIZING THE EXECUTION OF A DEVELOPMENT AGREEMENT
WITH PAR SYSTEMS, INC.**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHOREVIEW (the "City") AS
FOLLOWS:**

WHEREAS, the City of Shoreview, Minnesota (the "City") has heretofore approved the establishment of Tax Increment Financing District No. 1 (the "District") pursuant to the Minnesota Tax Increment Financing Law, Minnesota Statutes, sections 469.174-469.1799 (the "Tax Increment Act"); and

WHEREAS, the Tax Increment Act provides that tax increment authorities may use tax increments from their tax increment districts to finance the capital and administrative costs of projects; and

WHEREAS, the City has received a proposal from PAR Systems, Inc. (the "Developer"), pursuant to which the Developer would construct a manufacturing facility (the "Improvements") on certain land in the City; and

WHEREAS, the Developer has also proposed that the City provide financial assistance to the Developer using tax increment revenues from the District; and

WHEREAS, the City has determined that construction of the Improvements is in the best interests of the City and the state of Minnesota, will create or retain construction jobs in the state, will create long term employment opportunities in the Improvements, and will facilitate the development of land that is currently underutilized; and

WHEREAS, the City has held a public hearing on the provision of the tax increment assistance to the Developer as required by Minnesota Statutes, section 116J.994, subd. 5; and

WHEREAS, there has been presented to the City Council of the City a proposed Development Agreement (the "Agreement") between the City and the Developer setting forth the terms of the City's provision of financial assistance to the Developer in connection with the construction of the Improvements.

NOW, THEREFORE, the City Council of the City does hereby approve the Agreement in substantially the form presented to the City Council subject to such modifications as the City Manager and legal counsel may approve.

Adopted this 17th day of September, 2012.

Mayor

Attest: _____

9-13-12 Version 2

DEVELOPMENT AGREEMENT

By and Between

THE CITY OF SHOREVIEW

and

PAR SYSTEMS, INC.

Dated as of: _____, 2012

This document was drafted by:

BRADLEY & DEIKE, P. A.
4018 West 65th Street, Suite 100
Edina, MN 55435
Telephone: (962) 926-5337

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SCHEDULE A	Description of Property
SCHEDULE B	Reimbursable Costs
SCHEDULE C	Business Subsidy Agreement

DEVELOPMENT AGREEMENT

THIS AGREEMENT, made on or as of the _____ day of _____, 2012, by and between the City of Shoreview, a statutory city under the laws of the State of Minnesota (hereinafter referred to as the "City"), and having its principal office at City Hall, 4600 North Victoria Street, Shoreview, Minnesota 55126, and PAR Systems, Inc., a Delaware corporation (hereinafter referred to as the "Developer"), having its principal office at 655 County Road E West, Shoreview, Minnesota 55126.

WITNESSETH:

WHEREAS, The City is a municipal corporation organized and existing pursuant to the Constitution and laws of the State of Minnesota and is governed by the Council of the City (the "Council"); and

WHEREAS, the City has established within the City its Municipal Development District No. 2 pursuant to Minnesota Statutes, Sections 469.124 - 469.134, providing for the development and redevelopment of certain areas located within the City (which development district is hereinafter referred to as the "Project"); and

WHEREAS, the City has further established its Tax Increment Financing District No. 1 within the Project pursuant to Minnesota Statutes, Sections 469.174-469.1799 (which tax increment financing district is hereinafter referred to as the "Tax Increment District"); and

WHEREAS, the Developer is the owner of certain real property located within the Tax Increment District (which real property is hereinafter referred to as the "Property" and is more particularly described in Schedule A annexed hereto and made a part hereof); and

WHEREAS, the Developer has presented to the City a proposal under which the Developer would construct on the Property a 46,000 to 60,000 square foot manufacturing facility, including the mezzanine area consisting of 11,000 square feet; and

WHEREAS, the Developer has as part of its proposal requested that the City use tax increment generated from the Tax Increment District to provide certain financial assistance to aid in its development, without which assistance such development would not be feasible; and

WHEREAS, City believes that the development of the Property as proposed by the Developer is in the best interest of the City and its residents and in accord with the public purposes and provisions of applicable federal, state and local laws under which the Project is being undertaken and assisted;

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

ARTICLE I

Definitions

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

"Act" means Minnesota Statutes, Sections 469.124-469.134, as amended.

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

"City" means the City of Shoreview, or its successors or assigns.

"Construction Plans" means the site plan, utility plan, grading and drainage plan, landscape plan, elevations drawings, materials list and related documents on the construction work to be performed by the Developer on the Property which have been submitted to and approved by the City Council of the City, together with any conditions imposed by the City Council in connection with its approval.

"County" means Ramsey County, Minnesota.

"Developer" means PAR Systems, Inc., a Delaware corporation, its permitted successors and assigns.

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

"Improvements" means the improvements to be constructed by the Developer on the Property, consisting of a 46,000 to 60,000 square foot manufacturing facility, including the mezzanine area consisting of 11,000 square feet, and related improvements in accordance with the approved Construction Plans.

"Project" means the City's Municipal Development District No. 2.

"Project Area" means the real property located within the boundaries of the Project.

"Project Plan" means the plan and development program adopted in connection with creation of the Project.

"Property" means the real property described as such on the attached Schedule A.

"Reimbursable Costs" means the portion of the costs to be incurred by the Developer to be reimbursed by the City as described in Article III of this Agreement, which costs are described on Schedule B to this Agreement.

"State" means the State of Minnesota.

"Tax Increment Act" means the Tax Increment Financing Act, Minnesota Statutes, Sections 469.174-469.1799, as amended and as it may be further amended from time to time.

"Tax Increment District" means the Tax Increment Financing District No. 1 created by the City within the Project Area.

"Termination Date" means the date that all of the Developer's obligations under the Business Subsidy Agreement have been completed.

"Unavoidable Delays" means delays which are the direct result of acts of God, unforeseen adverse weather conditions, strikes, other labor troubles, fire or other casualty to the Improvements, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of any federal, state or local governmental unit, and which directly results in delays.

ARTICLE II

Representations

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

(a) The City is a statutory city under the laws of the State. Under the laws of the State, the City has the power to enter into this Agreement and to perform its obligations hereunder.

(b) The City has received no notice or communication from any local, state or federal official that the activities of the Developer or the City in the Project Area may be or will be in violation of any environmental law or regulation. The City is aware of no facts the existence of which would cause it to be in violation of any local, state or federal environmental law, regulation or review procedure.

Section 2.2. Representations by the Developer. The Developer represents that:

(a) The Developer is a Delaware corporation duly organized and authorized to transact business in the State, is not in violation of any provisions of its articles of incorporation or bylaws or the laws of the State, has power to enter into this Agreement and has duly authorized the execution, delivery and performance of this Agreement by proper action of its directors.

(b) The Developer will construct the Improvements in accordance with the terms of this Agreement and all local, state and federal laws and regulations (including, but not limited to, environmental, zoning, building code and public health laws and regulations), except for variances necessary to construct the improvements contemplated in the Construction Plans approved by the City.

(c) The Improvements will be constructed at a cost of not less than \$4,695,213.

(d) The Developer has received no notice or communication from any local, state or federal official that the activities of the Developer or the City in the Project Area may be or will be in violation of any environmental law or regulation. The Developer is aware of no facts the existence of which would cause it to be in violation of any local, state or federal environmental law, regulation or review procedure. In the event that it is necessary to take any action to obtain any necessary permits or approvals with respect to the Property under any local, state or federal environmental law or regulation, the Developer will be responsible for taking such action.

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

(f) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and

conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provisions of any restriction or any evidences of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(g) The Developer would not construct the Improvements without the City's provision of the financial assistance contemplated by this Agreement.

ARTICLE III

Development Proposal; Issuance of Note

Section 3.1. Development Proposal. The Developer owns the Property. The Developer has proposed to undertake site work on the Property to prepare the Property for the construction of the Improvements and to construct the Improvements. The Developer has demonstrated to the City that current lending requirements, the cost of demolishing the improvements currently located on the Property and the cost of installing public improvements to serve the Property and Improvements renders development of the Improvements infeasible without financial assistance. Therefore, the City has agreed to offset a portion of the cost of construction of the Improvements and related improvements through a cash payment as provided in this Agreement.

Section 3.2. Reimbursable Costs. (a) The City agrees that it will reimburse the Developer for its payment of certain costs of developing the Improvements. Such costs are referred to herein as the "Reimbursable Costs" and are described on the attached Schedule B. The City will make a cash payment in the amount of \$600,000 to the Developer as reimbursement for the Reimbursable Costs.

(b) The Developer shall be solely responsible for initial payment of the Reimbursable Costs and all construction work related thereto. The City's sole obligation in such regard shall be to make the reimbursement provided for herein. The City agrees that it will make the reimbursement at such time as the Developer provides to the City invoices and certifications in such form as the City may reasonably require, demonstrating that the Improvements have been completed, that the Developer has paid the Reimbursable Costs, and that the Reimbursable Costs equal or exceed \$600,000, or if the Reimbursable Costs are less than \$600,000, then the amount of the Reimbursable Costs that have been incurred, which shall then be the amount to be reimbursed by the City.

Section 3.3. Conditions Precedent to Making of Reimbursements. Notwithstanding anything to the contrary contained herein, the City's obligation to make the \$600,000 cash reimbursement to Developer shall be subject to satisfaction, or waiver in writing by the City, of all of the following conditions precedent:

- (a) the Developer shall not be in default under the terms of this Agreement;
- (b) the Developer shall have provided to the City the certifications, invoices and evidence specified in Section 3.2; and
- (c) the Developer shall have completed construction of the Improvements.

Section 3.4. City Costs. The Developer has paid to the City \$7,500 to be used by the City to pay the costs of preparation of this Agreement and related documents.

ARTICLE IV

Construction of Improvements

Section 4.1. Construction of Improvements. The Developer agrees that it will construct the Improvements on the Property in accordance with the approved Construction Plans and at all times prior to the Termination Date will operate the Improvements as a manufacturing, storage, research and development and office facility and will maintain, preserve and keep the Improvements or cause the Improvements to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in good repair and condition.

Section 4.2. Construction Plans. (a) Previously, the Developer submitted and the City approved Construction Plans for the Improvements. Said approval constitutes a conclusive determination that the Construction Plans (and the Improvements, if constructed in accordance with said plans) comply to the City's satisfaction with the provisions of this Agreement relating thereto.

(b) If the Developer desires to make any material change or changes in any Construction Plans after their approval by the City, the Developer shall submit the proposed change or changes to the City for its approval. If the Construction Plans, as modified by the proposed change or changes, are acceptable to the City, the City shall approve the proposed change or changes and notify the Developer in writing of its approval. Any requested change or changes in the Construction Plans shall, in any event, be deemed approved by the City unless rejected, in whole or in part, by written notice by the City to the Developer, setting forth in detail the reasons therefor. Such rejection shall be made within ten (10) days after receipt of the notice of such change or changes.

(c) Nothing in this Agreement shall be deemed to excuse the Developer from complying with the City's normal zoning and construction permitting process as it relates to the development of the Improvements.

Section 4.3. Commencement and Completion of Construction. (a) Subject to Unavoidable Delays, the Developer shall commence construction of the Improvements by September 30, 2012, and shall complete the construction of the Improvements by April 30, 2013. All work with respect to the Improvements to be constructed or provided by the Developer on the Property shall be in conformity with the Construction Plans as submitted by the Developer and approved by the City as well as any changes to the Construction Plans approved by the City in accordance with Section 4.2(b) of this Article IV.

(b) Until construction of the Improvements has been completed the Developer shall make construction progress reports, at such times as may reasonably be requested by the City, but not more than once a month, as to the actual progress of the Developer with respect to such construction.

ARTICLE V

Insurance

Section 5.1. Insurance.

(a) The Developer will provide and maintain or cause to be provided and maintained at all times during the process of constructing the Improvements and, from time to time at the request of the City, furnish the City with proof of payment of premiums on:

(i) Builder's risk insurance, written on the so-called "Builder's Risk -- Completed Value Basis," in an amount equal to one hundred percent (100%) of the insurable value of the Improvements at the date of completion, and with coverage available in nonreporting form on the so called "all risk" form of policy.

(ii) General liability insurance (including operations, contingent liability, operations of subcontractors, completed operations, Broadening Endorsement including contractual liability insurance) together with an Owner's Contractor's Policy with limits against bodily injury and property damage of not less than \$2,000,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used); and

(iii) Worker's compensation insurance, with statutory coverage and employer's liability protection.

The policies of insurance required pursuant to clauses (i) and (ii) above shall be in form and content satisfactory to the City and shall be placed with financially sound and reputable insurers licensed to transact business in the State, the liability insurer to be rated A or better in Best's Insurance Guide, shall name the City as an additional insured, and shall contain an agreement of the insurer to give not less than thirty (30) days' advance written notice to the City in the event of cancellation of such policy or change affecting the coverage thereunder.

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

(i) Insurance against loss and/or damage to the Improvements under a policy or policies covering such risks as are ordinarily insured against by similar businesses, including (without limiting the generality of the foregoing) fire, extended coverage, all risk vandalism and malicious mischief, boiler explosion, water damage, demolition cost, debris removal, and collapse in an amount not less than the full insurable replacement value of the Improvements, but any such policy may have a deductible amount of not more than \$25,000. No policy of insurance shall be so written that the proceeds thereof will produce less than the minimum coverage required by the preceding sentence, by reason of co-insurance provisions or otherwise, without the prior consent thereto in writing by the City.

The term "full insurable replacement value" shall mean the actual replacement cost of the Improvements (excluding foundation and excavation costs and costs of underground flues, pipes, drains and other uninsurable items) and equipment, and shall be determined from time to time at the request of the City, but not more frequently than once every three years, by an insurance consultant or insurer, selected and paid for by the Developer and approved by the City.

(ii) Comprehensive general public liability insurance, including personal injury liability (with employee exclusion deleted), and automobile insurance, including owned, non-owned and hired automobiles, against liability for injuries to persons and/or property, in the minimum amount for each occurrence and for each year of \$2,000,000.00.

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

(c) All insurance required in Article V of this Agreement shall be taken out and maintained in responsible insurance companies selected by the Developer which are authorized under the laws of the State to assume the risks covered thereby. The policies of insurance required in (a)(ii) and (b)(ii) above shall name the City as an additional named insured.

(d) The Developer agrees to notify the City immediately in the case of damage exceeding \$25,000 in amount to, or destruction of, the Improvements or any portion thereof resulting from fire or other casualty. In the event of any such damage, the Developer will forthwith repair, reconstruct and restore the Improvements to substantially the same or an improved condition or value as existed prior to the event causing such damage and, to the extent necessary to accomplish such repair, reconstruction and restoration, the Developer will apply the proceeds of any insurance relating to such damage received by the Developer to the payment or reimbursement of the costs thereof.

The Developer shall complete the repair, reconstruction and restoration of the Improvements, whether or not the Net Proceeds of insurance received by the Developer for such purposes are sufficient to pay for the same. Any proceeds remaining after completion of such repairs, construction and restoration shall be remitted to the Developer.

(f) The City agrees that any interest on its part by virtue of this Agreement in the application or receipt of any proceeds of insurance under the policies required by subsections (a)(i) or (b)(i) above shall be subordinate to the interest of the Developer's lender of financing for the construction of the Improvements.

ARTICLE VI

Taxes

Section 6.1. Real Property Taxes. The Developer shall pay all real property taxes payable with respect to the Property and Improvements in a timely manner and prior to imposition of penalty.

ARTICLE VII

Financing

Section 7.1. Financing. (a) On or before September 17, 2012, the Developer shall provide to the City evidence of financing sufficient for construction of the Improvements. If the City finds that the financing is sufficiently committed, adequate in amount to provide for the construction of the Improvements, and subject only to such conditions as the City approves, then the City shall notify the Developer in writing of its approval. Such approval shall not be unreasonably withheld and either approval or rejection shall be given within fourteen (14) days from the date when the City is provided the evidence of financing. If the City rejects the evidence of financing as inadequate, it shall do so in writing specifying the basis for the rejection. In any event, the Developer shall submit adequate evidence of financing within thirty (30) days after such rejection.

(b) The City agrees that if requested it will enter into an agreement with the Developer's lender of financing for the acquisition and construction of the Improvements allowing such lender, its successors and assigns, to cure defaults by the Developer under this Agreement and to continue to receive payments under the Note so long as there is compliance with all provisions of this Agreement.

ARTICLE VIII

Prohibitions Against Assignment and Transfer, Indemnification

Section 8.1. Prohibition Against Transfer of Property and Assignment of Agreement. (a) The Developer represents and agrees that prior to completion of construction of the Improvements except only by way of security for, and only for, the purpose of obtaining financing necessary to enable the Developer or any successor in interest to the Property, or any part thereof, to perform its obligations with respect to constructing the Improvements under this Agreement, and any other purpose authorized by this Agreement, the Developer (except as so authorized) has not made or created, and will not make or create, or suffer to be made or created, any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form of or with respect to this Agreement or the Property or any part thereof or any interest herein or therein, or any contract or agreement to do any of the same, without the prior written approval of the City, which shall not be unreasonably withheld. The Developer shall not be required to obtain the consent of the City prior to a transfer of the Property to an affiliate or a purchaser of all or a controlling interest of the shares of the Developer so long as the Developer notifies the City of the transfer and the Affiliate/transferee assumes the obligations of the Developer under this Agreement and the Developer remains obligated under this Agreement. Nor shall this Agreement be deemed to prohibit a sale/leaseback arrangement for financing purposes under which the Developer conveys the Property to a third party and the Developer enters into a long term lease with such party so long as the Developer continues to occupy a material portion of the Property for its business purposes and continues to be responsible for the Developer's obligations under this Agreement.

(b) In the absence of specific written agreement by the City to the contrary, no transfer of the Property or approval by the City thereof shall be deemed to relieve the Developer, or any other party bound in any way by this Agreement, from any of its obligations hereunder.

Section 8.2. Release and Indemnification Covenants.

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

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

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

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

ARTICLE IX

Events of Default

Section 9.1. Events of Default Defined. The term "Event of Default" shall mean, whenever it is used in this Agreement (unless the context otherwise provides), any failure by Developer to substantially observe or perform any material covenant, condition, obligation or agreement on its part to be observed or performed hereunder.

Section 9.2. City's Remedies on Default. Whenever any Event of Default by Developer referred to in Section 9.1 of this Agreement occurs, the City may immediately suspend its performance under this Agreement and the Note until it receives assurances from the Developer, deemed adequate by the City, that the Developer will cure its default and continue its performance under this Agreement and may take any one or more of the following actions after providing thirty (30) days written notice to the Developer of the Event of Default, but only if the Event of Default has not been cured within said thirty (30) days, provided, however, that if such Event of Default is by its nature incapable of cure within thirty (30) days if the Developer provides to the City evidence, reasonably acceptable to the City, that the Event of Default will be cured and will be cured as soon as reasonably possible, then the Developer shall have such additional time as is reasonably necessary to cure such Event of Default but only so long as the Developer is diligently pursuing such cure:

- (a) Terminate this Agreement; and/or
- (b) Take whatever action, including legal, equitable or administrative action, which may appear necessary or desirable to the City to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant of the Developer under this Agreement.

Section 9.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the City or Developer is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City or the Developer to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in this Article IX.

Section 9.4. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 9.5. Costs of Enforcement. Whenever any Event of Default occurs and the City shall employ attorneys or incur other expenses for the collection of payments due or to become

due or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer under this Agreement, the Developer agrees that it shall be liable for the reasonable fees of such attorneys and such other expenses so incurred by the City.

ARTICLE X

Additional Provisions

Section 10.1. Representatives Not Individually Liable. (a) No member, official, or employee of the City shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach or for any amount which may become due to Developer or its successor or on any obligations under the terms of the Agreement.

(b) No member, official, or employee of the Developer shall be personally liable to the City, or any successor in interest, in the event of any default or breach by the Developer or for any amount which may become due to the City or its successor by the Developer on account of any obligations under the terms of the Agreement.

Section 10.2. Restrictions on Use. The Developer agrees for itself, and its successors and assigns, and every successor in interest to the Property, or any part thereof, that the Developer, and such successors and assigns, shall devote the Property to, and only to and in accordance with, the uses specified in this Agreement or as mutually agreed in writing by the parties to this Agreement.

Section 10.3. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 10.4. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under the Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally; and

(a) in the case of the Developer, is addressed to or delivered personally to the Developer at 655 County Road E West, Shoreview, MN 55126; and

(b) in the case of the City, is addressed to or delivered personally to the City at City Hall, 4600 North Victoria Street, Shoreview, MN 55126.

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

Section 10.5. Disclaimer of Relationships. Nothing contained in this Agreement nor any act by the City or the Developer shall be deemed or construed by any person to create any relationship of third-party beneficiary, principal and agent, limited or general partner, or joint venture among the City, the Developer, and/or any third party.

Section 10.6. Modifications. This Agreement may be modified solely through written amendments hereto executed by the Developer and the City.

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

Section 10.8. Judicial Interpretation. Should any provision of this Agreement require judicial interpretation, the court interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who itself or through its agent or attorney prepared the same, it being agreed that the agents and attorneys of both parties have participated in the preparation hereof.

Section 10.9. Business Subsidy Agreement. Prior to and as a condition to the City making any reimbursement of the Reimbursable Costs the City and the Developer shall enter into the Business Subsidy Agreement in the form attached hereto as Schedule C to satisfy the requirements of Minnesota Statutes, Sections 116J.993 to 116J.995.

SCHEDULE A

Description of Property

SCHEDULE B

Reimbursable Costs

The following costs to be incurred by the Developer shall constitute the Reimbursable Costs:

Site Improvements

Excavation

Parking

Utilities

SCHEDULE C

BUSINESS SUBSIDY AGREEMENT

By and Between

CITY OF SHOREVIEW

and

PAR SYSTEMS, INC.

Dated: _____, 2012

This document was drafted by:

BRADLEY & DEIKE, P. A.
4018 West 65th Street, Suite 100
Edina, MN 55435
Telephone: (952) 926-5337

BUSINESS SUBSIDY AGREEMENT

THIS AGREEMENT, made on or as of the _____ day of _____, 2012, by and between the City of Shoreview, a statutory city under the laws of the State of Minnesota (hereinafter referred to as the "City"), and having its principal office at City Hall, 4600 North Victoria Street, Shoreview, MN 55126, and PAR Systems, Inc., a Delaware corporation (hereinafter referred to as the "Developer"), having its principal office at 655 County Road E West, Shoreview, Minnesota 55126.

WITNESSETH:

WHEREAS, the Developer and the City have entered into a Development Agreement dated as of _____, 2012, (the "Contract") pursuant to which the Developer has agreed to construct certain improvements on real property within the City; and

WHEREAS, in order to induce the Developer to undertake such development, the City has agreed in the Contract to provide certain financial assistance to the Developer; and

WHEREAS, Minnesota Statutes, sections 116J.993 to 116J.995, provides that a government agency that provides financial assistance for certain purposes must enter into a business subsidy agreement setting forth goals to be met and the financial obligations of the recipient of the assistance if the goals are not met; and

WHEREAS, the City and the Developer agreed in the Contract that they would enter into this Business Subsidy Agreement to satisfy the requirement of Minnesota Statutes, sections 116J.993 to 116J.995.

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

ARTICLE I

Definitions

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

"Act" means Minnesota Statutes, Sections 116J.993-.995.

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

"City" means the City of Shoreview, Minnesota.

“Benefit Date” means the date that the Developer first occupies any part of the Improvements.

"Contract" means the Development Agreement between the City and the Developer dated as of _____, 2012.

"Developer" means PAR Systems, Inc., a Delaware corporation, or its successors and assigns, or any future owners of the Property.

"Improvements" means the construction activities to be undertaken by the Developer pursuant to the Contract.

"Property" means the real property described as such in the Contract.

"State" means the State of Minnesota.

“Subsidy” means \$600,000.

ARTICLE II

Job and Wage Goals; Required Provisions

Section 2.1. Employment and Wage Requirements. The Developer shall meet or cause to be met within two (2) years of the Benefit Date the wage and job goals set forth on the attached Exhibit A.

Section 2.2. Reports. The Developer agrees that it will provide to the City and any other authorized agency all reports required by the Act. Such reports shall be submitted at the times required by the Act. Specifically, the Developer must submit to the City a written report regarding business subsidy goals and results by no later than February 1 of each year, commencing February 1, 2013 and continuing until the later of (i) the date the goals stated Section 2.1 are met; (ii) 30 days after expiration of the five-year period described in Section 2.3; or (iii) if the goals are not met, the date the subsidy is repaid in accordance with Section 3.2. The report must comply with Section 116J.994, subdivision 7 of the Business Subsidy Act. The City will provide information to the Developer regarding the required forms. If the Developer fails to timely file any report required under this Section, the City will mail the Developer a warning within one week after the required filing date. If, after 14 days of the postmarked date of the warning, the Developer fails to provide a report, the Developer must pay to the City a penalty of \$100 for each subsequent day until the report is filed. The maximum aggregate penalty payable under this Section is \$1,000.

Section 2.3. Continuing Obligation. The Developer agrees that it will continuously operate or cause to be continuously operated the Improvements for the purposes described in the Contract for a period of at least five (5) years from the Benefit Date.

Section 2.4. Required Provisions. The following provisions are required by the Act:

(a) By providing the Subsidy to the Developer the City is seeking to accomplish the public purposes of encouraging the development of property that is currently underutilized, expanding the tax base of the City and State, and creating new job opportunities within the City at competitive wages.

(b) The City has determined that the Subsidy is necessary because of the substantial site preparation costs that must be incurred by the Developer in order to construct the Improvements

(c) The Developer has no parent corporation.

(d) The following is a list of all financial assistance from all other state or local government agencies: none.

(e) The Subsidy is being provided using tax increment from the City's Tax Increment Financing District No. 1, a redevelopment tax increment district.

ARTICLE III

Default

Section 3.1. Defaults Defined. It shall be a default under this Agreement if the Developer fails to comply with any term or provision of this Agreement, and fails to cure such failure within thirty (30) days written notice to the Developer of the default, but only if the default has not been cured within said thirty (30) days.

Section 3.2. Remedies on Default. The parties agree that the Subsidy is a forgivable loan, repayable only if the Developer fails to fulfill its obligations under sections 2.1 and 2.3 of this Agreement. Upon the occurrence of a failure to create jobs as required by Section 2.1 or a failure to continue operations as required by Section 2.3 the Developer shall repay to the City upon written demand from the City a "pro rata share" of the Subsidy and interest on the Subsidy at the implicit price deflator for government consumption expenditures and gross investment for state and local governments prepared by the bureau of economic analysis of the United States Department of Commerce for the 12 month period ending March 31 of the year prior to the year in which the payment from the Redeveloper is due accrued from the Benefit Date. The term "pro rata share" means percentages calculated as follows:

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

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

(c) if the failure relates to a failure to continue operations of the Improvements in accordance with Section 2.3, sixty (60) less the number of months of operation (where any month in which the Improvements are in operation for at least fifteen (15) days constitutes a month of operation), commencing on the Benefit Date and ending with the date the Developer ceases operation as reasonably determined by the City, divided by 60; and

(d) if more than one of clauses (a) through (c) apply, the sum of the applicable percentages, not to exceed 100%.

Section 3.3. Costs of Enforcement. Whenever any default occurs under this Agreement and the City shall employ attorneys or incur other expenses for the collection of payments due or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer under this Agreement, the Developer shall be liable to the City for the reasonable fees of such attorneys and such other expenses so incurred by the City.

ARTICLE IV

Miscellaneous

Section 4.1. Provisions of Agreement Not Affected. This Agreement is not intended to modify or limit in any way the terms of the Contract.

Section 4.2. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 4.3. Modifications. This Agreement may be modified solely through written amendments hereto executed by the Developer and the City

Section 4.4. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 4.5. Judicial Interpretation. Should any provision of this Agreement require judicial interpretation, the court interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who itself or

through its agent or attorney prepared the same, it being agreed that the agents and attorneys of both parties have participated in the preparation hereof. The City and Developer agree that this Agreement is intended to satisfy the requirements of the Act, which is incorporated herein and made a part hereof by reference. In the event that any provision of this Agreement conflicts with the terms of the Act, the terms of the Act shall govern.

EXHIBIT A

Wage and Job Goals

No later than two (2) years after the Benefit Date, the Developer will create at least seven (7) new, full time or full time equivalent positions paying a wage of between \$35,000 and \$85,000 per year, plus benefits.



Trusted Partner - Since 1961

Mark A. Wrightsman

President and Chief Executive Officer

September 7, 2012

City of Shoreview
4600 North Victoria Street
Shoreview, MN 55126

Ladies and Gentlemen:

PaR has been a part of the City of Shoreview landscape for many years and we look forward to being a mainstay of the community for years to come. As the leader in material handling, automation, and robotic solutions since 1961, PaR has made significant investments in people, technology, and products, resulting in hundreds of product platforms which form the basis of thousands of installed solutions for critical and demanding applications across numerous industries. We are recognized by Fortune 100 clients as the custom engineered solutions provider adding dramatic value for their clients. As we expand our operations both locally and globally, continuing this investment focus is critical to our success in the future as it has been in the past.

Since our July 2008 move from our previous location in Shoreview to the new locations at 707 & 655 County Road E West, our employee base has grown by over 30 percent at these locations. In January 2012, we acquired the Friction Stir Welding product line from MTS, a local Minneapolis company, and have since moved those operations to our Shoreview locations. As a result of this acquisition and organic growth in our existing business at this location, we are in need of increased facility and manufacturing space in order to support our expanding employee base. The potential for expansion capability was a key part of our long-term vision when we acquired these properties in Shoreview.

We are aware of the availability of TIF monies at this location and are requesting that these funds be used for the site work on the 36,000 square-foot facility we are proposing. Financing assistance is critical to this project and would supplement the \$800,000 PaR will be investing in equipment needed to support the manufacturing operations in this facility. The tax increment monies make Shoreview a competitive option for PaR expansion when compared to lower cost site alternatives in

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states like Texas and Georgia, where we also have sizable operations. Not only will the expanded facilities help preserve existing PaR jobs, we anticipate hiring at our Shoreview location at least 7 additional full-time employees in the near term at wage rates from \$35,000 to \$85,000 per annum in positions such as assemblers, engineers and other professionals. The TIF funding also greatly assists PaR in making investments in equipment and working capital to facilitate the expansion of our business and makes possible a sale-lease back arrangement with the future property owner. Unlike typical manufacturing facilities, our specialized, high-bay structure and accompanying duct work will require extensive excavation plus it will house, among other things, two costly 20-ton heavy lift cranes.

Your support for the TIF funding is essential in helping us to justify this important investment in Shoreview, to remain competitive, and to continue our desired growth in the local workforce to support our business.

PaR appreciates the support that the City of Shoreview has provided over the years and we look forward to continuing that strong relationship as we both make long-term investments for our mutual benefit.

Sincerely,

Mark A. Wrightsman
President and Chief Executive Officer

Proposed Motion

MOVED BY COUNCILMEMBER _____

SECONDED BY COUNCILMEMBER _____

To close the public hearing in consideration of the establishment of Tax Increment District No. 9 relating to the expansion project for TSI, Incorporated.

VOTE:	AYES: _____	NAYS: _____
Huffman	_____	_____
Quigley	_____	_____
Wickstrom	_____	_____
Withhart	_____	_____
Martin	_____	_____

Proposed Motions

MOVED BY COUNCILMEMBER _____

SECONDED BY COUNCILMEMBER _____

To adopt Resolution No. 12-82, approving the Tax Increment Financing Plan for the creation of new Tax Increment District No. 9 (an Economic Development District) in support of economic development assistance for TSI, Incorporated.

VOTE:	AYES: _____	NAYS: _____
Huffman	_____	_____
Quigley	_____	_____
Wickstrom	_____	_____
Withhart	_____	_____
Martin	_____	_____

* * * * *

MOVED BY COUNCILMEMBER _____

SECONDED BY COUNCILMEMBER _____

To adopt Resolution No. 12-83, approving and authorizing the execution of a Tax Increment Financing Development Agreement in support of economic development assistance for the TSI, Incorporated expansion project, subject to the terms and conditions of said agreement.

VOTE:	AYES: _____	NAYS: _____
Huffman	_____	_____
Quigley	_____	_____
Wickstrom	_____	_____
Withhart	_____	_____
Martin	_____	_____

Memorandum

To: Mayor and City Council Members
Cc: City Manager
From: Tom Simonson
Assistant City Manager and Community Development Director
Date: September 13, 2012
Re: TSI, Incorporated – 500 Cardigan Road
Public Hearing for Establishment of Tax Increment District No. 9
TIF Development Agreement for Economic Development Assistance

Introduction

TSI, Incorporated, located at 500 Cardigan Road, is seeking tax increment financing (TIF) assistance in support of a planned expansion to their corporate headquarters and manufacturing facility in Shoreview. The proposal would include the creation of a new tax increment district and supplemental funds from other City development resources to meet the needs of the project and assist a key business in the community. A public hearing will be held before the City Council on September 17th in consideration of the tax increment plan to establish TIF District No. 9.

Background

TSI, Incorporated has their corporate headquarters and main research/manufacturing facility at 500 Cardigan Road. TSI currently has 440 employees at Shoreview (560 total workers worldwide), and is expected to increase to 464 employees by the end of this year. The company projects a workforce addition of 180 employees at the Shoreview location within the next several years. TSI is designated as a key “landmark” company in the City’s adopted Business Retention and Expansion Plan (BRE).

Based on this projected growth, TSI is hoping to “fast-track” improvements to their facility, including both additional parking and building expansion. The site and building plans are being reviewed by the Planning Commission and will likely be presented to the Council for approval at the first meeting in October.

TSI undertook a major phased expansion back in the mid-1990s, whereby the City provided financial assistance through a 15-year Renewal and Renovation TIF District. This TIF District expired at the end of 2011, thereby requiring the creation of a new district, if the City supports providing tax increment assistance.

The current facility is 142,000 square feet and the plan is to construct an approximately a 57,000 square foot expansion to the existing building at the south end and add roughly 275

new surface parking stalls with majority created on the vacant land to the southwest of building along Cardigan Road. TSI has a goal of obtaining all City approvals by early October so they can break ground in order to complete the building shell prior to winter, with building occupancy by May, 2013.



Tax Increment Financing

TSI has formally applied for tax increment financing assistance for the proposed expansion project. A qualifying inspection and analysis report by a consulting firm working on behalf of the City concluded the expansion does not qualify this time for a Renewal and Renovation District and is only eligible for a 9-year Economic Development TIF District.

The following is a summary of project scope and proposed project financing:

→ Project Scope

- TSI is planning a 57,200 square foot expansion to their facility at the south end of the current structure and 250-275 additional parking spaces. The footprint calls for two stories of 28,600 square feet, which will match their current building design.
- The majority of the expansion space will be for engineering and operations staff. TSI anticipates adding approximately 180 new jobs with a large percentage being high paying engineering positions: mechanical, electrical and software engineering.
- The site configuration and limited land area create an expansion site challenge for TSI that is only successful through modifications and repurposing of the existing building,

stacking of the expansion space, and incorporation of the underground storm water management system. These elements add additional expense to the project.

- The estimated total project costs for the expansion and corresponding site improvements is \$7,090,000. The estimated Market Value for the completed project is \$12,500,000.

→ **Project Financing**

- With the decertification and expiration of TIF District No. 3 (the previous TSI district), the taxes distributed to the various taxing jurisdictions was \$126,832 in 2012.
- TSI originally requested \$1,380,000 in tax increment assistance, prior to the economic analysis.
- Subsequent expert inspection of existing facility for qualification as a 15-year Renewal and Renovation (R&R) District indicated the project it did not meet the statutory test. The property was significantly upgraded through the prior building improvements and has been very well maintained over the years.
- The only alternative is to establish a 9-year Economic Development District, which will only generate a little more than \$500,000.
- Economic Development Authority directed City staff to look at additional funding from TIF District No. 1 (Deluxe district) to help fill the financing gap between the developer request and what would be captured through the new tax increment district.
- Staff is recommending the following combination of funding sources:
 - A \$500,000 “pay-as-you-go” note payable from a new Economic Development TIF District. The interest rate is 5% for the note, and is payable each year only if sufficient taxes are generated and captured from the project.
 - Additional \$400,000 in up-front financing from TIF District No. 1 – payable at time of project completion.
 - The total financing of \$900,000 is the present value equivalent of the tax increment that would have been generated from a Renewal and Renovation District had the project qualified for the 15-year district.

Included with this report for your review and consideration are the following documents:

1. Tax Increment Financing Plan necessary for the creation of the proposed District prepared by our economic development consultant Kirstin Barsness.
2. Tax Increment Development Agreement, outlining the terms and conditions of the City’s proposed public financing assistance prepared by our tax increment development attorney Robert Deike.

TSI has agreed to the City’s financial assistance package and to the key terms and conditions of the draft Development Agreement, but recommended action would allow for minor revisions agreed upon by City legal counsel prior to execution.

Recommendation

The Economic Development Authority reviewed the request for City financial assistance at their meeting on September 10th, and voted unanimously to recommend to the City Council approval of the creation of the new TIF district and Development Agreement consistent with the terms described in this report. It is proposed that the City Council adopt Resolution No. 12-82, approving the modification to Municipal Development District No. 2 and Tax Increment Financing Plan for the establishment of TIF District No. 9 (an Economic Development District), and Resolution No. 12-83, approving the TIF Development Agreement providing assistance for the planned expansion project of TSI Incorporated, subject to the terms and conditions outlined in the agreement.

**CITY OF SHOREVIEW
RAMSEY COUNTY
STATE OF MINNESOTA**

RESOLUTION NO. 12-82

**RESOLUTION ADOPTING A MODIFICATION TO THE DEVELOPMENT PROGRAM
FOR MUNICIPAL DEVELOPMENT DISTRICT NO. 2; AND ESTABLISHING TAX
INCREMENT FINANCING DISTRICT NO. 9 THEREIN AND ADOPTING A TAX
INCREMENT FINANCING PLAN THEREFOR.**

BE IT RESOLVED by the City Council of the City of Shoreview, Minnesota, as follows:

Section 1. Recitals.

1.01. The City Council (the "Council") of the City of Shoreview (the "City") has heretofore established Municipal Development District No. 2 and adopted the Development Program therefor. It has been proposed that the City adopt a Modification to the Development Program (the "Development Program Modification") for Municipal Development District No. 2 (the "Project Area") and establish Tax Increment Financing District No. 9 (the "District") therein and adopt a Tax Increment Financing Plan (the "TIF Plan") therefor (the Development Program Modification and the TIF Plan are referred to collectively herein as the "Program Modification and TIF Plan"); all pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.124 to 469.134 and Sections 469.174 to 469.1799, all inclusive, as amended, (the "Act") all as reflected in the Program Modification and TIF Plan, and presented for the Council's consideration.

1.02. The City has investigated the facts relating to the Program Modification and TIF Plan and has caused the Program Modification and TIF Plan to be prepared.

1.03. The City has performed all actions required by law to be performed prior to the establishment of the District and the adoption and approval of the proposed Program Modification and TIF Plan, including, but not limited to, notification of Ramsey County and Independent School District No. 621 having taxing jurisdiction over the property to be included in the District, a review of and written comment on the Program Modification and TIF Plan by the City Planning Commission, and the holding of a public hearing upon published notice as required by law.

1.04. Certain written reports (the "Reports") relating to the Program Modification and TIF Plan and to the activities contemplated therein have heretofore been prepared by staff and consultants and submitted to the Council and/or made a part of the City files and proceedings on the Program Modification and TIF Plan. The Reports include data, information and/or substantiation constituting or relating to the basis for the other findings and determinations made in this resolution. The Council hereby confirms, ratifies and adopts the Reports, which are hereby incorporated into and made as fully a part of this resolution to the same extent as if

set forth in full herein.

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

2.01. The Council hereby finds that the Program Modification and TIF Plan are intended and, in the judgment of this Council, the effect of such actions will be, to provide an impetus for development in the public purpose and accomplish certain objectives as specified in the Program Modification and TIF Plan, which are hereby incorporated herein.

Section 3. Findings for the Establishment of Tax Increment Financing District No. 9.

3.01. The Council hereby finds that the District is in the public interest and is an "economic development district" under Minnesota Statutes, Section 469.174, Subd. 12 of the Act.

3.02. The Council further finds that the proposed development would not occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the Tax Increment Financing Plan, that the Program Modification and TIF Plan conform to the general plan for the development or redevelopment of the City as a whole; and that the Program Modification and TIF Plan will afford maximum opportunity consistent with the sound needs of the City as a whole, for the redevelopment or development of the District by private enterprise.

3.03. The Council further finds, declares and determines that the City made the above findings stated in this Section and has set forth the reasons and supporting facts for each determination in writing, attached hereto as Exhibit A.

Section 4. Public Purpose.

4.01. The adoption of the Program Modification and TIF Plan conforms in all respects to the requirements of the Act and will help an existing Shoreview business expand tax base and employment opportunities within the community. For the reasons described in Exhibit A, the City believes these benefits directly derive from the tax increment assistance provided under the TIF Plan. A private developer will receive only the assistance needed to make this development financially feasible. As such, any private benefits received by a developer are incidental and do not outweigh the primary public benefits.

Section 5. Approval and Adoption of the Program Modification and TIF Plan.

5.01. 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 Manager.

5.02. The staff of the City, the City's advisors and legal counsel are authorized and directed to proceed with the implementation of the Program Modification and TIF Plan and to negotiate, draft, prepare and present to this Council for its consideration all further plans, resolutions, documents and contracts necessary for this purpose.

5.03 The Auditor of Ramsey County is requested to certify the original net tax capacity of the District, as described in the Program Modification and TIF Plan, and to certify in each year thereafter the amount by which the original net tax capacity has increased or decreased; and the City is authorized and directed to forthwith transmit this request to the County Auditor in such form and content as the Auditor may specify, together with a list of all properties within the District, for which building permits have been issued during the 18 months immediately preceding the adoption of this resolution.

5.04. The City Manager is further authorized and directed to file a copy of the Program Modification and TIF Plan with the Commissioner of Revenue and the Office of the State Auditor pursuant to Minnesota Statutes 469.175, Subd. 4a.

Adopted: September 17th, 2012

ATTEST:

Sandy Martin, Mayor

Terry Schwerm, City Manager

(Seal)

EXHIBIT A

RESOLUTION NO. 12-82

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan for Tax Increment Financing District No. 9 as required pursuant to *M.S., Section 469.175, Subd. 3* are as follows:

- 1. Finding that the Tax Increment Financing District No. 9 is an economic development district as defined in M.S., Section 469.174, Subd. 12. Tax Increment Financing District No. 9 is a contiguous geographic area within the City's Municipal Development District No. 2, delineated in the TIF Plan, for the purpose of financing redevelopment in the City through the use of tax increment. The District is in the public interest because it will assist the developer with site preparation, storm water management and other TIF eligible improvements to expand their current manufacturing operation by 57,200 square feet and create 180 new employment opportunities within the City of Shoreview. Additionally, it will increase construction 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. 9 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: It is the City's finding that the site configuration and limited geographic area create an expansion site for TSI that is only successful through modifications and repurposing of the existing building, stacking of the expansion space, and incorporation of the underground storm water management system. These elements add additional expense to the project that it would not encounter if building on an undeveloped site.

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: The City supported this finding on the grounds that the cost of renovating the existing space, the increase in footing size for the two-story expansion space and the need to install an underground storm water management system in order to accommodate the parking need for the additional 180 employees add to the total development costs if solely paid by the developer. The City reasonably determines that no other development of similar scope is anticipated on this site without substantially

similar assistance being provided to the development given the site configuration, limited buildable area and parking considerations.

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 will be \$4,427,100 (see Appendix D and E 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 \$554,509 (see Appendix D 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 \$3,872,591 (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. 9 conforms to the general plan for the development or redevelopment of the municipality as a whole.* The Planning Commission reviewed the TIF Plan and found that the TIF Plan conforms to the general development plan of the City.
4. *Finding that the Tax Increment Financing Plan for Tax Increment Financing District No. 9 will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development of Municipal Development District No. 2 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, retain an existing Minnesota business, and add a high quality development to the City.

CITY OF SHOREVIEW, MINNESOTA

RESOLUTION NO. 12-83

**RESOLUTION AUTHORIZING THE EXECUTION OF A DEVELOPMENT AGREEMENT
WITH TSI INCORPORATED, AND THE EXECUTION OF A TAX INCREMENT REVENUE NOTE
IN CONNECTION THEREWITH**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHOREVIEW (the "City") AS
FOLLOWS:**

WHEREAS, the City of Shoreview, Minnesota (the "City") has approved the establishment of Tax Increment Financing District No. 9 (the "District"), an economic development tax increment financing district, pursuant to the Minnesota Tax Increment Financing Law, Minnesota Statutes, sections 469.174-469.1799 (the "Tax Increment Act"); and

WHEREAS, the City has received a proposal from TSI Incorporated (the "Developer") pursuant to which the Developer would develop certain real property in the City through the construction of an expansion of a manufacturing facility (the "Improvements"); and

WHEREAS, the Developer has also proposed that the City provide financial assistance to the Developer using tax increment revenues from the District and from the City's Tax Increment Financing District No. 1; and

WHEREAS, the City has determined that construction of the Improvements is in the best interests of the City and the state of Minnesota, will result in the development of property that currently is underutilized, will result in an increase in the tax base of the City and State and will result in increased employment opportunities in the City; and

WHEREAS, there has been presented to the City Council of the City a proposed Development Agreement (the "Contract") between the City and the Developer setting forth the terms of the City's provision of financial assistance to the Developer in connection with the construction of the Improvements.

NOW, THEREFORE, be it hereby resolved by the City Council of the City as follows:

1.02. Execution of Contract and Issuance of the Note. The appropriate officers of the City are hereby authorized to execute the Contract in substantially the form presented to the City Council, subject to such changes as may be approved by the City Manager and the City's legal counsel, to execute the Note at the time stated in the Contract and to issue and deliver the Note described therein at the time provided in the Contract.

Section 2. Form of Note. The Note shall be substantially in the form contained in the Contract, with the blanks properly filled in.

Section 3. Terms, Execution and Delivery.

3.01. Dates; Interest Payment Dates. The Note shall be dated as of the date it is issued. Principal of and interest on the Note shall be payable to the owner of record thereof as of the close of business on the fifteenth day of the month preceding each Scheduled Payment Date, whether or not such day is a business day.

3.02. Registration. The City appoints the City Treasurer and Finance Director as Note Registrar. The effect of registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at his/her principal office a Note register in which the Registrar shall provide for the registration of ownership of the Note and the registration of transfers or exchanges of the Note.

(b) Transfer of Note. Upon surrender for transfer of the Note duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, a new Note of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until such interest payment date. The Note shall not be transferred to any person other than an affiliate or other related entity of the Developer, unless the City has been provided with an opinion of counsel, acceptable to the City, that such transfer is exempt from registration and prospectus delivery requirements of federal and applicable state securities laws.

(c) Cancellation. The Note surrendered upon any transfer shall be promptly canceled by the Registrar and thereafter disposed of as directed by the City.

(d) Improper or Unauthorized Transfer. When the Note is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on the Note or separate instrument of transfer is valid and genuine and the requested transfer is legally authorized. The Registrar shall incur no liability for its refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(e) Persons Deemed Owners. The City and the Registrar may treat the person in whose name the Note is at any time registered in the Note register as the absolute owner of the Note, whether the Note shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of or interest on the Note and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and

effectual to satisfy and discharge the liability of the City upon the Note to the extent of the sum or sums so paid.

(f) Taxes, Fees and Charges. For every transfer or exchange of the Note, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee, or other governmental charge required to be paid with respect to such transfer or exchange and reasonable legal fees and other costs incurred in connection therewith.

(g) Mutilated, Lost, Stolen or Destroyed Note. In case the Note shall become mutilated or be lost, stolen, or destroyed, the Registrar shall deliver a new Note of like amount, maturity dates and tenor in exchange and substitution for and upon cancellation of such mutilated Note or in lieu of and in substitution for such Note lost, stolen, or destroyed, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Note lost, stolen, or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Note was lost, stolen or destroyed, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate indemnity in form, substance, and amount satisfactory to it, in which both the City and the Registrar shall be named as obligees. Any Note so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the City. If the mutilated, lost, stolen, or destroyed Note has already matured or been called for redemption in accordance with its terms, it shall not be necessary to issue a new Note prior to payment.

3.03. Preparation and Delivery. The Note shall be prepared under the direction of the City Manager of the City and shall be executed on behalf of the City by the manual signatures of its Mayor and the City Manager. In case any officer whose signature, or a facsimile of whose signature, shall appear on the Note shall cease to be such officer before the delivery of the Note, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Notwithstanding such execution, the Note shall not be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on such Note has been duly executed by the manual signature of an authorized representative of the Registrar. The executed certificate of authentication on the Note shall be conclusive evidence it has been authenticated and delivered under this resolution. When the Note has been so executed and authenticated, it shall be delivered by the City Manager to the Developer.

Section 4. Pledge of Available Tax Increment. The City hereby pledges to the payment of the principal of and interest on the Note Available Tax Increment, as defined in the Contract.

Section 5. County Auditor Registration; Certification of Proceedings.

5.01 County Auditor Registration. The City Manager is hereby authorized and directed to file a certified copy of this Resolution with the County Auditor of Ramsey County, together with such other information as such County Auditor shall require, and to obtain from said County Auditor a certificate that the Note has been entered on his/her bond register.

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

Adopted this 17th day of September, 2012.

Mayor

Attest:

**Development Program
for Municipal Development District No. 2**

and the

**Tax Increment Financing Plan
for the establishment of**

**Tax Increment Financing District No. 9
TSI, Inc.
(an economic development district)**

within

Municipal Development District No. 2



**City of Shoreview
Ramsey County
State of Minnesota**

Draft: July 24, 2012

Public Hearing: September 17, 2012

Adopted:

DRAFT

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Section 1 - Development Program for Municipal Development District No. 2

Foreword

The following text represents a Modification to the Development Program for Municipal Development District No. 2. This modification represents a continuation of the goals and objectives set forth in the Development Program for Municipal Development District No. 2. Generally, the substantive changes include the establishment of Tax Increment Financing District No. 9. (As Modified September 17, 2012)

Tax Increment District No. 9 was created to assist with the expansion of TSI, Inc., an existing Shoreview business. TSI is adding a 57,200 square foot addition onto the south end of their building. The space will be two stories (28,600 sq. ft. footprint) and used predominately for Engineering and Operations staff. TSI anticipates adding approximately 180 new employees with a large percentage being high paying mechanical, electrical and software engineering positions.

In order to accommodate business growth, TSI has identified key areas in their current facility that need renovation:

- 1) Improvements to existing land for expanded parking (200 additional stalls) including construction of underground storm water storage to maximize parking on an already constricted site.
- 2) Improvements to the building for freight/loading dock access.
- 3) Relocation of the current machine shop and repurpose/renovate that space into conference and office space.
- 4) Support Lean manufacturing processes by moving the inventory storage mezzanine to the lower level. Potentially renovate or remove mezzanine in order to provide better flow and movement throughout the building.

Tax Increment will be used to assist with the expansion of site preparation, on-site parking, storm water management systems and other TIF eligible activities.

Definitions

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

"City" means the City of Shoreview, a municipal corporation and political subdivision of the State of Minnesota.

"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.

"Council" means the City Council of the City of Shoreview, also referred to as the governing body. (See "Governing Body" below).

"County" means the County of Ramsey, Minnesota.

"County Board" means the Board of Commissioners for Ramsey County.

"Development District Act" means the statutory provisions of Minnesota Statutes, Sections 469.124 to 469.134 as amended and supplemented.

"Development District" means Municipal Development District No. 2 in the City, which was created and established pursuant to and in accordance with the Development District Act, and is geographically described in Section 1, Subsection 10 of the Development Program.

"Development Program" means this Development Program for Municipal Development District No. 2, initially adopted by the Council on February 14, 1984, and as it shall be modified. As defined in Minnesota Statutes, Section 469.125, Subdivision 5, a development program is a statement of objectives of the City for improvement of a development district which contains a complete statement as to the public facilities to be constructed within the district, the open space to be created, the environmental controls to be applied, the proposed reuse of private property and the proposed operations of the district after the capital improvements within the district have been completed.

"Governing Body" means the duly elected Council.

"Municipal Industrial Development Act" means the statutory provisions of Minnesota Statutes, Sections 469.92 to 469.165, as amended.

"Municipality" means any city, however organized as defined in Minnesota Statutes, Section 469.125, Subdivision 2.

"Project Area" means the Development District as geographically described in Subsection 1, Subsection 10 of the Development Program.

"State" means the State of Minnesota.

"Tax Increment Bonds" means any general obligation or revenue tax increment bonds issued and to be issued by the City to finance the public costs associated with Municipal Development District No. 2, as stated in the Development Program and in the Tax Increment Financing Plans for the Tax Increment Financing Districts within Municipal Development District No. 2. The term "Tax Increment Bonds" shall also include any obligations issued to refund the Tax Increment Bonds.

"Tax Increment Financing District" means any tax increment financing district presently established or to be established in the future in Municipal Development District No. 2.

"Tax Increment Financing Act" means the statutory provisions of Minnesota Statutes, Sections 469.174 to 469.1799, inclusive, as amended.

SUBSECTION 1.1.

STATEMENT AND FINDING OF PUBLIC PURPOSE

The City Council (the "Council") of the City of Shoreview (the "City") determines that there is a need for development and redevelopment within the corporate limits of the City in the Development District to provide employment opportunities, to improve the tax base, maintain and renovate housing stock and to improve the general economy of the State. It is found that the area within the Development District is potentially more useful and valuable than is being realized under existing development, is less productive than is possible under this program and, therefore, is not contributing to the tax base to its full potential.

Therefore, the City has determined to exercise its authority to develop a modified program for improving Development District No. 2 of the City to provide impetus for private development, to maintain and increase employment, maintain and renovate housing stock, to utilize existing potential and to provide other facilities as are outlined in the Development Program adopted by the City.

The Council finds that the welfare of the City as well as the State of Minnesota requires active promotion, attraction, encouragement and development of economically sound industry, commerce and housing activities to carry out its stated public purpose objectives.

SUBSECTION 1.2.

STATUTORY AUTHORITY

The Council determines that it is desirable and in the public interest to modify, develop and administer a Development Program for Development District No. 2 (the "Development District") in the City to implement its Development District Plan, pursuant to the provisions of Sections 469.124 to 469.134, as amended, of Minnesota Statutes (the "Development District Act").

Funding of the necessary activities and improvements in the Development District shall be accomplished through tax increment financing in accordance with Minnesota Statutes, Sections 469.174 through 469.179, inclusive (the "Tax Increment Act") and through the use of industrial revenue bonds pursuant to the provisions of Chapter 469.92 to 469.165, as amended, of Minnesota Statutes (the "Municipal Industrial Development Act").

The City has designated the corporate limits (Modification No.4, 4/19/2010) of the City as Development District No. 2 as authorized by Minnesota Statutes, Section 469.126 of the Development District Act. Within the Development District, the City plans to undertake tax increment financing pursuant to Minnesota Statutes, Section 469.174, Subd. 10, 10(A), 11 and 12 of the Tax Increment Financing Act.

SUBSECTION 1.3.

STATEMENT OF OBJECTIVES

The Council determines that the modification of the Development District will provide the City with the ability to achieve certain public purpose goals not otherwise obtainable in the foreseeable future without City intervention in the normal development process. The public purpose goals include: restore and improve the tax base and tax revenue generating capacity of the Development District; increase employment opportunities; realize comprehensive planning goals; remove blighted conditions; revitalize the property within the Development District to create an attractive, comfortable, convenient, and efficient area for industrial, residential, commercial, governmental, convention, and related uses.

The City and Council seek to achieve the following Development District program objectives:

1. Promote and secure the prompt development of certain property in the Development District, which property is not now in productive use or in its highest and best use, in a manner consistent with the City's Comprehensive Plan and with a minimum adverse impact on the environment, and thereby promote and secure the development of other land in the City.

2. Promote and secure additional employment opportunities within the Development District and the City for residents of the City and the surrounding area, thereby improving living standards, reducing unemployment and the loss of skilled and unskilled labor and other human resources in the City.
3. Secure the increase of commercial property subject to taxation by the City, Independent School Districts, Ramsey County, and other taxing jurisdictions in order to better enable such entities to pay for governmental services and programs required to be provided by them.
4. Provide for the financing and construction of public improvements in and adjacent to the Development District, necessary for the orderly and beneficial development of the Development District and adjacent areas of the City.
5. Promote the concentration of commercial, office, and other appropriate development in the Development District so as to maintain the area in a manner compatible with its accessibility and prominence in the City.
6. Encourage local business expansion, improvement, and development, whenever possible.
7. Create a desirable and unique character within the Development District through quality land use alternatives and design quality in new and redeveloped buildings.
8. Encourage and provide maximum opportunity for private redevelopment of existing areas and structures which are compatible with the Development Program.
9. Specific objectives include:
 - a. Acquire land or space which is vacant, unused, underused or inappropriately used for new or expanding uses as well as supportive parking.
 - b. Encourage the renovation and expansion of existing businesses.
 - c. Acquire property containing structurally substandard buildings and remove structurally substandard buildings for which rehabilitation is not feasible.
 - d. Provide park improvements to compliment private development.
 - e. Eliminate blighting influences which impede potential development.
 - f. Acquisition of property to support park improvements and proposed development.
 - g. Provide opportunities for market rate and affordable housing development.
 - h. Fund and operate loan programs for housing improvement activities.

(Modification No.4, 4/19/2010)

SUBSECTION 1.4.

ESTIMATED PUBLIC COSTS AND SUPPORTIVE DATA

The estimated costs of the public improvements to be made within the Development District and financed by tax increments will be derived from the tax increment financing districts within Development District No. 2. (See Appendix "D" of Tax Increment Plan)

SUBSECTION 1.5.

ENVIRONMENTAL CONTROLS

The proposed development activities in the Development District do not present significant environmental concerns. All municipal actions, public improvements and private development shall be carried out in a manner consistent with existing environmental standards.

SUBSECTION 1.6.

PROPOSED REUSE OF PROPERTY

The public improvements needed to bring about the redevelopment of property may include acquisition of buildings, demolition and removal, site improvements, and general improvements. The estimated public improvement costs will be summarized in each of the applicable tax increment financing plans.

The Development Program does contemplate the acquisition of private property at such time as a private developer presents an economically feasible program for the reuse of that property. Proposals, in order to be considered, must be within the framework of the above cited goals and objectives, and must clearly demonstrate feasibility as a public program. Prior to formal consideration of the acquisition of any property, the City Council will require a binding contract, performance bond, and/or other evidence or guarantees that a supporting tax increment or other funds will be available to repay the public cost associated with the proposed acquisition. It shall be the intent of the City to negotiate the acquisition of property whenever necessary. Appropriate restrictions regarding the reuse and redevelopment of property shall be incorporated into any land sale contract or development agreement to which the City is a part.

SUBSECTION 1.7.

ADMINISTRATION AND MAINTENANCE OF DEVELOPMENT DISTRICT

Maintenance and operation of the public improvements will be the responsibility of the Manager of the City who shall serve as Administrator of the Development District. Each year the Administrator will submit to the Council the maintenance and operation budget for the following year.

The Administrator will administer the Development District pursuant to the provisions of Minnesota Statutes, Section 469.131 of the Development District Act; provided, however, that such powers may only be exercised at the direction of the Council. No action taken by the Administrator pursuant to the above mentioned powers shall be effective without authorization by the Council.

SUBSECTION 1.8.

REHABILITATION

Owners of properties within the Development District will be encouraged to rehabilitate their properties to conform with the applicable state and local codes and ordinances, as well as any design standards. Owners of properties who purchase property or receive assistance within the Development District from the City may be required to rehabilitate their properties as a condition of sale of land. The City will provide such rehabilitation assistance as may be available from federal, state or local sources.

SUBSECTION 1.9.

RELOCATION

The City accepts its responsibility for providing for relocation pursuant to Minnesota Statutes, Section 469.133 of the Development District Act, if applicable.

SUBSECTION 1.10.

BOUNDARY OF DEVELOPMENT DISTRICT

(Modification No. 4, 4/19/2010)

MDD #1 (Removed 5/9 /95)

MDD#2 (Modification No.4, 4/19/2010)

The boundary of MDD #2 will include **all** of the following Sections:

Sections 2, 3, 4, 11, 14, 23, 24, 25, 26, 35, 36

The boundary of MDD#2 will include **partial** of the following Sections:

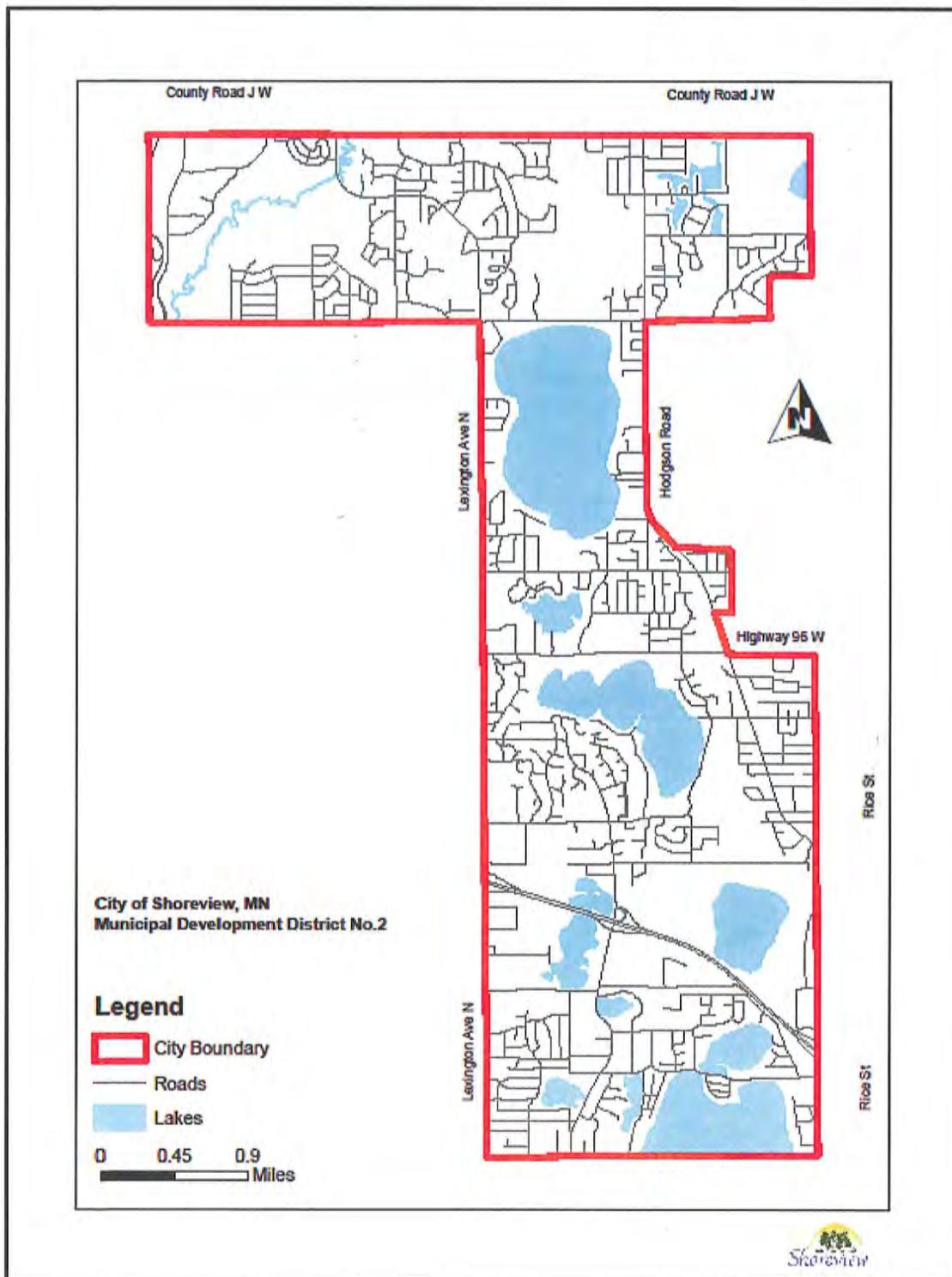
Section 1: Includes the portion containing the corporate limits of the City of Shoreview and excluding the portion of the Section residing in the corporate limits of the City of North Oaks.

Section 13: Includes the portion containing the corporate limits of the City of Shoreview and excluding the portion of the Section residing in the corporate limits of the City of North Oaks.

(AS MODIFIED SEPTEMBER 17, 2012)

The boundaries of Municipal Development District No. 2 are not being changed as part of the modification to Municipal Development District No. 2

SEE MAP ON FOLLOWING PAGE



Section 2 - Tax Increment Financing Plan for Tax Increment Financing District No. 9

Subsection 2-1. Foreword

The City of Shoreview (the "City"), staff and consultants have prepared the following information to expedite the establishment of Tax Increment Financing District No. 9 (the "District"), an economic development tax increment financing district, located in Municipal Development District No. 2.

Subsection 2-2. Statutory Authority

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the City has certain statutory powers pursuant to *Minnesota Statutes ("M.S."), Sections 469.124 to 469.134*, inclusive, as amended, and *M.S., Sections 469.174 to 469.1799*, inclusive, as amended (the "Tax Increment Financing Act" or "TIF Act"), to assist in financing public costs related to this project.

This plan constitutes the Tax Increment Financing Plan (the "TIF Plan") for the District. Other relevant information is contained in the Modification to the Development Program for Municipal Development District No. 2.

Subsection 2-3. 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 assist the developer with site preparation, storm water management and other TIF eligible improvements to expand their current manufacturing operation by 57,200 square feet. Please see Appendix A for further District information. The City has not entered into an agreement at the time of preparation of this TIF Plan, but development is likely to begin by September 19, 2012. This TIF Plan is expected to achieve many of the objectives outlined in the Development Program for Municipal Development District No. 2.

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 Municipal Development District No. 2 and the District.

Subsection 2-4. Development Program Overview

1. Property to be Acquired - Selected property located within the District may be acquired by the 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 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 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 private infrastructure within the District. The proposed reuse of private property within the District will be for the 57,200 square foot expansion to the existing TSI building plus the corresponding parking and utility improvements. There will be continued operation of Municipal Development District No. 2 after the capital improvements within Development District No. 2 have been completed.

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

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

The City may acquire any parcel within the District including interior and adjacent street rights of way. Any properties identified for acquisition will be acquired by the 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 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.

Subsection 2-6. Classification of the District

The City, in determining the need to create a tax increment financing district in accordance with *M.S., Sections 469.174 to 469.1799*, as amended, inclusive, finds that the District, to be established, is an economic development district pursuant to *M.S., Section 469.174, Subd. 12* as defined below:

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

(1) it will discourage commerce, industry, or manufacturing from moving their operations to another state or municipality; or

(2) it will result in increased employment in the state; or

(3) it will result in preservation and enhancement of the tax base of the state.

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

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

(1) The manufacturing or production of tangible personal property, including processing resulting in the change in condition of the property;

(2) Warehousing, storage, and distribution of tangible personal property, excluding retail sales;

(3) Research and development related to the activities listed in items (1) or (2);

- (4) Telemarketing if that activity is the exclusive use of the property;
- (5) Tourism facilities; or
- (6) Qualified border retail facilities;
- (7) Space necessary for and related to the activities listed in items (1) to (6)

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

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

Pursuant to *M.S., Section 469.175, Subd. 1, and M.S., Section 469.176, Subd. 1*, the duration of the District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b.*, the duration of the District will be 9 years after receipt of the first increment by the City. The date of receipt by the City of the first tax increment is expected to be 2014. Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2022, or when the TIF Plan is satisfied. If the first increment is received in 2015, the term of the District will be 2023. The City reserves the right to decertify the District prior to the legally required date.

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

Pursuant to *M.S., Section 469.174, Subd. 7 and M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the assessor in 2012 for taxes payable 2013.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2014) 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 2013. The ONTC and the Original Local Tax Rate for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. , and M.S., Section 469.177, Subd. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within Municipal Development District No. 2, upon completion of the projects 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 2014. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

Project Estimated Tax Capacity upon Completion (PTC)	\$249,250
Original Estimated Net Tax Capacity (ONTC)	\$160,708
Estimated Captured Tax Capacity (CTC)	\$88,542
Fiscal Disparities Rate	37.221%
Fiscal Disparities Reduction	\$32,957
Original Local Tax Rate	133.8220% Pay 2012
Estimated Annual Tax Increment (CTC x Local Tax Rate)	\$66,410
Percent Retained by the City	100%

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 has determined that no building permits have been issued during the 18 months immediately preceding approval of the TIF Plan by the City

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

Public Improvement costs, acquisition, relocation, utilities, street and sidewalks, and site preparation costs and other costs outline in the Use of Funds will be financed primarily through the annual collection of tax increments. The City reserves the right to use other sources of revenue legally applicable to the City and the Plan, including but not limited to, special assessments, general property taxes, state aid for road maintenance and construction, proceeds from the sale of land, other contributions from the developer and investment income, to pay for the estimated public costs.

The City reserves the right to incur bonded indebtedness or other indebtedness as a result of the Plan. As presently proposed, the project will be financed by a pay-as-you-go note. Additional indebtedness may be required to finance other authorized activities. The total amount of bonded indebtedness or other indebtedness related to the use of tax increment financing will not exceed \$555,000 without a modification to the Plan Pursuant to applicable statutory requirements.

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 also finance the activities to be undertaken pursuant to the TIF Plan through loans from funds of the City or to reimburse the developer on a "pay-as-you-go" basis for eligible costs paid for by a developer.

The total estimated tax increment revenues for the District are expected to be approximately \$598,000 as shown in the table below:

<u>SOURCES OF FUNDS</u>	<u>TOTAL</u>
Tax Increment	\$739,000

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 \$555,000. Such bonds may be in the form of pay-as-you-go notes, revenue bonds or notes, general obligation bonds, or inter fund loans. This estimate of total bonded indebtedness is a cumulative statement of authority under this TIF Plan as of the date of approval.

Subsection 2-10. Uses of Funds

Currently under consideration for the District is a proposal to facilitate the 57,200 square foot building and parking expansion, in addition to the corresponding site improvement for TSI. 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 eligible expenses. The estimate of public costs and uses of funds associated with the District is outlined in the following table.

<u>USES OF TAX INCREMENT FUNDS</u>	<u>TOTAL</u>
Site Improvements/Storm Water	\$500,000
<u>Administrative Costs (up to 10%)</u>	<u>\$ 55,000</u>
PROJECT COST TOTAL	\$555,000
Interest	\$ 184,000
PROJECT AND INTEREST COSTS TOTAL	\$739,000

For purposes of OSA reporting forms, uses of funds include inter fund loans, bond principal, TIF Note principal, and transfers, all in the principal amount of up to \$555,000. These amounts are not cumulative, but represent the various forms of "bonds" included within the concept of bonded indebtedness under the TIF Act.

The total project cost, including financing costs (interest) listed in the table on the previous page does not exceed the total projected tax increments for the District as shown in Appendix D.

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 on the previous page.

Further, the City may spend up to 20 percent of the tax increments from the District for activities (described in the table on the previous page) located outside the boundaries of the District but within the boundaries of the Project (including administrative costs, which are considered to be spend outside the District), subject to all other terms and conditions of this TIF Plan.

Subsection 2-11. Business Subsidies

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

- (1) A business subsidy of less than \$150,000;
- (2) Assistance that is generally available to all businesses or to a general class of similar businesses, such as a line of business, size, location, or similar general criteria;
- (3) Public improvements to buildings or lands owned by the state or local government that serve a public purpose and do not principally benefit a single business or defined group of businesses at the time the improvements are made;
- (4) Redevelopment property polluted by contaminants as defined in *M.S., Section 116J.552, Subd. 3*;
- (5) Assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code and assistance provided for designated historic preservation districts, provided that the assistance is equal to or less than 50% of the total cost;
- (6) Assistance to provide job readiness and training services if the sole purpose of the assistance is to provide those services;
- (7) Assistance for housing;
- (8) Assistance for pollution control or abatement, including assistance for a tax increment financing hazardous substance sub-district as defined under *M.S., Section 469.174, Subd. 23*;
- (9) Assistance for energy conservation;
- (10) Tax reductions resulting from conformity with federal tax law;
- (11) Workers' compensation and unemployment compensation;
- (12) Benefits derived from regulation;
- (13) Indirect benefits derived from assistance to educational institutions;
- (14) Funds from bonds allocated under chapter 474A, bonds issued to refund outstanding bonds, and bonds issued for the benefit of an organization described in section 501 (c) (3) of the Internal Revenue Code of 1986, as amended through December 31, 1999;
- (15) Assistance for a collaboration between a Minnesota higher education institution and a business;
- (16) Assistance for a tax increment financing soils condition district as defined under *M.S., Section 469.174, Subd. 19*;
- (17) Redevelopment when the recipient's investment in the purchase of the site and in site preparation is 70 percent or more of the assessor's current year's estimated market value;
- (18) General changes in tax increment financing law and other general tax law changes of a principally technical nature.
- (19) Federal assistance until the assistance has been repaid to, and reinvested by, the state or local government agency;
- (20) Funds from dock and wharf bonds issued by a seaway port authority;
- (21) Business loans and loan guarantees of \$150,000 or less; and
- (22) Federal loan funds provided through the United States Department of Commerce, Economic Development Administration.

The City will comply with *M.S., Sections 116J.993 to 116J.995* to the extent the tax increment assistance under this TIF Plan does not qualify for exemption for activities listed above and on the previous page.

Subsection 2-12. County Road Costs

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

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

Subsection 2-13. 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 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

	Pay 2012 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) Upon Completion	Percent of CTC to Entity Total
Ramsey County	480,575,818	88,542*	0.000184%
City of Shoreview	29,471,145	88,542*	0.003004%
Mounds View ISD No.621	94,727,714	88,542*	0.000935%

*prior to Fiscal Disparities Contribution

IMPACT ON TAX RATES

	Pay 2012 Extension Rates	Percent of Total	CTC	Potential Taxes
Ramsey County	.61316	45.82%	88,542*	54,290
City of Shoreview	.33252	24.85%	88,542*	29,442
Moundsview ISD No.621	.29044	21.70%	88,542*	25,716
Other (HRA, EDA, et.al)	.10210	7.63%	88,542*	9,040
Total	1.33822	100%		\$118,488

The estimates listed display the captured tax capacity when all construction is completed. The tax rate used for calculations is the actual Pay 2012 rate. The total net capacity for the entities listed is based on actual Pay 2012 figures.

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 \$739,000;
- (2) Probable impact of the District on city provided services and ability to issue debt. An impact of the District on police protection is not expected. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or require that the City expand its police force.

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

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

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. There may be some general obligation debt issued in relation to this project, however, the amount will be such that 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 \$231,444;
- (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 \$488,610;
- (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 9 days after receipt of the TIF Plan.

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

Subsection 2-14. Supporting Documentation

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

- **Planning Commission reports/workshops:** 8/28/2012
- **EDA Staff Reports:** 9/10/2012; 8/13/2012; 7/09/2012
- **City Council Reports:** 9/04/2012

Subsection 2-15. Definition of Tax Increment Revenues

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

1. Taxes paid by the captured net tax capacity, but excluding any excess taxes, as computed under M.S., Section 469.177;
2. The proceeds from the sale or lease of property, tangible or intangible, to the extent the property was purchased by the Authority with tax increments;
3. Principal and interest received on loans or other advances made by the Authority with tax increments;
4. Interest or other investment earnings on or from tax increments;
5. Repayments or return of tax increments made to the Authority under agreements for districts for which the request for certification was made after August 1, 1993; and
6. The market value homestead credit paid to the Authority under M.S., Section 273.1384.

Subsection 2-16. Modifications to the District

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

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

Pursuant to *M.S., Section 469.175 Subd. 4(f)*, the geographic area of the District may be reduced following the date of certification of the original net tax capacity by the county auditor, but shall not be enlarged after five years following the date of certification of the original net tax capacity by the county auditor. If an economic development district is enlarged, the reasons and supporting facts for the determination that the addition to the District meets the criteria of *M.S., Section 469.174, Subd. 12*, must be documented in writing and retained. The requirements of this paragraph do not apply if (1) the only modification is elimination of parcel(s) from the District and (2) (A) the current net tax capacity of the parcel(s) eliminated from the District equals or exceeds the net tax capacity of those

parcel(s) in the District's original net tax capacity or (B) the City agrees that, notwithstanding *M.S., Section 469.177, Subd. 1*, the original net tax capacity will be reduced by no more than the current net tax capacity of the parcel(s) eliminated from the District. Economic Development districts, for which the request for certification date was made after June 30, 2009, may be enlarged provided the request for certification date of the enlargement is made prior to June 30, 2012.

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

Subsection 2-17. Administrative Expenses

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

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

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

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

Pursuant to *M.S., Section 469.176, Subd. 4h*, tax increments may be used to pay for the County's actual administrative expenses incurred in connection with the District and are not subject to the percentage limits of *M.S., Section 469.176, Subd. 3*. The county may require payment of those expenses by February 9 of the year following the year the expenses were incurred.

Pursuant to *M.S., Section 469.177, Subd. 11*, the County Treasurer shall deduct an amount (currently .36 percent) of any increment distributed to the City and the County Treasurer shall pay the amount deducted to the State Treasurer for deposit in the state general fund to be appropriated to the State Auditor for the cost of financial reporting of tax increment financing information and the cost of examining and auditing authorities' use of tax increment financing. This amount may be adjusted annually by the Commissioner of Revenue.

Subsection 2-18. Limitation of Increment

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

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

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

The City or a property owner must improve parcels within the District by approximately July 2017 and report such actions to the County Auditor.

Subsection 2-19. Use of Tax Increment

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

1. To pay the principal of and interest on bonds issued to finance a project;
2. To finance, or otherwise pay the capital and administration costs of Municipal Development District No. 2 pursuant to *M.S., Sections 469.124 to 469.134;*
3. To pay for project costs as identified in the budget set forth in the TIF Plan;
4. To finance, or otherwise pay for other purposes as provided in *M.S., Section 469.176, Subd. 4;*
5. To pay principal and interest on any loans, advances or other payments made to or on behalf of the City or for the benefit of Municipal Development District No. 2 by a developer;
6. To finance or otherwise pay premiums and other costs for insurance or other security guaranteeing the payment when due of principal of and interest on bonds pursuant to the TIF Plan or pursuant to *M.S., Chapter 462C, M.S., Sections 469.152 through 469.165, and/or M.S., Sections 469.178; and*

7. To accumulate or maintain a reserve securing the payment when due of the principal and interest on the tax increment bonds or bonds issued pursuant to *M.S., Chapter 462C, M.S., Sections 469.152 through 469.165, and/or M.S., Sections 469.178.*

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

Tax increments generated in the District will be paid by Ramsey County to the City for the Tax Increment Fund of said District. The City will pay to the developer(s) annually an amount not to exceed an amount as specified in a developer's agreement to reimburse the costs of land acquisition, public improvements, demolition and relocation, site preparation, and administration. Remaining increment funds will be used for City administration (up to 10 percent) and the costs of public improvement activities outside the District.

Subsection 2-20. Excess Increments

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

1. Prepay any outstanding bonds;
2. Discharge the pledge of tax increment for any outstanding bonds;
3. Pay into an escrow account dedicated to the payment of any outstanding bonds; or
4. Return the excess to the County Auditor for redistribution to the respective taxing jurisdictions in proportion to their local tax rates. The City must spend or return the excess increments under paragraph (c) within nine months after the end of the year. In addition, the City may, subject to the limitations set forth herein, choose to modify the TIF Plan in order to finance additional public costs in Municipal Development District No. 2 or the District.

Subsection 2-21. Requirements for Agreements with the Developer

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

Pursuant to *M.S., Section 469.176, Subd. 5,* no more than 25 percent, by acreage, of the property to be acquired in the District as set forth in the TIF Plan shall at any time be owned by the City as a result of acquisition with the proceeds of bonds issued pursuant to *M.S., Section 469.178* to which tax increments from property acquired is pledged, unless prior to acquisition in excess of 25 percent of the acreage, the City concluded an agreement for the development of the property acquired and which provides recourse for the City should the development not be completed.

Subsection 2-22. Assessment Agreements

Pursuant to *M.S., Section 469.177, Subd. 8,* the City may enter into a written assessment agreement in recordable form with the developer of property within the District which establishes a minimum market value of the land and

completed improvements for the duration of the District. The assessment agreement shall be presented to the County Assessor who shall review the plans and specifications for the improvements to be constructed, review the market value previously assigned to the land upon which the improvements are to be constructed and, so long as the minimum market value contained in the assessment agreement appears, in the judgment of the assessor, to be a reasonable estimate, the County Assessor shall also certify the minimum market value agreement.

Subsection 2-23. Administration of the District

Administration of the District will be handled by the City Manager.

Subsection 2-24. Annual Disclosure Requirements

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

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

Subsection 2-25. Reasonable Expectations

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

Subsection 2-26. Other Limitations on the Use of Tax Increment

1. General Limitations. All revenue derived from tax increment shall be used in accordance with the TIF Plan. The revenues shall be used to finance, or otherwise pay the capital and administration costs of Municipal Development District No. 2 pursuant to *M.S., Sections 469.124 to 469.134*. Tax increments may not be used to circumvent existing levy limit law. No tax increment may be used for the acquisition, construction, renovation, operation, or maintenance of a building to be used primarily and regularly for conducting the business of a municipality, county, school district, or any other local unit of government or the state or federal government. This provision does not prohibit the use of revenues derived from tax increments for the construction or renovation of a parking structure.

2. Pooling Limitations. At least 80 percent of tax increments from the District must be expended on activities in the District or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities within said district or to pay, or secure payment of, debt service on credit enhanced bonds. Not more than 20 percent of said tax increments may be expended, through a development fund or otherwise, on activities outside of the District except to pay, or secure payment of, debt service on credit enhanced bonds. For purposes of applying this restriction, all administrative expenses must be treated as if they were solely for activities outside of the District.
3. Five Year Limitation on Commitment of Tax Increments. Tax increments derived from the District shall be deemed to have satisfied the 80 percent test set forth in paragraph (2) above only if the five year rule set forth in *M.S., Section 469.1763, Subd. 3*, has been satisfied; and beginning with the sixth year following certification of the District, 80 percent of said tax increments that remain after expenditures permitted under said five year rule must be used only to pay previously committed expenditures or credit enhanced bonds as more fully set forth in *M.S., Section 469.1763, Subd. 5*.

Subsection 2-27. Summary

The City of Shoreview is establishing the District to preserve and enhance the tax base; to facilitate the creation of 180 new employment positions; to enable the construction of a 57,200 square foot building expansion and corresponding parking and site improvement for TSI, Inc. The TIF Plan for the District was prepared by Kirstin Barsness, Development Consultant, 24438 Imperial Court, Forest Lake, Minnesota 55025, telephone 651-408-1032. Reviewed by Robert Deike, attorney, Bradley & Deike, 4018 West 65th Street Suite 100, Edina, Minnesota 55435, telephone 952-926-5337.

Appendix A

Project Description

The proposed Tax Increment District No. 9 (the "District") is to facilitate to preserve and enhance the tax base; to facilitate the creation of 180 new employment positions; to enable the construction of a 57,200 square foot building expansion and corresponding parking and site improvement for TSI, Inc. within the City of Shoreview.

Company Background

TSI, Inc. serves a global market by investigating, identifying and solving measurement problems. The company is an industry leader in the design and production of precision measurement instruments. They partner with research institutions and customers around the world to set the standard for measurements relating to aerosol science, air flow, indoor air quality, fluid dynamics, biohazard detection, and chemical speciation. TSI, Inc. serves industry, government, and research institutions from their US locations in Shoreview, Minnesota and Seattle, Washington, and their overseas offices in High Wycombe, United Kingdom; Aachen, Germany; Marseille, France; Bangalore, India; Singapore; Shanghai, China, and Beijing, China.

The Shoreview expansion will not only create employment opportunities, but retain a long-term Shoreview company. TSI's owner has shown no reluctance to move jobs and locations when economics or other business or tax considerations favor such action. In the past, TSI has relocated acquired businesses and attendant jobs. Additionally, employment positions have moved within the number of companies owned by this individual, including additions to the Shoreview location's employee complement. Conversely, it should also be noted that at the owner's direction, a Tennessee located company has moved to Austin, TX, and a Plymouth, MN based company will be moving next year to Sioux Falls.

Project Information

TSI is proposing to construct a 2 story, 28,600 square foot (per floor) addition on the south end of the current building. The building style and look will match the current building addition of 1995. A parking lot will be constructed adjacent to the west end of the addition and will include approximately 200 parking stalls. Storm water management will be underground in order to maximize parking on the site.

The majority of the expansion space will be for Engineering and Operations staff. TSI anticipates adding approximately 180 new jobs with a large percentage being high paying engineering positions: Mechanical, electrical and software engineering. The remainder of the positions will be a mix of professional: Sales, marketing, HR, IT positions as well as some manufacturing positions.

In order to accommodate business growth TSI has identified 4 key areas in the current facility that need renovation:

- 1) Improvements to existing land for expanded parking (including underground storm water storage)
- 2) Improvements to the building for freight/loading dock access
- 3) Move the current machine shop and repurpose / renovate that space into conference and office space
- 4) Move inventory storage from mezzanine (building 2) to lower level in order to support Lean manufacturing processes. Potentially renovate or remove mezzanine in order to provide better flow and movement throughout the building.

The developer has provided a list of TIF eligible activities in excess of \$1,980,000 including, but not limited to, site improvements, utilities, and parking facilities.

The Total Project cost is estimated to be approximately \$ 7,090,000. The proposed Source and Use is depicted below and is subject to change until the project is constructed. The table does not represent the interest accrued on the inter-fund loan:

USE		SOURCE	
Site Development	500,000	Primary Lender*	6,090,000
Building Cost	4,715,000	Equity*	500,000
Architectural/Engineering	396,000	TIF Request*	500,000
Parking/Storm water	650,000		
Interest During Construction	184,000		
Contingencies	645,000		
TOTAL	\$ 7,090,000		\$7,090,000

Note: All funding sources depicted with a * are subject to change until project is constructed.

Appendix B

Map of Tax Increment District No. 9 TSI, Inc.



Appendix C

Description of Property to be Included in the District

The District encompasses the following portions of property and adjacent rights-of-way and abutting roadways identified by the parcel listed below.

PARCEL NUMBERS	PERCENT IN TO BE IN DISTRICT	OWNER
36.30.23.22.0019	100%	TSI, Inc.

Appendix D

TSI, Inc.
City of Shoreview
 Economic Development District

T.I.F. CASH FLOW ASSUMPTIONS		
District	Economic Development	
Inflation Rate - Every _ Years	1.00%	
Pay-As-You-Go Interest Rate:	5.00%	
Note Issued Date (Present Value Date):	01-Aug-13	
Local Tax Rate - Frozen	133.8220%	Pay 2012
Fiscal Disparities Election (A - inside or B outside)	N/A	
Year District was certified	Pay 2012	
Assumes First Tax Increment For District	2014	
Years of Tax Increment	9	
Assumes Last Year of Tax Increment	2022	
Fiscal Disparities Ratio	37.2221%	
Fiscal Disparities Metro Wide Tax Rate	N/A	
Local Tax Rate - Current	133.8220%	
State Wide Property Tax Rate (Used for total taxes)	N/A	
Market Value Tax Rate (used for total taxes)	N/A	
Commercial Industrial Class Rate	1.5%-2.0%	
First 150,000	1.50%	
Over 150,000	2.00%	
Rental Class Rate	1.25%	Pay 2012
Residential Class Rate - Under \$500,000	1.00%	
Over \$500,000	1.25%	

BASE VALUE INFORMATION (Original Tax Capacity)						
PID	Land Market Value	Building Market Value	Total Original Market Value	Tax Year Original Market Value	Property Tax Class Rate	Original Tax Capacity
36.30.23.22.0019	2,472,500	5,600,400	8,072,900	2013	Comm/Ind	160,708
Totals			8,072,900			160,708

PROJECT INFORMATION						
Use	Total Sq. Ft.	Est. Market Value Per Sq. Ft.	Total Estimated Market Value	Property Tax Class Rate	Project Tax Capacity	Percentage Completed 2013
TSI	198,413	63	12,500,000	Comm/Ind	249,250	100%
TOTAL						

Note:

1. Market Value is on a preliminary estimate provided by the Ramsey County Assessor's Office. The value will be finalized after construction.

TAX CALCULATIONS				
Use	Total Tax Capacity	Captured Tax Capacity	Fiscal Disparities Reduction	Revised Captured Tax Capacity
TSI	249,250	88,542	32,957	55,585

Note:

1. Taxes and tax increment will vary significantly from year to year depending upon value, rates, state laws and other factors.

2. Development Program is located in School District #621

Appendix D

TSI, INC.
CITY OF SHOREVIEW
ECONOMIC DEVELOPMENT DISTRICT

TAX INCREMENT CASH FLOW												
Project Tax Capacity	Original Tax Capacity	Revised Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 10.00%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDI Yrs.	Tax Year	Payment Date
-	160,708	0	1.338220%	0	0	0	0	0	0			8/1/2013
		0			0	0	0	0	0			2/1/2014
249,250	160,708	55,585	1.338220%	68,410	33,205	120	3,309	29,777	0	0.5	2014	8/1/2014
					33,205	120	3,309	29,777	\$54,627	1.0	2014	2/1/2015
251,743	160,708	57,150	1.338220%	76,479	38,239	138	3,810	34,292	\$84,936	1.5	2015	8/1/2015
					38,239	138	3,810	34,292	\$114,505	2.0	2015	2/1/2016
254,260	160,708	58,730	1.338220%	78,594	39,297	141	3,916	35,240	\$144,151	2.5	2016	8/1/2016
					39,297	141	3,916	35,240	\$173,074	3.0	2016	2/1/2017
256,803	160,708	60,326	1.338220%	80,730	40,365	145	4,022	36,198	\$234,814	3.5	2017	8/1/2017
					40,365	145	4,022	36,198	\$230,336	4.0	2017	2/1/2018
259,371	160,708	61,938	1.338220%	82,887	41,444	149	4,129	37,165	\$258,961	4.5	2018	8/1/2018
					41,444	149	4,129	37,165	\$286,295	5.0	2018	2/1/2019
261,964	160,708	63,567	1.338220%	85,068	42,533	153	4,238	38,142	\$313,964	5.5	2019	8/1/2019
					42,533	153	4,238	38,142	\$340,958	6.0	2019	2/1/2020
264,584	160,708	65,211	1.338220%	87,267	43,633	157	4,348	39,129	\$367,975	6.5	2020	8/1/2020
					43,633	157	4,348	39,129	\$394,333	7.0	2020	2/1/2021
267,230	160,708	66,872	1.338220%	89,490	44,745	161	4,458	40,125	\$420,704	7.5	2021	8/1/2021
					44,745	161	4,458	40,125	\$446,431	8.0	2021	2/1/2022
269,902	160,708	68,550	1.338220%	91,735	45,867	165	4,570	41,132	\$472,160	8.5	2022	8/1/2022
					45,867	165	4,570	41,132	\$497,261	9.0	2022	2/1/2023
Totals					738,656	2,659	73,600	662,397				
Present Value Date 3-1-13					554,509	1,996	65,251	497,261				

NOTES:

1. State Auditor payment is based upon 1st half, pay 2012 actual and may increase over term of district
2. Assumes development in constructed in 2012/2013, assessed in 2013 and first increment is paid in 2014.
3. Amount of increment will vary depending upon market value, tax rates, class rates, construction schedule and inflation on Market Value.
4. Inflation on tax rates cannot be captured.
5. TIF does not capture state wide property taxes or market value property taxes

Appendix E

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. 9 as required pursuant to *M.S., Section 469.175, Subd. 3* are as follows:

1. Finding that the Tax Increment Financing District No. 9 is an economic development district as defined in *M.S., Section 469.174, Subd. 12*. Tax Increment Financing District No. 9 is a contiguous geographic area within the City's Municipal Development District No. 2, delineated in the TIF Plan, for the purpose of financing redevelopment in the City through the use of tax increment. The District is in the public interest because it will assist the developer with site preparation, storm water management and other TIF eligible improvements to expand their current manufacturing operation by 57,200 square feet and create 180 new employment opportunities within the City of Shoreview. Additionally, it will increase construction 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. 9 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: It is the City's finding that the site configuration and limited geographic area create an expansion site for TSI that is only successful through modifications and repurposing of the existing building, stacking of the expansion space, and incorporation of the underground storm water management system. These elements add additional expense to the project that it would not encounter is building on a undeveloped site.

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: The City supported this finding on the grounds that the cost of renovating the existing space, the increase in footing size for the two-story expansion space and the need to install an underground storm water management system in order to accommodate the parking need for the additional 180 employees add to the total development costs if solely paid by the developer. The City reasonably determines that no other development of similar scope is anticipated on this site without substantially similar assistance being provided to the development given the site configuration, limited buildable area and parking considerations.

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 will be \$4,427,100(see Appendix D and E 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 \$554,509 (see Appendix D 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 \$3,872,591(the amount in clause b less the amount in clause c) without tax increment assistance.

But-For Analysis	
Current Market Value	8,072,900
New Market Value - Estimate	12,500,000
Difference	4,427,100
Present Value of Tax Increment	554,509
Difference	3,872,591
Value Likely to Occur without TIF is less than	\$3,872,591

- 3. *Finding that the TIF Plan for Tax Increment Financing District No. 9 conforms to the general plan for the development or redevelopment of the municipality as a whole.*

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

- 4. *Finding that the Tax Increment Financing Plan for Tax Increment Financing District No. 9 will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development of Municipal Development District No. 2 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, retain an existing Minnesota business, and add a high quality development to the City.

9-13-12

DEVELOPMENT AGREEMENT

By and Between

THE CITY OF SHOREVIEW

and

TSI INCORPORATED

Dated as of: _____, 2012

This document was drafted by:

BRADLEY & DEIKE, P. A.
4018 West 65th Street, Suite 100
Edina, MN 55435
Telephone: (962) 926-5337

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DEVELOPMENT AGREEMENT

THIS AGREEMENT, made on or as of the ____ day of _____, 2012, by and between the City of Shoreview, a statutory city under the laws of the State of Minnesota (hereinafter referred to as the "City"), and having its principal office at City Hall, 4600 North Victoria Street, Shoreview, Minnesota 55126, and TSI Incorporated, a Minnesota corporation (hereinafter referred to as the "Developer"), having its principal office at 500 Cardigan Road, Shoreview, Minnesota 55126.

WITNESSETH:

WHEREAS, The City is a municipal corporation organized and existing pursuant to the Constitution and laws of the State of Minnesota and is governed by the Council of the City (the "Council"); and

WHEREAS, the City has established within the City its Municipal Development District No. 2 pursuant to Minnesota Statutes, Sections 469.124 - 469.134, providing for the development and redevelopment of certain areas located within the City (which development district is hereinafter referred to as the "Project"); and

WHEREAS, the City has further established its Tax Increment Financing District No. 9 within the Project pursuant to Minnesota Statutes, Sections 469.174-469.1799 (which tax increment financing district is hereinafter referred to as the "Tax Increment District"); and

WHEREAS, the Tax Increment District is an economic development tax increment financing district created pursuant to Minnesota Statutes, Sections 469.174, subd. 12, and 469.176, subd. 4(c); and

WHEREAS, the Developer is the owner of certain real property located within the Tax Increment District (which real property is hereinafter referred to as the "Property" and is more particularly described in Schedule A annexed hereto and made a part hereof); and

WHEREAS, the Developer has presented to the City a proposal under which the Developer would construct on the Property a 57,200 square foot expansion to its existing manufacturing facility; and

WHEREAS, the Developer has as part of its proposal requested that the City use tax increment generated from the Tax Increment District and certain other funds to provide certain financial assistance to aid in its development, without which assistance such development would not be feasible; and

WHEREAS, City believes that the development of the Property as proposed by the Developer is in the best interest of the City and its residents and in accord with the public purposes and provisions of applicable federal, state and local laws under which the Project is being undertaken and assisted;

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

ARTICLE I

Definitions

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

"Act" means Minnesota Statutes, Sections 469.124-469.134, as amended.

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

"Available Tax Increment" means with respect to each Scheduled Payment Date under the Note ninety percent (90%) of the Tax Increment received by the City in the six (6) month period preceding the Scheduled Payment Date.

"City" means the City of Shoreview, or its successors or assigns.

"Construction Plans" means the site plan, utility plan, grading and drainage plan, landscape plan, elevations drawings, materials list and related documents on the construction work to be performed by the Developer on the Property which have been submitted to and approved by the City Council of the City, together with any conditions imposed by the City Council in connection with its approval.

"County" means Ramsey County, Minnesota.

"Developer" means TSI Incorporated, a Minnesota corporation, its permitted successors and assigns.

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

"Improvements" means the improvements to be constructed by the Developer on the Property, consisting of a 57,200 square foot expansion to its existing manufacturing facility and related improvements in accordance with the approved Construction Plans.

"Note" means the Taxable Limited Revenue Tax Increment Note to be issued by the City pursuant to Section 3.3 of this Agreement, which Note shall be substantially in the form of the Note attached to this Agreement as Schedule B.

"Project" means the City's Municipal Development District No. 2.

"Project Area" means the real property located within the boundaries of the Project.

"Project Plan" means the plan and development program adopted in connection with creation of the Project.

"Property" means the real property described as such on the attached Schedule A.

"Reimbursable Costs" means the portion of the costs to be incurred by the Developer to be reimbursed by the City through a cash payment and through the issuance and payment of the Note as described in Article III of this Agreement, which costs are described on Schedule C to this Agreement.

"State" means the State of Minnesota.

"Tax Increment" means that portion of the real property taxes paid with respect to the Property and Improvements that is remitted to and actually received by the City as tax increment pursuant to the Tax Increment Act.

"Tax Increment Act" means the Tax Increment Financing Act, Minnesota Statutes, Sections 469.174-469.1799, as amended and as it may be further amended from time to time.

"Tax Increment District" means the Tax Increment Financing District No. 9 created by the City within the Project Area.

"Tax Increment Plan" means the tax increment financing plan adopted by the City in connection with its creation of the Tax Increment District, which plan together with the information and findings contained therein is hereby incorporated herein and made a part hereof by reference.

"Termination Date" means the earlier of: (a) the date that the Tax Increment District terminates; or (b) the date that the City's payment obligations under the Note have been satisfied or terminated pursuant to this Agreement and the Note.

"Unavoidable Delays" means delays which are the direct result of acts of God, unforeseen adverse weather conditions, strikes, other labor troubles, fire or other casualty to the Improvements, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of any federal, state or local governmental unit, and which directly results in delays.

ARTICLE II

Representations

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

(a) The City is a statutory city under the laws of the State. Under the laws of the State, the City has the power to enter into this Agreement and to perform its obligations hereunder.

(b) The City has received no notice or communication from any local, state or federal official that the activities of the Developer or the City in the Project Area may be or will be in violation of any environmental law or regulation. The City is aware of no facts the existence of which would cause it to be in violation of any local, state or federal environmental law, regulation or review procedure.

Section 2.2. Representations by the Developer. The Developer represents that:

(a) The Developer is a Minnesota corporation duly organized and authorized to transact business in the State, is not in violation of any provisions of its articles of incorporation or bylaws or the laws of the State, has power to enter into this Agreement and has duly authorized the execution, delivery and performance of this Agreement by proper action of its directors.

(b) The Developer will construct the Improvements in accordance with the terms of this Agreement and all local, state and federal laws and regulations (including, but not limited to, environmental, zoning, building code and public health laws and regulations), except for variances necessary to construct the improvements contemplated in the Construction Plans approved by the City.

(c) The Improvements will be constructed at a cost of between \$ _____ and \$7,090,000.

(d) The Developer has received no notice or communication from any local, state or federal official that the activities of the Developer or the City in the Project Area may be or will be in violation of any environmental law or regulation. The Developer is aware of no facts the existence of which would cause it to be in violation of any local, state or federal environmental law, regulation or review procedure. In the event that it is necessary to take any action to obtain any necessary permits or approvals with respect to the Property under any local, state or federal environmental law or regulation, the Developer will be responsible for taking such action.

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

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

(g) The Developer would not construct the Improvements without the City's provision of the financial assistance contemplated by this Agreement.

ARTICLE III

Development Proposal; Issuance of Note

Section 3.1. Development Proposal. The Developer owns the Property. The Developer has proposed to undertake site work on the Property to prepare the Property for the construction of the Improvements and to construct the Improvements. The Developer has demonstrated to the City that site improvements and infrastructure costs on the Property render development of the Improvements infeasible without financial assistance. Therefore, the City has agreed to offset a portion of the cost of construction of the Improvements and related improvements through a cash payment and by using a portion of the Tax Increment generated from the Improvements on a pay as you go basis through the issuance and payment of the Note.

Section 3.2. Reimbursable Costs. (a) The City agrees that it will reimburse the Developer for its payment of certain costs of developing the Improvements. Such costs are referred to herein as the "Reimbursable Costs" and are described on the attached Schedule C. The City will make a cash payment in the amount of \$400,000 to the Developer as partial reimbursement for the Reimbursable Costs. The City's reimbursement of the Developer for the remainder of the Reimbursable Costs shall be accomplished through the City's issuance and payment of the Note. The maximum principal amount of the Reimbursable Costs to be reimbursed by the City through the issuance of the Note shall be \$500,000.

(b) The Developer shall be solely responsible for initial payment of the Reimbursable Costs and all construction work related thereto. The City's sole obligation in such regard shall be to make the above described cash payment and to issue the Note at the time stated in this Agreement and to pay the Note in accordance with its terms. The City agrees that it will make the cash payment and will issue the Note at such time as the Developer provides to the City invoices and certifications in such form as the City may reasonably require, demonstrating that the Improvements have been completed, that the Developer has paid the Reimbursable Costs, and that the Reimbursable Costs equal or exceed \$900,000, or if the Reimbursable Costs are less than \$900,000, then the amount of the Reimbursable Costs that have been incurred. If the Reimbursable Costs are less than \$900,000 then the amount by which the Reimbursable Costs are less than \$900,000 shall be subtracted from \$500,000, and the result shall be the principal amount of the Note.

Section 3.3. Cash Payment and Issuance of Note. The City's reimbursement of the Developer for the Reimbursable Costs shall be through the making of the above-described cash payment and through the issuance of the Note which shall occur at the time stated in Section 3.2 of this Agreement. The Note shall be substantially in the form of the Note attached to this Agreement as Schedule B, with all blanks properly filled in. The Note shall be dated as of the date of its issuance and shall be payable together with simple non-compounding interest at the rate of five percent (5.00%) per year from the date of the issuance of the Note until the Note is paid in full or terminated.

Section 3.4. Conditions Precedent to Making of Cash Payment and Issuance of Note. Notwithstanding anything to the contrary contained herein, the City's obligation to make the

\$400,000 cash payment and to issue the Note shall be subject to satisfaction, or waiver in writing by the City, of all of the following conditions precedent:

- (a) the Developer shall not be in default under the terms of this Agreement;
- (b) the Developer shall have provided to the City the certifications, invoices and evidence specified in Section 3.2; and
- (c) the Developer shall have completed construction of the Improvements.

Section 3.5. City Costs. The Developer has paid to the City \$7,500 to be used by the City to pay the costs of creating the Tax increment district and the negotiation and preparation of this Agreement and related documents.

ARTICLE IV

Construction of Improvements

Section 4.1. Construction of Improvements. The Developer agrees that it will construct the Improvements on the Property in accordance with the approved Construction Plans and at all times prior to the Termination Date will operate the Improvements as a manufacturing facility and will maintain, preserve and keep the Improvements or cause the Improvements to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in good repair and condition.

Section 4.2. Construction Plans. (a) Previously, the Developer submitted and the City approved Construction Plans for the Improvements. Said approval constitutes a conclusive determination that the Construction Plans (and the Improvements, if constructed in accordance with said plans) comply to the City's satisfaction with the provisions of this Agreement relating thereto.

(b) If the Developer desires to make any material change or changes in any Construction Plans after their approval by the City, the Developer shall submit the proposed change or changes to the City for its approval. If the Construction Plans, as modified by the proposed change or changes, are acceptable to the City, the City shall approve the proposed change or changes and notify the Developer in writing of its approval. Any requested change or changes in the Construction Plans shall, in any event, be deemed approved by the City unless rejected, in whole or in part, by written notice by the City to the Developer, setting forth in detail the reasons therefor. Such rejection shall be made within ten (10) days after receipt of the notice of such change or changes.

(c) Nothing in this Agreement shall be deemed to excuse the Developer from complying with the City's normal zoning and construction permitting process as it relates to the development of the Improvements.

Section 4.3. Commencement and Completion of Construction. (a) Subject to Unavoidable Delays, the Developer shall commence construction of the Improvements by October 31, 2012, and shall complete the construction of the Improvements by June 1, 2013. All work with respect to the Improvements to be constructed or provided by the Developer on the Property shall be in conformity with the Construction Plans as submitted by the Developer and approved by the City as well as any changes to the Construction Plans approved by the City in accordance with Section 4.2(b) of this Article IV.

(b) Until construction of the Improvements has been completed the Developer shall make construction progress reports, at such times as may reasonably be requested by the City, but not more than once a month, as to the actual progress of the Developer with respect to such construction.

ARTICLE V

Insurance

Section 5.1. Insurance.

(a) The Developer will provide and maintain or cause to be provided and maintained at all times during the process of constructing the Improvements and, from time to time at the request of the City, furnish the City with proof of payment of premiums on:

(i) Builder's risk insurance, written on the so-called "Builder's Risk -- Completed Value Basis," in an amount equal to one hundred percent (100%) of the insurable value of the Improvements at the date of completion, and with coverage available in nonreporting form on the so called "all risk" form of policy.

(ii) General liability insurance (including operations, contingent liability, operations of subcontractors, completed operations, Broadening Endorsement including contractual liability insurance) together with an Owner's Contractor's Policy with limits against bodily injury and property damage of not less than \$2,000,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used); and

(iii) Worker's compensation insurance, with statutory coverage and employer's liability protection.

The policies of insurance required pursuant to clauses (i) and (ii) above shall be in form and content satisfactory to the City and shall be placed with financially sound and reputable insurers licensed to transact business in the State, the liability insurer to be rated A or better in Best's Insurance Guide, shall name the City as an additional insured, and shall contain an agreement of the insurer to give not less than thirty (30) days' advance written notice to the City in the event of cancellation of such policy or change affecting the coverage thereunder.

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

(i) Insurance against loss and/or damage to the Improvements under a policy or policies covering such risks as are ordinarily insured against by similar businesses, including (without limiting the generality of the foregoing) fire, extended coverage, all risk vandalism and malicious mischief, boiler explosion, water damage, demolition cost, debris removal, and collapse in an amount not less than the full insurable replacement value of the Improvements, but any such policy may have a deductible amount of not more than \$25,000. No policy of insurance shall be so written that the proceeds thereof will produce less than the minimum coverage required by the preceding sentence, by reason of co-insurance provisions or otherwise, without the prior consent thereto in writing by the City.

The term "full insurable replacement value" shall mean the actual replacement cost of the Improvements (excluding foundation and excavation costs and costs of underground flues, pipes, drains and other uninsurable items) and equipment, and shall be determined from time to time at the request of the City, but not more frequently than once every three years, by an insurance consultant or insurer, selected and paid for by the Developer and approved by the City.

(ii) Comprehensive general public liability insurance, including personal injury liability (with employee exclusion deleted), and automobile insurance, including owned, non-owned and hired automobiles, against liability for injuries to persons and/or property, in the minimum amount for each occurrence and for each year of \$2,000,000.00.

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

(c) All insurance required in Article V of this Agreement shall be taken out and maintained in responsible insurance companies selected by the Developer which are authorized under the laws of the State to assume the risks covered thereby. The policies of insurance required in (a)(ii) and (b)(ii) above shall name the City as an additional named insured.

(d) The Developer agrees to notify the City immediately in the case of damage exceeding \$25,000 in amount to, or destruction of, the Improvements or any portion thereof resulting from fire or other casualty. In the event of any such damage, the Developer will forthwith repair, reconstruct and restore the Improvements to substantially the same or an improved condition or value as existed prior to the event causing such damage and, to the extent necessary to accomplish such repair, reconstruction and restoration, the Developer will apply the proceeds of any insurance relating to such damage received by the Developer to the payment or reimbursement of the costs thereof.

The Developer shall complete the repair, reconstruction and restoration of the Improvements, whether or not the Net Proceeds of insurance received by the Developer for such purposes are sufficient to pay for the same. Any proceeds remaining after completion of such repairs, construction and restoration shall be remitted to the Developer.

(e) If the Developer defaults with respect to its obligations to repair, reconstruct or restore the Improvements as required in subsection (d) above, the City, as a result thereof, shall be entitled to suspend and ultimately terminate its payment obligations under the Note, subject to Section 9.2 of this Agreement.

(f) The City agrees that any interest on its part by virtue of this Agreement in the application or receipt of any proceeds of insurance under the policies required by subsections (a)(i) or (b)(i) above shall be subordinate to the interest of the Developer's lender of financing for the construction of the Improvements.

ARTICLE VI

Taxes; Tax Increment

Section 6.1. Real Property Taxes. The Developer shall pay all real property taxes payable with respect to the Property and Improvements in a timely manner and prior to imposition of penalty.

Section 6.2. Tax Increment. Subject to the limitations contained in the Note, the City hereby pledges to the payment of the Note the Available Tax Increment generated from the Property and completed Improvements. The Developer acknowledges that the City has made no warranties or representations to the Developer as to the amounts of Tax Increment that will be generated or that the Available Tax Increment will be sufficient to pay the Note in whole or in part. All estimates of Available Tax Increment prepared by or on behalf of the City were prepared for the City's use only and were not intended to be relied upon by the Developer. Nor is the City warranting that it will have throughout the term of this Agreement and the Note the continuing legal ability under State law to apply Available Tax Increment to the payment of the Note, which continued legal ability is a condition precedent to the City's obligations under the Note. Tax Increment received by the City in any year in amounts in excess of Available Tax Increment shall be the City's property and the City shall be free to use such excess Tax Increment for any purpose for which such Tax Increment may be used under the Tax Increment Act.

ARTICLE VII

Financing

Section 7.1. Financing. (a) On or before September 17, 2012, the Developer shall provide to the City evidence of a commitment for financing sufficient for construction of the Improvements. If the City finds that the financing is sufficiently committed, adequate in amount to provide for the construction of the Improvements, and subject only to such conditions as the City approves, then the City shall notify the Developer in writing of its approval. Such approval shall not be unreasonably withheld and either approval or rejection shall be given within fourteen (14) days from the date when the City is provided the evidence of financing. If the City rejects the evidence of financing as inadequate, it shall do so in writing specifying the basis for the rejection. In any event, the Developer shall submit adequate evidence of financing within thirty (30) days after such rejection.

(b) The City agrees that if requested it will enter into an agreement with the Developer's lender of financing for the acquisition and construction of the Improvements allowing such lender, its successors and assigns, to cure defaults by the Developer under this Agreement and to continue to receive payments under the Note so long as there is compliance with all provisions of this Agreement.

ARTICLE VIII

Prohibitions Against Assignment and Transfer, Indemnification

Section 8.1. Prohibition Against Transfer of Property and Assignment of Agreement. The Developer represents and agrees that prior to the Termination Date the Developer has not made or created, and will not make or create, or suffer to be made or created, any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form of or with respect to this Agreement or the Property or any part thereof or any interest herein or therein, or any contract or agreement to do any of the same, without the prior written approval of the City, which approval will not be unreasonably withheld or delayed. No such assignment or transfer shall relieve the Developer of any of its obligations under this Agreement.

Section 8.2. Release and Indemnification Covenants.

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

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

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

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

ARTICLE IX

Events of Default

Section 9.1. Events of Default Defined. The term "Event of Default" shall mean, whenever it is used in this Agreement (unless the context otherwise provides), any failure by Developer to substantially observe or perform any material covenant, condition, obligation or agreement on its part to be observed or performed hereunder.

Section 9.2. City's Remedies on Default. Whenever any Event of Default by Developer referred to in Section 9.1 of this Agreement occurs, the City may immediately suspend its performance under this Agreement and the Note until it receives assurances from the Developer, deemed adequate by the City, that the Developer will cure its default and continue its performance under this Agreement and may take any one or more of the following actions after providing thirty (30) days written notice to the Developer of the Event of Default, but only if the Event of Default has not been cured within said thirty (30) days, provided, however, that if such Event of Default is by its nature incapable of cure within thirty (30) days if the Developer provides to the City evidence, reasonably acceptable to the City, that the Event of Default will be cured and will be cured as soon as reasonably possible, then the Developer shall have such additional time as is reasonably necessary to cure such Event of Default but only so long as the Developer is diligently pursuing such cure:

- (a) Terminate this Agreement and/or the Note; and/or
- (b) Take whatever action, including legal, equitable or administrative action, which may appear necessary or desirable to the City to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant of the Developer under this Agreement.

Section 9.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the City or Developer is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City or the Developer to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in this Article IX.

Section 9.4. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 9.5. Costs of Enforcement. Whenever any Event of Default occurs and the City shall employ attorneys or incur other expenses for the collection of payments due or to become

due or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer under this Agreement, the Developer agrees that it shall be liable for the reasonable fees of such attorneys and such other expenses so incurred by the City.

ARTICLE X

Additional Provisions

Section 10.1. Representatives Not Individually Liable. (a) No member, official, or employee of the City shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach or for any amount which may become due to Developer or its successor or on any obligations under the terms of the Agreement.

(b) No member, official, or employee of the Developer shall be personally liable to the City, or any successor in interest, in the event of any default or breach by the Developer or for any amount which may become due to the City or its successor by the Developer on account of any obligations under the terms of the Agreement.

Section 10.2. Restrictions on Use. The Developer agrees for itself, and its successors and assigns, and every successor in interest to the Property, or any part thereof, that the Developer, and such successors and assigns, shall devote the Property to, and only to and in accordance with, the uses specified in this Agreement.

The Property is located within an economic development tax increment financing district as defined in section 469.174, subd. 12, of the Tax Increment Act. The Developer agrees to restrict the use of the Development Property and Improvements so as to comply with the restrictions on use that must be satisfied in the Tax Increment Act to allow the Tax Increment District to continue to comply with the Tax Increment Act. Specifically, and without limiting the foregoing, the Developer agrees that it will comply with the use restrictions contained in Section 469.176, subd. 4c, of the Tax Increment Act. In the event that there occurs a failure on the part of the Developer to comply with the restrictions contained in the Tax Increment Act that results in liability on the part of the City for repayment of Tax Increment, or results in the imposition of penalties or other liability, the Developer shall be liable to the City in the amount of such repayments or penalties. The obligations of the Developer under this section shall survive the Termination Date.

Section 10.3. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 10.4. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under the Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally; and

(a) in the case of the Developer, is addressed to or delivered personally to the Developer at 500 Cardigan Road, Shoreview, Minnesota 55126; and

(b) in the case of the City, is addressed to or delivered personally to the City at City Hall, 4600 North Victoria Street, Shoreview, MN 55126.

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

Section 10.5. Disclaimer of Relationships. Nothing contained in this Agreement nor any act by the City or the Developer shall be deemed or construed by any person to create any relationship of third-party beneficiary, principal and agent, limited or general partner, or joint venture among the City, the Developer, and/or any third party.

Section 10.6. Modifications. This Agreement may be modified solely through written amendments hereto executed by the Developer and the City.

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

Section 10.8. Judicial Interpretation. Should any provision of this Agreement require judicial interpretation, the court interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who itself or through its agent or attorney prepared the same, it being agreed that the agents and attorneys of both parties have participated in the preparation hereof.

Section 10.9. Business Subsidy Agreement. Prior to and as a condition to the City making any reimbursement of the Reimbursable Costs the City and the Developer shall enter into the Business Subsidy Agreement in the form attached hereto as Schedule D to satisfy the requirements of Minnesota Statutes, Sections 116J.993 to 116J.995.

SCHEDULE A

Description of Property

SCHEDULE B
UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF RAMSEY
CITY OF SHOREVIEW
TAXABLE LIMITED REVENUE TAX INCREMENT NOTE
(TSI PROJECT)

The City of Shoreview, Minnesota (the "City"), hereby acknowledges itself to be indebted and, for value received, promises to pay to the order of TSI Incorporated, a Minnesota corporation, or its permitted assigns (the "Owner"), solely from the source, to the extent and in the manner hereinafter provided, the principal amount of this Note, being Five Hundred Thousand Dollars (\$500,000.00) (the "Principal Amount"), together with interest as hereinafter described, on July 31 and December 31 of each year commencing on July 31, 201__, and continuing to and including December 31, 20__ (the "Scheduled Payment Dates"). This Note is the Note defined in that certain Development Agreement dated as of _____, 2012, between the City and the Owner (the "Contract"). Interest at the rate of five percent (5.00%) per annum (the "Rate") shall accrue from the date of issuance of this Note until the earlier of the date that this Note is paid in full or the termination of the City's Tax Increment Financing District No. 9 (the "District"). Interest shall be computed on the basis of a 360-day year of twelve (12) 30-day months.

Each payment on this Note is payable in any coin or currency of the United States of America which on the date of such payment is legal tender for public and private debts and shall be made by check or draft made payable to the Owner and mailed to the Owner at its postal address within the United States which shall be designated from time to time by the Owner.

The Note is a special and limited obligation and not a general obligation of the City, which has been issued by the City pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Section 469.178, subdivision 4, to aid in financing a "project", as therein defined, of the City consisting generally of defraying certain capital and administrative costs incurred and to be incurred by the City within and for the benefit of its Municipal Development District No. 2 (the "Project").

THIS NOTE IS SPECIAL AND LIMITED AND NOT A GENERAL OBLIGATION OF THE CITY PAYABLE SOLELY OUT OF AVAILABLE TAX INCREMENT, AS DEFINED BELOW, AND NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE ON THIS NOTE, NOR SHALL THIS NOTE BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN AVAILABLE TAX INCREMENT.

The Scheduled Payment of this Note due on any Scheduled Payment Date is payable solely from and only to the extent that the City shall have received in the six (6) month period preceding such Scheduled Payment Date "Available Tax Increment". For purposes of this Note, Available Tax Increment with respect to any Scheduled Payment Date shall have the meaning set forth in the Contract. Available Tax Increment constitutes a portion of the tax increment

generated in the calendar year of the Scheduled Payment Date with respect to that certain real property described on the attached Exhibit A (hereinafter referred to as the "Property").

The City shall pay on each Scheduled Payment Date to the Owner the Available Tax Increment received by the City in the six (6) month period preceding such Scheduled Payment Date. To the extent that on the earlier of December 31, 20__ (after making the Scheduled Payment to be made on such date), or the date that the City's Tax Increment Financing District Number 9 terminates, the City has not paid the entire Principal Amount and interest due under this Note, this Note shall nonetheless terminate and the City shall have no further obligations hereunder. All payments made by the City under this Note shall be first applied to accrued interest and then to the Principal Amount.

The City's obligations herein are subject to the terms and conditions of the Contract. Subject to Section 9.2 of the Contract, the City's payment obligations hereunder shall be suspended until an Event of Default arising under the Contract has been cured and/or this Note may be terminated under certain circumstances by the City upon the occurrence of an Event of Default as provided in Sections 9.1 and 9.2 of the Contract, which Contract is incorporated herein and made a part hereof by reference. Upon such termination, the City's obligations to make further payments hereunder shall be discharged. Such termination may be accomplished by the City's giving of written notice to the then registered owner of this Note, as shown on the books of the City.

This Note shall not be payable from or constitute a charge upon any funds of the City, and the City shall not be subject to any liability hereon or be deemed to have obligated itself to pay hereon from any funds except Available Tax Increment, and then only to the extent and in the manner herein specified. The Owner shall never have or be deemed to have the right to compel any exercise of any taxing power of the City or of any other public body, and neither the City nor any director, commissioner, council member, board member, officer, employee or agent of the City, nor any person executing or registering this Note shall be liable personally hereon by reason of the issuance or registration hereof or otherwise.

This Note shall not be transferable or assignable, in whole or in part, by the Owner without the prior written consent of the City. This Note is issued pursuant to Resolution _____ of the City and is entitled to the benefits thereof, which resolution is incorporated herein by reference.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to have happened, and to be performed precedent to and in the issuance of this Note have been done, have happened, and have been performed in regular and due form, time, and manner as required by law; and that this Note, together with all other indebtedness of the City outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional or statutory limitation thereon.

IN WITNESS WHEREOF, the City of Shoreview, by its City Council, has caused this Note to be executed by the manual signatures of the _____ and the _____ of the City and has caused this Note to be dated _____, 201__.

EXHIBIT A TO NOTE

Description of Property

SCHEDULE C

Reimbursable Costs

The following costs to be incurred by the Developer shall constitute the Reimbursable Costs:

Storm Water Management System
Site Improvements

SCHEDULE E

BUSINESS SUBSIDY AGREEMENT

By and Between

CITY OF SHOREVIEW

and

TSI INCORPORATED

Dated: _____, 2012

This document was drafted by:

BRADLEY & DEIKE, P. A.
4018 West 65th Street, Suite 100
Edina, MN 55435
Telephone: (952) 926-5337

BUSINESS SUBSIDY AGREEMENT

THIS AGREEMENT, made on or as of the _____ day of _____, 2012, by and between the City of Shoreview, a statutory city under the laws of the State of Minnesota (hereinafter referred to as the "City"), and having its principal office at City Hall, 4600 North Victoria Street, Shoreview, MN 55126, and TSI Incorporated, a Minnesota corporation (hereinafter referred to as the "Developer"), having its principal office at 500 Cardigan Road, Shoreview, Minnesota 55126.

WITNESSETH:

WHEREAS, the Developer and the City have entered into a Development Agreement dated as of _____, 2012, (the "Contract") pursuant to which the Developer has agreed to construct certain improvements on real property within the City; and

WHEREAS, in order to induce the Developer to undertake such development, the City has agreed in the Contract to provide certain financial assistance to the Developer; and

WHEREAS, Minnesota Statutes, sections 116J.993 to 116J.995, provides that a government agency that provides financial assistance for certain purposes must enter into a business subsidy agreement setting forth goals to be met and the financial obligations of the recipient of the assistance if the goals are not met; and

WHEREAS, the City and the Developer agreed in the Contract that they would enter into this Business Subsidy Agreement to satisfy the requirement of Minnesota Statutes, sections 116J.993 to 116J.995.

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

ARTICLE I

Definitions

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

"Act" means Minnesota Statutes, Sections 116J.993-.995.

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

"City" means the City of Shoreview, Minnesota.

"Benefit Date" means the date that the Developer first occupies any part of the Improvements.

"Contract" means the Development Agreement between the City and the Developer dated as of _____, 2012.

"Developer" means TSI Incorporated, a Minnesota corporation, or its successors and assigns, or any future owners of the Property.

"Improvements" means the construction activities to be undertaken by the Developer pursuant to the Contract.

"Property" means the real property described as such in the Contract.

"State" means the State of Minnesota.

"Subsidy" means \$900,000, or so much thereof as has been paid to the Developer pursuant to the Contract.

ARTICLE II

Job and Wage Goals; Required Provisions

Section 2.1. Employment and Wage Requirements. The Developer shall meet or cause to be met within two (2) years of the Benefit Date the wage and job goals set forth on the attached Exhibit A.

Section 2.2. Reports. The Developer agrees that it will provide to the City and any other authorized agency all reports required by the Act. Such reports shall be submitted at the times required by the Act. Specifically, the Developer must submit to the City a written report regarding business subsidy goals and results by no later than February 1 of each year, commencing February 1, 2013 and continuing until the later of (i) the date the goals stated Section 2.1 are met; (ii) 30 days after expiration of the five-year period described in Section 2.3; or (iii) if the goals are not met, the date the subsidy is repaid in accordance with Section 3.2. The report must comply with Section 116J.994, subdivision 7 of the Business Subsidy Act. The City will provide information to the Developer regarding the required forms. If the Developer fails to timely file any report required under this Section, the City will mail the Developer a warning within one week after the required filing date. If, after 14 days of the postmarked date of the warning, the Developer fails to provide a report, the Developer must pay to the City a penalty of \$100 for each subsequent day until the report is filed. The maximum aggregate penalty payable under this Section is \$1,000.

Section 2.3. Continuing Obligation. The Developer agrees that it will continuously operate or cause to be continuously operated the Improvements for the purposes described in the Contract for a period of at least five (5) years from the Benefit Date.

Section 2.4. Required Provisions. The following provisions are required by the Act:

(a) By providing the Subsidy to the Developer the City is seeking to accomplish the public purposes of encouraging the development of property that is currently underutilized, expanding the tax base of the City and State, and creating new job opportunities within the City at competitive wages.

(b) The City has determined that the Subsidy is necessary because of the substantial site preparation costs that must be incurred by the Developer in order to construct the Improvements

(c) The Developer's parent corporation is _____.

(d) The following is a list of all financial assistance from all other state or local government agencies: none.

(e) The Subsidy is being provided using tax increment from the City's Tax Increment Financing District No. 9, an economic development tax increment district.

ARTICLE III

Default

Section 3.1. Defaults Defined. It shall be a default under this Agreement if the Developer fails to comply with any term or provision of this Agreement, and fails to cure such failure within thirty (30) days written notice to the Developer of the default, but only if the default has not been cured within said thirty (30) days.

Section 3.2. Remedies on Default. The parties agree that the Subsidy is a forgivable loan, repayable only if the Developer fails to fulfill its obligations under sections 2.1 and 2.3 of this Agreement. Upon the occurrence of a failure to create jobs as required by Section 2.1 or a failure to continue operations as required by Section 2.3 the Developer shall repay to the City upon written demand from the City a "pro rata share" of the Subsidy and interest on the Subsidy at the implicit price deflator for government consumption expenditures and gross investment for state and local governments prepared by the bureau of economic analysis of the United States Department of Commerce for the 12 month period ending March 31 of the year prior to the year in which the payment from the Redeveloper is due accrued from the Benefit Date. The term "pro rata share" means percentages calculated as follows:

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

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

(c) if the failure relates to a failure to continue operations of the Improvements in accordance with Section 2.3, sixty (60) less the number of months of operation (where any month in which the Improvements are in operation for at least fifteen (15) days constitutes a month of operation), commencing on the Benefit Date and ending with the date the Developer ceases operation as reasonably determined by the City, divided by 60; and

(d) if more than one of clauses (a) through (c) apply, the sum of the applicable percentages, not to exceed 100%.

Section 3.3. Costs of Enforcement. Whenever any default occurs under this Agreement and the City shall employ attorneys or incur other expenses for the collection of payments due or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer under this Agreement, the Developer shall be liable to the City for the reasonable fees of such attorneys and such other expenses so incurred by the City.

ARTICLE IV

Miscellaneous

Section 4.1. Provisions of Agreement Not Affected. This Agreement is not intended to modify or limit in any way the terms of the Contract.

Section 4.2. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 4.3. Modifications. This Agreement may be modified solely through written amendments hereto executed by the Developer and the City

Section 4.4. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 4.5. Judicial Interpretation. Should any provision of this Agreement require judicial interpretation, the court interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who itself or

through its agent or attorney prepared the same, it being agreed that the agents and attorneys of both parties have participated in the preparation hereof. The City and Developer agree that this Agreement is intended to satisfy the requirements of the Act, which is incorporated herein and made a part hereof by reference. In the event that any provision of this Agreement conflicts with the terms of the Act, the terms of the Act shall govern.

EXHIBIT A

Wage and Job Goals

No later than two (2) years after the Benefit Date, the Developer will create at least forty (40) new, full time or full time equivalent positions paying a wage of at least \$_____ per hour, plus benefits.

TO: MAYOR, CITY COUNCIL, CITY MANAGER

FROM: MARK MALONEY, P.E.
DIRECTOR OF PUBLIC WORKS

DATE: SEPTEMBER 13, 2012

SUBJECT: 2012 ASSESSMENT HEARINGS
BUFFALO LANE RECONSTRUCTION - PROJECT 11-09

INTRODUCTION

At its August 20, 2012 meeting, the City Council set September 17, 2012, as the date for the assessment hearing for the above project.

A Council report, including motion sheet, for the above project follows this introductory report. Detailed information regarding proposed assessments for the project, including an assessment roll, is included in the individual Council reports.

- 1) The **Mayor** calls the meeting to order and announces the purpose of the hearing.

“This is a public hearing to consider the special assessment roll for City Project 11-09, Buffalo Lane Reconstruction. Tonight, the Council will review the proposed assessment roll and hear testimony from the public regarding the proposed assessment. The Council may, by simple majority, vote to approve the assessment roll. If objections are raised on any project that cannot be easily addressed at this meeting, it has been recommended that the Council continue final approval to the next regularly scheduled Council meeting scheduled for October 1, 2012, to allow staff adequate time to review questions and prepare responses to all objections.”
- 2) The **City Attorney** provides comments regarding the adequacy of published and mailed notices.
- 3) The **Public Works Director** will present a summary of the improvements, the areas involved, and final project costs. In addition, the Public Works Director will present a summary of project financing and assessments.
- 4) The **City Manager** acknowledges any objections that may have been submitted from affected property owners prior to the hearing.
- 5) The **Mayor** opens the hearing to the public. Speakers are requested to identify themselves and the street address to which they are referring.

- 6) **The Mayor** closes the Public Hearing. After all citizen comments have been completed, the Mayor should indicate that the Public Hearing is closed and turn the hearing over to the City Council for action.

- 7) **The City Council** takes action on the project. If objections are raised on an improvement project that cannot be easily addressed at the meeting, it is recommended that Council continue consideration of action to the October 1, 2012 meeting to allow staff adequate time to review questions and prepare responses to all objections.

If there are no objections, or if any objections are adequately addressed at the meeting, it is recommended that the Council adopt the assessment roll this evening. A motion adopting the assessment roll is included for the project.

SCHEDULE

The following schedule outlines the remaining steps in the assessment process for the 2012 Assessments:

- | | |
|--------------------|---|
| September 17, 2012 | Public Assessment Hearing date. Adopt assessment if no objections. Mail Notice of Adoption on September 18. (Begin 30-day payment period) |
| October 1, 2012 | Objection Response Meeting if not adopted at the hearing – Must Adopt Assessment roll, begin 30-day payment period. |
| October 2, 2012 | Mail Adoption Notice. (Includes 30-day pre-payment period at the City). |
| November 10, 2012 | Engineering certifies assessment roll to Ramsey County 30 days from adoption or not later than November 15, 2012. |

PUBLIC HEARING AGENDA

Purpose: BUFFALO LANE RECONSTRUCTION
CITY PROJECT 11-09

Published Time: 7:00 P.M.

Published Date: SEPTEMBER 17, 2012

Affidavit of Publication: AUGUST 29, 2012

SEPTEMBER 5, 2012

Affidavit of Mailing: AUGUST 29, 2012

Review of Affidavits of Mailing and
Publication by City Attorney: _____

Open Public Hearing - Time: _____

Hearing Discussion

MOVE TO CLOSE PUBLIC HEARING BY COUNCILMEMBER _____

SECONDED BY COUNCILMEMBER _____

ROLL CALL: AYES _____ NAYS _____

HUFFMAN _____

QUIGLEY _____

WICKSTROM _____

WITHHART _____

MARTIN _____

REGULAR COUNCIL MEETING
SEPTEMBER 17, 2012

TO: MAYOR, CITY COUNCIL, CITY MANAGER

FROM: THOMAS L. HAMMITT
SENIOR ENGINEERING TECHNICIAN

DATE: SEPTEMBER 13, 2012

SUBJECT: BUFFALO LANE RECONSTRUCTION
ASSESSMENT HEARING - 7:00 PM
CITY PROJECT 11-01

INTRODUCTION

A public assessment hearing has been scheduled to hear all comments, objections and concerns with regard to assessing benefited properties for the Buffalo Lane Reconstruction, City Project 11-09. All affected property owners have been notified of the assessment hearing.

DISCUSSION - ASSESSMENTS

This project reconstructed Buffalo Lane from Lexington Avenue to the South end. The street was constructed with asphalt pavement and surmountable curb and gutter. Sanitary sewer, water main and storm sewer were constructed as part of the project. The four homes on septic systems have all connected to City sewer as required by code.

The unit street assessment is proposed in the amount of \$1,594.00. This amount is \$56 less than reported in the feasibility report. The water and sanitary sewer are the same as presented in the feasibility report. The storm sewer lot assessments are prepared per City policy and will be the same as presented at the public improvement hearing.

Staff has received no calls, emails or written objections regarding the assessments.

The assessment roll and area map are attached. As in past projects, assessment amounts less than \$5,000 are spread over 10 years and amounts \$5,000.00 and over are spread out over 15 years. This year's interest rate was set at 3.00%.

RECOMMENDATION

If there are no objections or if the City Council is satisfied with the responses to any objections at the meeting, Motion #1 is provided that would adopt the assessment roll and start the 30-day prepayment period. If it is not possible to respond to objections or concerns at the time, it is recommended that the Council move Motion #2 to defer action adopting the assessment roll to the meeting of October 1, 2012.

*** PROPOSED***

**EXTRACT OF MINUTES OF MEETING OF THE
CITY COUNCIL OF SHOREVIEW, MINNESOTA**

HELD SEPTEMBER 17, 2012

* * * * *

Pursuant to due call and notice thereof, a meeting of the City Council of the City of Shoreview, Minnesota was duly called and held at the Shoreview City Hall in said City on September 17, 2012, at 7:00 p.m. The following members were present:

and the following members were absent: .

Member introduced the following resolution and moved its adoption.

RESOLUTION NO. 12-80

**RESOLUTION ADOPTING THE ASSESSMENT ROLL
FOR THE BUFFALO LANE RECONSTRUCTION
CITY PROJECT NO. 11-09**

WHEREAS, the City Council of the City of Shoreview, Minnesota, pursuant to proper mailed and published notice in accordance with Minnesota State Statute 429.061, has held a public hearing to consider the proposed assessment roll for the Buffalo Lane Reconstruction, City Project 11-09.

WHEREAS, the City Council has received and passed upon all written and oral objections presented to it with regard to said proposed assessment.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Shoreview, Minnesota, as follows:

1. The proposed assessment roll, a copy attached and made part of this resolution by reference, is hereby accepted and shall constitute the special assessment against the lands described therein and each tract thereby assessed is found to be benefited by the improvement in the amount shown.

2. The assessment for Buffalo Lane Reconstruction, City Project 11-09, is to be paid in equal installments extending over a period of Ten (10) years for assessment amounts under \$5,000.00, the first payment to be payable on or before the first Monday in January, 2013, and shall bear interest at the rate of 3.00 percent per annum. The first installment shall include interest from the date of this resolution until December 31, 2013. The assessments are to be made payable in equal annual installments including principal and interest.
3. The assessment for Buffalo Lane Reconstruction, City Project 11-09, is to be paid in equal installments extending over a period of Fifteen (15) years for assessment amounts of \$5,000.00 and over, the first payment to be payable on or before the first Monday in January, 2013, and shall bear interest at the rate of 3.00 percent per annum. The first installment shall include interest from the date of this resolution until December 31, 2013. The assessments are to be made payable in equal annual installments including principal and interest.
4. The owner of the property so assessed, may at any time prior to certification of the assessment roll to the County Auditor, pay the entire amount of the assessment on such property with interest accrued to the date of payment to the City Treasurer, except that no interest shall be charged if said assessment is paid within thirty (30) days from the date of the adoption of this resolution and he may at any time pay, to the County Treasurer, the entire amount of the assessment remaining unpaid with interest accrued to December 31, of the year in which such prepayment is made. Such payment must be made by November 15, or interest will be charged through December 31 of the succeeding year.
5. The Manager shall transmit a certified copy of this assessment roll to the County Auditor to be extended on the property tax list of the County Auditor and such assessment shall be collected and paid over the same manner as other municipal taxes.

The motion for the adoption of the foregoing resolution was duly seconded by Member _____ and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

WHEREUPON, said resolution was declared duly passed and adopted this 17th day of September, 2012.

**MOTION
TO APPROVE SITE AND BUILDING PLAN REVIEW
PAR SYSTEMS, 655 COUNTY ROAD E**

MOVED BY COUNCIL MEMBER: _____

SECONDED BY COUNCIL MEMBER: _____

To approve the Site and Building Pla request, including the Development Agreements, submitted by Mission Construction on behalf of PaR Systems, 655 County Road E for the construction a new manufacturing, warehouse and office building. Said approval is subject to the following:

1. The Final Report for the wetland delineation must be submitted for the City's review and approved prior to the September 17th City Council meeting.
2. Shared parking may be permitted between the 655 and 707 building to address the deviation from the City's minimum parking requirements. A shared parking and maintenance agreement shall be executed between the properties prior to the issuance of a building permit.
3. The applicant must obtain the necessary permits from Ramsey County for the proposed new entry drive onto County Road E.
4. Lighting on site shall comply with Section 204.030, Glare of the Development Code. The applicant shall provide details on the exterior light fixtures and pole heights with the building permit submittal
5. Prior to the issuance of a building permit, a site development agreement and erosion control agreement shall be executed, including the submittal of all required fees and escrows. Said development agreement shall address:
 - a. Shared parking between the 655 and 707 buildings, and
 - b. Change in use or occupancy which does not meet the City's exceptions to the minimum parking requirements
6. The submitted tree replacement plan shall be revised and submitted prior to the issuance of any site development permits. Required replacement trees may be planted on the 655 County Road E property and the 707 County Road E property. The revised plan shall include the following information:

- a. Site plan showing location of trees over 4" in size on the property
 - b. Tree Inventory table containing the species of tree, tree diameter, landmark tree designation
 - c. Replacement calculations
 - d. Tree protection
7. The submitted landscape plan shall be revised to include additional landscaping around the perimeter of the existing and proposed parking lots.
 8. Comments identified by the Fire Marshal in his memo dated August 22, 2012 shall be addressed prior to the issuance of a building permit.
 9. Comments identified by the City Engineer in his memo shall be addressed prior to the issuance of any site development permits.
 10. PaR Systems is required to submit a Planned Unit Development application prior to the proposed construction of the building addition as identified on the submitted plans or within one-year of this approval, whichever comes first.
 11. Said approval does not include the proposed addition as shown on the submitted plans.
 12. The Building Official is authorized to issue a building permit if approved by the City Council and the above conditions satisfied.

This approval is based on the following findings of fact:

1. The proposed land use is consistent with the designated business park land use in the Comprehensive Plan and BP, Business Park zoning district.
2. The development supports the City's business retention and expansion goals by supporting the continued growth of a company that:
 - *Provides livable wage jobs that allow residents to support local businesses and participate in community activities*
 - *Maintains tax base to generate revenues*
 - *Supports the economic vitality of the City*

ROLL CALL: **AYES** _____ **NAYS** _____

Huffman	_____	_____
Quigley	_____	_____
Wickstrom	_____	_____

Withhart
Martin

Regular City Council Meeting
September 17, 2012

t:/2012pcf/2457-12-20par/ccmotion

TO: Mayor, City Council and City Manager
FROM: Kathleen Nordine, City Planner
DATE: September 12, 2012
SUBJECT: File No. 2457-12-20 – Site Plan Review/Variance, PaR Systems/Mission Construction, 655 West County Road E

Background

In 2008, PaR Systems acquired the former Ramsey County Sheriff's patrol station, 655 W. County Road E from the City of Shoreview and relocated their business operations to this property. PaR also owns the property immediately to the west, 707 County Road E. The City conveyed the subject property to an PaR Systems, as part of an economic development and business retention project. PaR Systems is a longstanding Shoreview based high tech robotics firm that was previously located in the Highway 96 corridor. For PaR, the acquisition of this property provided the land area needed for the future expansion of their business facilities and operations.

At the time of acquisition, land use approvals were granted to change the land use designation to BPK, Business Park; and the zoning of the property to BP, Business Park. PaR's business includes office, warehouse and production uses which are consistent with other land uses in the area and permitted with the Business Park land use and zoning designations.

Under the terms of a financial development agreement between PaR Systems and the City of Shoreview, PaR Systems agreed to obtain Planned Unit Development zoning and prepare a master development plan for both this property and the 707 County Road E property when major improvements were being proposed. PaR Systems also agreed that at the time of redevelopment of this property, the City could require improvements to the 707 property in order to comply with current standards (primarily stormwater management and parking lot areas).

PaR recently approached the City with their imminent need to expand their facility to accommodate their production commitments. While PaR understands the terms of the previous agreement, initiating the PUD process for the proposed improvements would delay their project and affect their ability to meet their commitments. As such, the proposed improvements are being processed through the Site and Building Plan Review and Variance process in order to expedite the project. To fulfill the terms of the previous agreement, a condition will be placed upon any approvals requiring PaR to submit the needed PUD applications within a specified time period or upon the proposal of other major improvements, whichever comes first.

Request

Mission Construction, on behalf of PaR Systems, has submitted the following applications:

1. Site and Building Plan Review – for the construction of a manufacturing/warehouse/office building

Project Description

PaR Systems, Inc. has established their corporate campus in the County Road E corridor at 707 and 655 County Road E. The two-story 18,000 square foot building at 655 is currently used as office with offices also in the lower level of the building sublet to another business.

PaR is proposing to retain this structure since they have recently reinvested in it by remodeling it to serve their needs. A new 45,760 square foot manufacturing/warehouse and office building is proposed to the east of the existing structure. The existing parking area will be expanded to the east. A new driveway entry is proposed off of County Road E, leading to a new parking area along the eastern property line. Stormwater generated by the new improvements will be directed to a proposed ponding area located along the north property line. Two existing wetlands on the property will remain and be buffered from the development impacts.

Development Code

The property is located in the BP, Business Park zoning district which has been established to provide areas for low intensity office, light industrial and supporting commercial uses. Permitted uses include but are not limited to light manufacturing, high-tech research and development, office, office/showroom and research laboratories. The proposed use of the new building is consistent with this designation. PAR Systems designs and builds automated and robotic material handling equipment and is classified as industrial use.

Standards are established for development in this district. The proposed development plan requires the following variance which was approved by the Planning Commission.

- 1) To reduce the required 20-foot setback of a parking area from the front property line to 6.2 feet

Staff Review

The submitted plans have been reviewed in accordance with the standards for the BP, Business Park District. The following discussion addresses the key issues associated with this proposal.

Architectural Design

The exterior of the building is designed with a variety of materials including: precast white metal panels and precast concrete panels for the warehouse and manufacturing portions of the building and EIFS (synthetic stucco) and glass for the office area. The materials are similar to those used in the building at 707 County Road E. While these materials are acceptable, staff is asking the applicant to address the exterior of the buildings so they complement one another and create a business campus appearance. This would be further addressed with the future PUD application.

Building Height

The proposed building has a height of 66' as measured from the lowest ground grade to the parapet of the roof. Structures in the Business Park District are limited to a maximum height of 35'. The height, however, can be exceeded provided: 1) It does not exceed the firefighting capabilities of the Fire Department and 2) An additional 1-foot of setback is provided for every additional foot in height over 35'.

Lake Johanna Fire Department has reviewed the proposed plans and indicated that the proposed height is not of concern because the Department has trained staff and the equipment needed to respond to a fire in a taller building. The building is also required to have a fire suppression system.

The proposed building setbacks do comply with the additional setback requirements:

	Code Requirement	Proposed Setback
Front	106 feet	114 feet
Side	61 feet	125 feet
Rear	61 feet	125 feet

Parking

The site is currently developed with an off-street parking area that has two access driveways off of County Road E and provides 90 stalls. This parking lot is located within a few feet of the County Road E right-of-way, encroaching upon the required 20' setback. This parking area will be expanded to the east, providing another 27 stalls.

A separate off-street parking lot designed with 40 stalls is proposed east of the new building along the eastern lot line with a new access driveway. The eastern corner of this proposed parking lot is setback 6.2' from the County Road E right-of-way, encroaching upon the required 20-foot setback. The right-of-way width for County Road E is wider adjacent to the eastern portion of the building thereby impacting the setback. The Planning Commission did approve a variance to reduce the 20-foot requirement to 6.2'.

In accordance with the Development Code, 230 off-street parking stalls are required for the development site (including the existing office building). One hundred fifty-seven stalls are provided. With proof of parking, an additional 36 stalls could be added for a total of 193 stalls.

A deviation from the parking standards is permitted in certain circumstances, including parking demand provided proof of parking is identified on the plan. PaR has stated that the number of stalls proposed will meet their need. The parking demand for the business is less than the Development Code requirement due to the nature of the business operations. Since PaR does own the adjacent property at 707 County Road E, there is an opportunity to share parking if needed. While parking at 707 is heavily used, additional parking stalls could be provided in the paved surface area north of the building. Shared parking and maintenance agreement would need to be executed between the two properties.

While there is some concern regarding the proposed parking, specifically, if there is a change in use, need or occupancy, this can be addressed in the Development Agreement. The agreement can require a public review process for any change in use that does not meet the exceptions to minimum parking standards.

Environmental Impacts (wetlands, trees and landscaping)

The property does contain two wetlands. One wetland is located in the northwestern corner of the property while the other one is located near the southeast corner of the property and is

partially located in the County Road E right-of-way. These wetlands have been delineated and verified by the City's wetland consultant. A final report still needs to be submitted.

The submitted plans do identify a 16.5' buffer around both wetland areas. The proposed driveway off of County Road E partially encroaches upon this buffer. Grading within the buffer area is also needed for this driveway.

The submitted tree inventory/replacement and landscape plan has been reviewed by staff. Five landmark trees will be removed for the site development and must be replaced with 30 trees. A tree inventory is needed to determine the replacement tree requirements for other trees on the property that will be removed. Credit could also be given for trees planted on the adjacent 707 County Road E site.

The proposed landscaping plan has also been reviewed. The Development Code requires a minimum area equal to 20% of the parking and driveway surface areas to be designed with landscape islands. This percentage may be reduced to 10% in certain circumstances. The intent is to reduce the heat island effect and provide a visual break for expansive parking lot areas. Landscape islands are not proposed in the new parking areas. While Staff typically supports the use of landscape islands, it is reasonable to waive this requirement due to the site characteristics and parking lot design. Approximately 47% of the site will remain as open or green space, which is well in excess of the City's 25% requirement. The proposed parking areas are not expansive in width and will not visually appear to be large due to the elongated design, adjacency to the buildings, large County Road E boulevard width and separation by the wetland area. Landscaping around the perimeter of the parking areas can provide shade and soften the appearance of the parking areas. Finally, the incorporation of landscape islands would result in a larger deviation from the City's parking ratio standards.

Staff will continue to work with the applicant on development a tree replacement and landscape plan that meets the spirit and intent of the ordinance and enhances the visual appearance of the property.

Grading, Drainage and Stormwater Management

The eastern and northern portions of the property will be regraded for the site development. Existing drainage generally flows to the east and north. Stormwater runoff from the proposed parking areas will be directed to a series of catch basins that route the water to a stormwater pond along the north side of the property. This pond is designed with an outlet that ties into a public stormwater pipe along the north property line. A stormwater management plan has been submitted and reviewed by the City Engineer and found to be in compliance with the City's Stormwater Management Plan. This plan does address the potential future expansion of the building and parking areas.

The proposed impervious surface coverage is 52.5%, less than the maximum 75% permitted.

Public Comment

Notice of the submitted applications was mailed to property owners within 350' of the parcel. No comments have been received.

Joe Lux, Ramsey County, did provide some information regarding the easement dedicated to the County for County Road E. He indicated that they do not have a concern with the proposed 6.2-foot parking lot setback from right-of-way width.

Dennis Hagle, Ramsey County, also indicated that the proposed access onto County Road E is acceptable provided one of the existing entrances is eliminated. The applicant has indicated that they will eliminate the center access drive and convert the remaining driveway space to parking.

Comments were received from the Fire Marshal and are attached.

Planning Commission Review

The Planning Commission first reviewed the requests at the August 28th meeting but tabled the applications to provide some additional time for PaR to gather the information needed for the Commission's review. The Commission did hold a special meeting on September 11th and approved the variance for the parking lot setback reduction and recommended approval of the Site and Building Plan review. The vote was 4 to 0.

The Commission was supportive of the improvements but did express some concern regarding the parking plan since the number of stalls provided is less than the City's minimum requirement. The concerns relate to the long term needs or requirements if there is a change of use or occupancy of the building. To address this, the Development Agreement does contain language requiring PaR to notify the City prior to any change in use or occupancy and may require an amendment to the PUD

Recommendation

As stated earlier, PaR Systems is under some time constraints due to their production commitments and needs to start construction on this building in mid-September. The proposed development plans are consistent with the City's land use and economic development policies and comply with the development standard, with the exception of the parking lot setback from County Rd E. The Planning Commission supported the requests and granted a variance to reduce the required 20-foot parking lot setback from County Rod E to 6.2'. The staff is recommending the City Council approve the Site and Building Plan review requests, including the Development Agreements, subject to the following:

Site and Building Plan Review

1. The Final Report for the wetland delineation must be submitted for the City's review and approved prior to the September 17th City Council meeting.
2. Shared parking may be permitted between the 655 and 707 building to address the deviation from the City's minimum parking requirements. A shared parking and maintenance agreement shall be executed between the properties prior to the issuance of a building permit.

3. The applicant must obtain the necessary permits from Ramsey County for the proposed new entry drive onto County Road E.
4. Lighting on site shall comply with Section 204.030, Glare of the Development Code. The applicant shall provide details on the exterior light fixtures and pole heights with the building permit submittal
5. Prior to the issuance of a building permit, a site development agreement and erosion control agreement shall be executed, including the submittal of all required fees and escrows. Said development agreement shall address:
 - a. Shared parking between the 655 and 707 buildings, and
 - b. Change in use or occupancy which does not meet the City's exceptions to the minimum parking requirements
6. The submitted tree replacement plan shall be revised and submitted prior to the issuance of any site development permits. Required replacement trees may be planted on the 655 County Road E property and the 707 County Road E property. The revised plan shall include the following information:
 - a. Site plan showing location of trees over 4" in size on the property
 - b. Tree Inventory table containing the species of tree, tree diameter, landmark tree designation
 - c. Replacement calculations
 - d. Tree protection
7. The submitted landscape plan shall be revised to include additional landscaping around the perimeter of the existing and proposed parking lots.
8. Comments identified by the Fire Marshal in his memo dated August 22, 2012 shall be addressed prior to the issuance of a building permit.
9. Comments identified by the City Engineer in his memo shall be addressed prior to the issuance of any site development permits.
10. PaR Systems is required to submit a Planned Unit Development application prior to the proposed construction of the building addition as identified on the submitted plans or within one-year of this approval, whichever comes first.
11. Said approval does not include the proposed addition as shown on the submitted plans.
12. The Building Official is authorized to issue a building permit if approved by the City Council and the above conditions satisfied.

Attachments

1. Development Agreements
2. Resolution 12-77
3. Draft August 28, 2012 PC Minutes
4. Memo from Tom Wesolowski, City Engineer
5. Email – From Joe Lux, Ramsey County – with attachments
6. Memo from Fire Marshal
7. Location Map
8. Submitted Statements
9. Submitted plan set
10. Motion

**SITE DEVELOPMENT AGREEMENT
PAR SYSTEMS, INC
655 COUNTY ROAD E**

(I) THIS AGREEMENT is made and entered into by and between the City of Shoreview, a municipal corporation and political subdivision of the State of Minnesota (hereinafter the "City") and, PAR Systems, Inc. their successors and assigns (hereinafter the "Developer").

(II) On September 17, 2012 the City gave approval to develop certain property currently located on County Road E within the City and legally described as follows (hereinafter the "Subject Property"):

*Com At Se Cor Of Se 1/4 Th N 0 Deg 2min 55sec W On E Line 163.7ft To N Line Of Co Rd E For
Pt Of Beg; Th S 79deg 0min 25sec W On Sd N Line 122 Ft Th N 88deg 41min 20sec
W On N Line 441 Ft Th N 1 Deg 18min 40 Sec E 420 Ft Th S 88 Deg 41 Min 20sec E
550.77ft To Pt On E Line Of Sd Se 1/4 Th S On E Line 394.11 Ft To Pt Of Beg (subj
To Rds & Esmts), In Sec 26 Tn 30 Rn 23*

(commonly known as 655 County Road E)

(III) Pursuant to City Ordinances, the Developer is required:

- A) To make certain improvements to the property legally described and addressed above.
- B) To provide the City with a form of surety, approved by the City's Attorney, insuring completion of any required improvements, which remain incomplete at the time of the Developer's request for final site and building approval.
- C) To follow certain procedures, as determined by the City, to control soil erosion during the development of the subject property.

(IV) In consideration of the City's grant of permission allowing the Developer to develop the subject property, and in consideration of the mutual agreements contained herein, the City and the Developer agree as follows:

- A) **Applicability.** This agreement is applicable to the property legally described and addressed above.
- B) **Improvements.** All improvements shall be constructed in accordance with the approval of the City Council, the City's ordinances and regulations and pursuant to approved plans and specifications submitted for the Site and Building Plan Review. The existing office building and off-street parking lot will remain. The approved plans include the construction of a 45,760 square foot manufacturing/warehouse/office building. Other improvements include parking, stormwater management and landscaping. All requirements attached to said project

by the City's Council on September 17, 2012, as conditions of Site and Building Plan Review approval, are to be satisfied whether or not identified in this document.

- C) **Tree Replacement and Protection.** The Developer agrees to protect and preserve trees in accordance with the tree preservation and replacement plan approved by the City Council. Tree protection measures are required to minimize the impact development activities have on trees that are to be retained on the development site as identified on the Tree Preservation and Replacement Plan.

Protective tree fencing shall be inspected by the City Environmental Officer prior to the issuance of a grading permit and commencement of any grading or site development activities. All fencing shall be installed in accordance with the approved plans. Additionally, a berm of wood chips shall be placed adjacent to the protective fence. The berm shall be a minimum of 18 inches high and two feet wide.

The developer shall submit a surety in the amount of \$5,000.00 to ensure said protection measures will be installed and maintained during construction.

- D) **Landscape Installation.** Prior to issuance of a building permit, the Developer shall submit a landscape plan for approval by the City Planner. The Developer agrees to install all plant materials as shown on the approved landscape plan and to be consistent with the standards established in the Development Regulations of the City of Shoreview. All landscape materials placed, as part of this landscape plan shall be replaced with like material if they should die within twelve months of planting.

The City Planner shall estimate the cost of landscape improvements to be completed, calculating one hundred and twenty five percent (125%) of the estimated cost of the plant materials to be installed. A surety of \$10,937.50 is required prior to the issuance of any permits for this project.

- E) **Erosion Control.** An Erosion Control Plan/Storm Water Pollution Prevention Plan (SWPPP) shall be prepared under the seal of a Registered Professional Engineer on behalf of the Developer and shall be submitted to the Public Works Director. The Developer agrees to comply with the recommendations of the Public Works Director for the subject property and shall incorporate these recommendations in to the plans and specifications. *No site grading shall occur prior to the installation of approved erosion control measures and execution of required agreements and submission of sureties.*

The development is subject to the Erosion Control Agreement (**Exhibit C**) for the Planned Unit Development, and the Developer agrees to the terms and conditions of that Agreement.

- F) **Site Restoration.** All disturbed areas shall be restored in accordance with the best management practices identified in the NPDES permit and shall be consistent with the City's Surface Water Management Plan and Surface Water Pollution Prevention Plan. All disturbed

areas shall be seeded and disk anchored mulched or sodded within 7 days of final grade unless development is completed between November 15th to April 15th, then said disturbed areas shall be seeded and disk anchored mulched or sodded by May 15th. All common drainage swales shall be sodded or seeded and protected with wood fiber blanket.

1. All slopes 4:1 or greater must be seeded and fiber blanketed immediately after final grading. After installation of the wood fiber blanket is completed the City requires inspection for proper installation. The developer shall contact the City staff to arrange the site inspection.
- G) **Other Permits.** The applicant is subject to the permitting requirements of other agencies for this development, including Ramsey County, and shall demonstrate compliance before any City permits are issued for this site.
- H) **Stormwater Management.** All stormwater management infrastructure on the site is private and shall be maintained by the Developer, shall utilize stormwater best management practices, and be designed to minimize the need for maintenance and reduce the chance of failure.
- I) **County Road E Access.** The center access driveway shall be removed and the disturbed area restored. Said driveway area remaining on the property may be converted to parking provided said setback of the parking area does not encroach any further into the required parking lot setback from County Road E. The proposed eastern driveway is permitted provided a permit from Ramsey County is required prior to any work in the right-of-way for County Road E.
- J) **Shared Parking with 707 County Road E.** The developer agrees to execute a shared parking and maintenance agreement between the properties at 655 and 707 County Road E prior to the issuance of a building permit for the new building at 655 County Road E. Said agreement shall be reviewed and approved by the City Attorney.
- K) **Planned Unit Development Required.** Within one year of City Council approval of the Site and Building Plan Review or upon the submittal of a land use application for the City Council's review of the building addition, whichever occurs first, the developer shall submit applications for a Rezoning to rezone the property from BP, Business Park to PUD, Planned Unit Development and a Planned Unit Development – Development Stage. The following items shall be addressed in the PUD application; cohesive architectural design, shared parking, access and traffic circulation between the 655 and 707 County Road E properties and stormwater management.
- L) **Change in Use or Occupancy.** Permitted use of the building is for manufacturing, warehouse and office uses as depicted on the submitted and approved site plan dated 6-23-12. The Developer shall notify the City a minimum of 30 days in advance of any change in use or occupancy of the building. Change in use or occupancy includes but is not limited to; the

transfer of the property to any party that has acquired legal ownership of the property, the leasing or subleasing of space to another party and the physical alteration of the building changing the building code occupancy classification. Any change in use or occupancy of the building as determined by the City Planner will require an amendment to the Planned Unit Development.

- M) **Wetland Preservation and Protection.** A wetland preservation and protection plan shall be submitted specifying how the wetland area will be avoided during construction and what methods will be used. Said plan shall also address the impact construction will have on the 16.5' buffer area required and a buffer restoration plan.
- N) **All Costs Responsibility of Developer.** The Developer agrees to pay for all costs incurred of whatever kind or nature in order to construct the improvements required by the City's regulations. The City shall not be obligated to pay the Developer or any of its agents or contractors for any costs incurred in connection with the construction of the improvements, or the development of the property. The Developer agrees to hold the City harmless from any and all claims of whatever kind or nature which may arise as a result of the construction of the improvements, the development of the property or the acts of the Developer, its agents or contractors in relationship thereto.
- O) **Special Development Terms.** The project is subject to the conditions as approved by the City Council on September 17, 2012, (**Exhibit B**) whether or not specified in this Agreement.
- P) **Maintenance of Utilities.** The Developer agrees that on-site utilities are private. Maintenance of the private utilities is the sole responsible of the Developer. The Developer or any future property owner is responsible for locating any and all private utilities on this site. The City will not locate private utilities at anytime. The private utilities include storm sewer and infiltration basins, sanitary sewer service, water main with associated valves and hydrants, and water main service.
1. The Developer is responsible for all repair and maintenance of the private water system or other utility system. A portion of the private water system is not metered, and all un-metered water is the property of the City. In the event of a leak in an un-metered portion of the private water system, after two-days notice, the City has the right to shut-off the water until repairs to the private system have been completed, inspected, and approved by the City.
- Q) **Stormwater Management: Private Stormwater Ponds and Infrastructure.** All stormwater management infrastructure is private and shall utilize stormwater best management practices as described in the Minnesota Stormwater Manual, Volume 1.1. This infrastructure shall be designed to minimize the need for maintenance and to reduce the chance of failure.

1. The Developer shall provide, prior to issuance of any permits for the property, a Storm Water Management Plan for the maintenance of the stormwater infrastructure within the development site. The Management Plan shall include all items required in this Agreement. The Management Plan shall include timelines for the anticipated cleaning and future reconstruction of the infiltration basins.
2. Maintenance
 - a. All stormwater infrastructure shall be maintained according to the measures outlined in the City's Surface Water Management Plan and Storm Water Prevention Plan (SWPPP).
 - b. Unless otherwise indicated in this agreement, the Developer shall be responsible for the maintenance of stormwater management facilities, including all related financial responsibilities.
3. Non-Routine Maintenance
 - a. Maintenance includes those infrequent activities needed to maintain ponding and infiltration areas and/or stormwater ponding infrastructure so that these improvements continue to function in accordance with the approved plans and specifications. Examples of such activities include pond dredging or major repairs to stormwater structures.
 - b. Non-routine maintenance shall be performed on an as-needed basis based on information gathered during regular inspections.
4. If maintenance activities are not completed in a timely manner or as specified in the approved plan, then the City may hire a contractor or complete the necessary maintenance at the Developer's expense unless otherwise indicated in this agreement.

R) **As-Builts and Grading Certification** An as-built survey, prepared by a surveyor licensed and registered by the State of Minnesota, shall be submitted upon completion of the permitted work. The as-built survey shall include details of:

1. The final site grading and all improvements;
2. Any public or private infrastructure, including the storm sewer system, the water main system and the sanitary sewer system that was not shown on the as-builts submitted for the Planned Unit Development and Plat. Profiles are required.

The as-builts shall conform to the standards specified in **Exhibit A**. The Developer shall deposit an escrow in the amount of **\$2,000.00** as surety for the as-built survey. The Developer shall provide the City with as-builts of the private infrastructure, including water, sanitary sewer, storm sewer and services.

- S) **Pre-construction Meeting.** The City will require a pre-construction meeting to be conducted prior to any work being performed on the project. The City staff, Developer, Project Manager, and Contractor shall attend the meeting. The City encourages that sub-contractors attend the pre-con meeting. The meeting will be conducted at the City of Shoreview City Hall.
- T) **Construction Management.** The Developer and its contractors and subcontractors shall work to minimize impacts from construction on the surrounding neighborhood by:
1. **Definition of Construction Area.** The limits of the Project Area shall be defined with heavy-duty erosion control fencing of a design approved by the Public Works Director. Any grading, construction or other work outside this area requires approval by the Public Works Director and property owner.
 2. **Parking and Storage of Materials.** Adequate on-site parking for construction vehicles and employees must be provided or provisions must be made to have employees park off-site and be shuttled to the Project Area. No parking of construction vehicles or employee vehicles shall occur on County Road E. No fill, excavated material or construction materials shall be stored in the public right-of-way.
 3. **Hours of Construction.** Hours of construction, including moving of equipment shall be limited to the hours between 7:00 a.m. and 9:00 p.m. on weekdays and 8:00 a.m. and 7:00 p.m. on Saturdays. No work is permitted on Sundays or holidays without the prior approval of the City.
 4. **Site Maintenance.** The developer shall ensure the contractor maintains a clean work site. Measures shall be taken to prevent debris, refuse and other materials from leaving the site. Construction debris and other refuse generated from the project shall be removed from the site in a timely fashion and/or upon the request by the City. Developer shall sweep County Road E on an as needed basis, but at least once weekly. More frequent sweepings may be required, as directed by the City Engineer. The City has the right to direct the developer to sweep other streets, including Victoria Street, within the construction area, if necessary. The City does not sweep streets for private development projects. Developer must have a contract for sweeping and use a water-discharge broom apparatus for street sweeping.
- U) **Default** The occurrence of any of the following after written notice from the City and thirty (30) days to cure (or such longer period as may be reasonable) shall be considered an "Event of Default" in the terms and conditions contained in this Agreement:
1. The failure of the Developer to comply with any of the terms and conditions contained in this agreement;

2. The failure of the Developer to comply with any applicable ordinance or statutes with respect to the development and operation of the subject property.
- V) **Remedies** Upon the occurrence of an Event of Default, the City, in addition to any other remedy, which may be available to it, shall be permitted to do the following:
1. City may make advances or take other steps to cure the default, and where necessary, enter the subject property for that purpose. The Developer shall pay all sums so advanced or expenses incurred by the City upon demand, with interest from the dates of such advances or expenses at the rate of 10% per annum. No action taken by the City pursuant to this section shall be deemed to relieve the Developer from curing any such default to the extent that it is not cured by the City or from any other default hereunder. The City shall not be obligated, by virtue of the existence or exercise of this right, to perform any such act or cure any such default.
 2. The Developer shall save, indemnify, and hold harmless, including reasonable attorneys fees, the City from any liability or other damages, which may be incurred as a result of the exercise of the City's rights pursuant to this section.
 3. Obtain an order from a court of competent jurisdiction requiring the developer to specifically perform its obligations pursuant to the terms and provisions of this Agreement.
 4. Exercise any other remedies, which may be available to it, including an action for damages.
 5. Withhold the issuance of a building permit and/or prohibit the occupancy of any building(s) for which permits have been issued.

In addition to the remedies and amounts payable set forth or permitted above, upon the occurrence of an Event of Default, the Developer shall pay to the City all fees and expenses, including reasonable attorney's fees, incurred by the City as a result of the Event of Default, whether or not a lawsuit or other action is formally taken.

(V) **IN WITNESS WHEREOF**, the City and the Developer have executed this Agreement.

Approved by the City Council of Shoreview, Minnesota, this September 17, 2012.

PAR SYSTEMS, INC.

CITY OF SHOREVIEW

Sandra C. Martin, Mayor

Title

Terry Schwerm, City Manager

EXHIBIT 'A'

Record Plan Requirements

As-built plans are required for all public and private improvements.

After the completion of Developer-installed public improvements, the City Engineer shall be provided with two blue-line sets of record drawing plans of the project for review purposes.

Upon final approval of the blue-line record drawing plans of the project, the City Engineer shall be provided with one full size set (22"x 34") of mylar copies of the approved record drawing plans of the project. All record plans shall be mylar sepias from inked and clearly legible drawings, accurately drawn to scale. Proper notes and statements as required in this manual shall be placed on the plans.

The City will also be provided with the as-built drawings on disk in the City-approved format as follows:

Electronic As-Builts

1. Required on compact disk or DVD.
2. All information must be in AutoCAD R14 version or newer in DWG format.
3. Approved final plat sheet and AutoCAD drawings submitted in Ramsey County coordinates.
4. As-built construction plan sheets and drawing files shall have descriptive layer names or a key for the layer names.
5. Overall development plan with all utilities (curb stops, clean outs, MHs, fees CBs, GVs, etc.) in Ramsey County coordinates.
6. Show Ramsey County monuments used for the survey.

After completion of construction, all manholes, catch basins, hydrants and other elements of the project shall be re-measured with an as-built field survey. The plans shall be corrected and modified to show the correct distances, elevations, dimensions, alignments, and any other change in the specific details of the plans. All changes and modifications on the record plan shall be drawn to scale to accurately represent the work as constructed. Incorrect elevations, distances, etc. shall be crossed out from the original plan sheets and corrected as necessary to complete the record plan.

At a minimum, record plans shall include:

General

1. All construction contractor names should be noted on each page.
2. Record Plan stamp with date should be shown on each page.
3. All utilities in Ramsey County coordinates system.
4. All ties should be less than 100'.
5. Grading limits and elevations.
6. Bench marks used and TNH elevations.

Grading Plan As-Builts

1. Existing ground elevations at all lot corners
2. Spot elevations at all house pads (hold down elevations)
3. Spot elevations of pond bottom (50' maximum grid)
4. Drainage and utility easement and outlot spot elevations
5. Pond water elevations and date taken.
6. Prior to close out, as-builts of ponding areas must be done to verify depths after house construction is complete.

Sanitary Sewer, Water Main

1. As-built elevations (invert & rims), pipe lengths, and grades for all lines
2. Note describing pipe type and size for each run and for services
3. Wye stationing and location from TV reports
4. Elevation of riser
5. Cross out proposed elevations and write as-built above – DO NOT remove proposed elevations from plan.
6. All curb boxes and sanitary sewer services shall be tied with at least two ties, using the following priorities:
 - The building or structure being served, with address
 - Fire hydrants
 - Manholes, catch basins
 - Neighboring structures, with the address noted
 - Other permanent structures (bridges, telephone boxes, pedestals, transformers)
 - Power poles, streetlights, etc.
7. All gate valves shall be tied with at least two ties, using the following priorities:
 - Fire hydrants
 - Manholes
 - Catch basins
 - Neighboring structures, with the address noted
 - Buildings or other permanent structures (bridges, telephone boxes, pedestals, transformers)
 - Power poles, streetlights, etc.

8. As-built elevations of each hydrant at top nut
9. Any deviations of fittings from those shown on the plan
10. Note describing pipe type and size for mainline and for services
11. Stationing of corporation stop on water main

Storm Sewer

1. As-built elevations (invert & rim), pipe lengths, and grades for all lines
2. Note describing pipe type and size for each run.
3. Cross out proposed elevations and write as-built above – DO NOT remove proposed elevations from plans.
4. As-built plans on all ponding areas are required. Plans shall indicate finished contours at two-foot intervals, normal water elevation, high water elevation, and the acre-feet of storage for each ponding area, along with the final storm sewer plans. Upon completion of pond construction, ponds shall be cross-sectioned to confirm that they have been constructed to the proper volume and shape. As-built record plans shall be prepared for all ponding areas just prior to closing project out.

Streets

1. Show where fabric has been placed in the streets on the plan portion of the as-builts.
2. Show locations where subgrade corrections were done on the projects as approved by a soils engineer.

Revised 9/02/04

EXHIBIT 'C'
SPECIAL DEVELOPMENT TERMS

1. The Final Report for the wetland delineation must be submitted for the City's review and approved prior to the September 17th City Council meeting.
2. Shared parking may be permitted between the 655 and 707 building to address the deviation from the City's minimum parking requirements. A shared parking and maintenance agreement shall be executed between the properties prior to the issuance of a building permit.
3. The applicant must obtain the necessary permits from Ramsey County for the proposed new entry drive onto County Road E.
4. Lighting on site shall comply with Section 204.030, Glare of the Development Code. The applicant shall provide details on the exterior light fixtures and pole heights with the building permit submittal
5. Prior to the issuance of a building permit, a site development agreement and erosion control agreement shall be executed, including the submittal of all required fees and escrows. Said development agreement shall address:
 - a. Shared parking between the 655 and 707 buildings, and
 - b. Change in use or occupancy which does not meet the City's exceptions to the minimum parking requirements
6. The submitted tree replacement plan shall be revised and submitted prior to the issuance of any site development permits. Required replacement trees may be planted on the 655 County Road E property and the 707 County Road E property. The revised plan shall include the following information:
 - a. Site plan showing location of trees over 4" in size on the property
 - b. Tree Inventory table containing the species of tree, tree diameter, landmark tree designation
 - c. Replacement calculations
 - d. Tree protection
7. The submitted landscape plan shall be revised to include additional landscaping around the perimeter of the existing and proposed parking lots.
8. Comments identified by the Fire Marshal in his memo dated August 22, 2012 shall be addressed prior to the issuance of a building permit.
9. Comments identified by the City Engineer in his memo shall be addressed prior to the issuance of any site development permits.
10. PaR Systems is required to submit a Planned Unit Development application prior to the proposed construction of the building addition as identified on the submitted plans or within one-year of this approval, whichever comes first.
11. Said approval does not include the proposed addition as shown on the submitted plans.

PAR SYSTEMS INC.
655 COUNTY ROAD E
SEPTEMBER 17, 2012
Page 12 of 14

12. The Building Official is authorized to issue a building permit if approved by the City Council and the above conditions satisfied.

EXHIBIT 'C'

**EROSION CONTROL ESCROW AGREEMENT
PAR SYSTEMS, INC.
SITE AND BUILDING PLAN REVIEW
655 COUNTY ROAD E**

(A) THIS AGREEMENT is made and entered into by and between the City of Shoreview, a municipal corporation of the State of Minnesota (hereinafter the "City"), and PAR Systems, Inc., its successors and assigns (hereinafter the "Developer").

(B) The City and the Developer have executed a Site Development Agreement that obligates the Developer to control soil erosion during the development of the subject property. To secure erosion control during the development of this site, the Developer has submitted a cash surety to the City of Shoreview in the amount of **\$10,200,000**. The Developer has submitted this financial surety to the City on the following conditions:

1. The developer shall not receive interest on the amount of the surety.
2. The developer agrees that the surety may be utilized by the City to ensure compliance with the terms of the Development Contract regarding erosion control and/or to maintain all utility construction on the site, including the cleaning of road surfaces and storm sewer systems, until the Engineering Department has determined that erosion control has been satisfied. The surety may also be utilized for problems created off the site directly or indirectly as result of on-site conditions.
3. The developer agrees, upon written notification from the Public Works Director that proper erosion control methods are not being taken, to remedy the problem identified within 48 hours. In the event the remedy is not satisfactorily in place within that time period, the Developer acknowledges that the City may utilize the surety to complete the necessary work.
4. Any funds not so utilized by the City shall be returned to the Developer once the Public Works Director has determined in its reasonable *discretion* that the need for erosion control has been satisfied, or the funds have been replaced by a successor in interest.
5. Any soils transported to this site or exposed on the site shall be seeded consistent with a plan approved by the Public Works Director.

This agreement shall not supersede any specifications required by the Public Works Director on the approved grading plan.

(C) The Developer agrees to reimburse the City at a rate of \$55.00 per hour for each hour or fraction thereof used by a City employee in the administration of the Escrow Agreement. The

PAR SYSTEMS INC.
655 COUNTY ROAD E
SEPTEMBER 17, 2012
Page 14 of 14

obligations imposed by this paragraph shall commence on the date of execution of the Escrow Agreement by the Developer.

IN WITNESS WHEREOF, the City and the Developer have executed this agreement this 17th day of September, 2012

Developer:
PAR SYSTEMS, INC.

CITY OF SHOREVIEW

Sandra C. Martin, Mayor

Its

Terry Schwerm, City Manager

**EXTRACT OF MINUTES OF MEETING OF THE
PLANNING COMMISSION OF SHOREVIEW, MINNESOTA
HELD SEPTEMBER 11, 2012**

* * * * *

Pursuant to due call and notice thereof, a meeting of the Planning Commission of the City of Shoreview, Minnesota was duly called and held at the Shoreview City Hall in said City at 7:00 PM.

The following members were present: Proud, Wenner, Ferrington, McCool

And the following members were absent: Solomonson, Thompson, Schumer

Member Ferrington introduced the following resolution and moved its adoption.

**RESOLUTION NO. 12-77 FOR A VARIANCE TO REDUCE THE FRONT YARD
SETBACK FOR A PARKING LOT**

WHEREAS, Mission Construction, on behalf of PaR Systems, submitted a variance application for the following described property:

*Com At Se Cor Of Se 1/4 Th N 0 Deg 2min 55sec W On E Line 163.7ft To N Line Of Co Rd E
For Pt Of Beg; Th S 79deg 0min 25sec W On Sd N Line 122 Ft Th N 88deg 41min 20sec W
On N Line 441 Ft Th N 1 Deg 18min 40 Sec E 420 Ft Th S 88 Deg 41 Min 20sec E 550.77ft
To Pt On E Line Of Sd Se 1/4 Th S On E Line 394.11 Ft To Pt Of Beg (subj To Rds & Esmts),
In Sec 26 Tn 30 Rn 23*

(commonly known as 655 County Road E)

WHEREAS, the Development Regulations states parking areas for properties located in the BP, Business Park zone, must maintain a 20-foot setback from a front property line; and

WHEREAS, the applicant has requested a variance to reduce this requirement to 6.2'; and

WHEREAS, the Shoreview Planning Commission is authorized by state law and the City of Shoreview Development Regulations to make final decisions on variance requests.

WHEREAS, on September 11, 2012 the Shoreview Planning Commission made the following findings of fact:

1. *The property owner proposes to use the property in a reasonable manner not permitted by the Shoreview Development Regulations.* The proposed parking lot will provide the off-street parking area needed for the business park use of the property. The proposed setback is reasonable due to the configuration of the County Road E right-of-way and current parking lot setback encroachments that exist on the property.
2. *The plight of the property owner is due to circumstances unique to the property not created by the property owner.* Unique circumstances warrant the variance. The County Road E right-of-way varies in width and has a larger width adjacent to the eastern portion of the property. This circumstance warrants the variance.
3. *The variance, if granted, will not alter the essential character of the neighborhood.* The proposed 6.2' setback exceeds the setback of an existing parking lot on the property. The parking lot on the adjoin property to the east is closer to the County Road E road surface than the proposed parking lot. Adequate green space will remain between the proposed parking surface and the road surface for County Road E. The character of the neighbor will not be altered by granting the variance.

NOW, THEREFORE, BE IT RESOLVED BY THE SHOREVIEW PLANNING COMMISSION, that the variance request for property described above, 655 County Road E, be approved, subject to the following conditions:

1. Said approval is contingent upon City Council approval of the Site and Building Plan review.
2. The project must be completed in accordance with the plans submitted as part of the Variance application.
3. This approval will expire after one year if a building permit has not been issued for this project.
4. This approval is subject to a 5-day appeal period.

The motion was duly seconded by Member Wenner and upon a vote being taken thereon, the following voted in favor thereof: Proud, Wenner, Ferrington, McCool

And the following voted against the same: None

Adopted this 11th day of September, 2012

Curt Proud, Vice Chair
Shoreview Planning Commission

ATTEST:

Kathleen Nordine, City Planner

SEAL

ACCEPTANCE OF CONDITIONS:

Mission Construction

PaR Systems

~~DRAFT~~
SHOREVIEW PLANNING COMMISSION MEETING
MINUTES
August 28, 2012

CALL TO ORDER

Chair Solomonson called the meeting of the August 28, 2012 Shoreview Planning Commission meeting to order at 7:00 p.m.

ROLL CALL

The following members were present: Chair Solomonson; Commissioners, Ferrington, McCool, Proud, Schumer, Thompson and Wenner.

APPROVAL OF AGENDA

MOTION: by Commissioner Schumer, seconded by Commissioner Ferrington to approve the August 28, 2012 agenda as submitted.

VOTE: Ayes - 7 Nays - 0

VARIANCE/SITE AND BUILDING PLAN REVIEW

File No: 2457-12-20
Applicant: PaR/Mission Construction
Location: 655 County Road E.

Presentation by City Planner Kathleen Nordine

PaR Systems owns the properties at 707 and at 655 County Road E having purchased the parcel at 655 from the City in 2008. Between the two parcels is a private drive access to the Deluxe property to the north. Previous Development Agreements that were executed require PaR to obtain a PUD and develop a master plan for the properties when major improvements are proposed. PaR has indicated that there is an urgent need to expand. Therefore, proposed improvements are submitted through the Site and Building Plan review and variance processes. A condition of approval is that a PUD be proposed in the near future.

The proposal is to construct a new 45,760 square foot manufacturing warehouse and office building. The variance request is to reduce the required front setback for an expanded parking area. Currently there is an 18,000 square foot office building and an off-street parking lot. A new access drive is proposed off County Road E. Storm water management improvements are included. The proposed use is consistent with the current zoning of BP, Business Park. The variance requested for the expanded parking area is a reduction of the front setback from 20 feet to 6.2 feet.

The exterior building materials are similar to the building at 707 County Road E. Staff has requested that brick be added to tie in with the existing office building. The building height of 66 feet exceeds the maximum 35 feet permitted. The City allows an exception if the height does

not exceed firefighting capability, and if an additional 1 foot of setback is provided for every additional foot of height over 35 feet. The Lake Johanna Fire Department has indicated that the firefighting capability is not an issue. The proposed building complies with the setback requirements for the added height.

Code requires a minimum of 230 parking stalls. PaR has proposed 157 parking stalls. The applicant states that the parking proposed more than meets their demand. Proof of parking for 36 additional stalls is shown. Staff's concern is how parking would be provided for a new user should the site ever be vacated. The existing parking lot encroaches into the 20-foot setback. Because the County Road E right-of-way varies, the expanded parking will encroach into the front setback, and a variance is needed.

There are two wetlands on the property, which will require wetland delineations. The proposed access drive off County Road E on the east side of the property will encroach into the 16.5 foot buffer for the wetland.

A tree inventory and landscape plan was submitted but was incomplete. A revised plan was recently submitted, but staff has not had an opportunity to review it. One issue is the number of landmark trees on the property, which has been resolved. Staff is also looking for a plan for overall landscaping of the entire site. This information was recently provided, but staff has not had an opportunity to review it.

The eastern and northern portion of the property will be graded for the development. A storm water pond is proposed, but calculations have not yet been provided for review. Storm water would flow north to the proposed pond. Pond overflow would flow into the City's storm water system.

With regard to the variance, staff believes there is practical difficulty with the varying right-of-way width of County Road E. The existing setback of the western parking lot encroaches into the 20-foot front setback. Also, other nearby parking lots on County Road E do not meet the setback requirements.

The Environmental Quality Committee (EQC) reviewed the proposal but found it to be incomplete. No recommendation was made. The EQC did suggest integrating a sustainable green design on the site.

Property owners within 350 feet were notified of the proposal. No comments were received.

Although incomplete, this proposal was scheduled for this meeting because of PaR's urgent time schedule and to keep the application moving forward. PaR has requested that the plan be presented to the City Council at their September 17th meeting. The two options for the Planning Commission are: 1) table the application and hold a special meeting before September 17th; and 2) Recommend approval on condition of submittal of the required information listed in the motion sheet and approve the variance.

Commissioner Ferrington asked the impervious surface coverage. Ms. Nordine stated that she does not have an exact ratio but believes the proposal falls within the allowed 75%.

Commissioner McCool asked how a PUD can be implemented after the site is improved. Ms. Nordine stated that staff hopes to address parking and storm water issues between the two parcels with a PUD when further improvements are proposed. Commissioner McCool noted the concerns of Ramsey County about the proposed third access.

Mr. Garry Mannor, Mission Construction, stated that PaR's preference is to keep three access points. He plans to talk to the County directly and if necessary, one will be removed. A professional landscaping plan in addition to what has been submitted will be completed within the next two weeks. Truck traffic will be moved to the new building, which will allow for added parking if needed. The owners prefer not to build parking that is not needed but keep green space.

Commissioner McCool asked for further clarification on the number of parking spaces. Mr. Madden stated that the Code requires 230 for the property at 655 County Road E. All parking requirements have been met at the 707 site. The site at 655 has proof of parking for 190 spaces; 157 are proposed to be put in. PaR does not anticipate using 157.

Mr. Mannor added that the storm water plan is also being submitted this week. Work is being done fast in order to provide PaR with the building needed by January 31, 2013. If equipment can be in place and working on September 18, workers will be working overtime to complete the project by January 31st.

Commissioner Ferrington stated that there is a lot of missing information and asked how long it would take to present a complete application. Mr. Madden stated that the wetland delineation will take one to two weeks.

Commissioner Proud stated that he is willing to approve an incomplete proposal with conditions because PaR Systems is a company that can be trusted. He is confident PaR will provide all the information needed for the City Council's review.

Chair Solomonson agreed with Commissioner Proud.

Commissioner McCool stated he would like to have a special meeting in time for the proposal to go to the September 17th Council meeting, when more information will be available. That would not interrupt the fast track for the project.

Chair Solomonson called a five-minute recess for the technician to load a second DVD for continuation of the meeting, then reconvened the meeting.

Commissioner Ferrington stated that the application is too incomplete. It is the Commission's job to vet the application, even though the Council is capable of doing that. More information is needed before she can support it.

Commissioner Schumer stated that he is willing to approve the motion with listed conditions. PaR is an excellent company in the community and will provide all the information needed for the City Council meeting.

Commissioner Wenner stated that while there are some areas that can be done by staff administrative review, the items that are incomplete are ones that the Commission is specifically charged to review. He would like to have a special meeting to consider all the information on the proposal.

Commissioner Thompson agreed that there is not enough information for her to make a recommendation.

MOTION: by Commissioner McCool, seconded by Commissioner Ferrington to table the variance and site and building plan applications, submitted by Mission Construction on behalf of PaR Systems, to a special Planning Commission meeting on September 11, 2012, at 7:00 p.m. Tabling the applications will allow the applicant the additional time needed to provide the following information:

- A. A parking management plan shall be submitted to the City addressing: the existing and future parking needs for the property (655 County Road E), including but not limited to: the maximum number of employees working on site, hours of operation, employee shifts, the potential for shared parking with 707 County Road E, proof of parking.
- B. Shared parking may be permitted provided information regarding the existing and future parking needs for the 707 building is provided to the City for review. A shared parking and maintenance agreement will be required between the two sites.
- C. Submittal of a stormwater management plan, including stormwater calculations, that complies with the City's Surface Water Management Plan and stormwater regulations and policies.
- D. Submittal of a wetland delineation by a qualified wetland specialist.
- E. County review and approval for the proposed new entry drive onto County Road E.
- F. Submittal of a tree preservation and replacement plan for the entire property identifying vegetation/trees to be removed and replaced in accordance with Section 209.050, Vegetation and Woodlands
- G. Submittal of a landscape plan for the entire property showing existing landscaping and proposed plant materials including specific plant and tree species, sizes, number and locations. Said plan shall address the City's requirements for landscape islands.
- H. Calculation of impervious surface coverage for the existing and proposed site conditions.
- I. All other reasonable information requested by staff as staff continues to review the application.

VOTE: Ayes - 5 Nays - 2 (Proud, Schumer)

Date: September 6, 2012

To: Kathleen Nordine, City Planner

From: Tom Wesolowski, City Engineer

Subject: Engineering plan review comments for Par Systems
New Manufacturing/Warehouse Building

The City of Shoreview Engineering staff has reviewed the plans for Par Systems New Manufacturing/Warehouse Building dated August 23, 2012. The Engineering staff has the following comments regarding the proposed building site:

1. The property is located along a County Road and work will be completed within the Ramsey County right-of-way, a permit from Ramsey County will be required. The plans also show a new entrance from the County Road to the property, which will require approval from the County.
2. The site plan shows two wetlands on the site with approximate locations for the edges of the wetlands and a 16.5-foot buffer. The wetlands must be delineated to determine the actual location of the wetland boundary and associated buffer. The contractor's wetland consultant is scheduled to meet the City's wetland consultant at the site on September 11 to discuss the delineation. The wetland delineation and associated report is subject to the review and approval of the City and its wetland consultant.
3. The improvements on the site were placed to avoid the wetlands. A portion of the proposed driveway would impact the wetland buffer area shown on the plans. The impact is minimal and the plans call for the area to be restored. It should be noted that the impact to the wetland and wetland buffer may change based on the approved delineation of the wetland.
4. The contractor has submitted storm water management calculations for existing and proposed drainage. The calculations are signed by a licensed engineer from the State of Minnesota and meet the requirements of the City's Surface Water Management Plan (SWMP).
5. Storm water management would consist of a storm water collection and treatment system that includes catch basins, underground piping, and a storm water treatment pond. The storm water pond would provide treatment and storage for the run-off from the site and meets the requirements of the City's SWMP.
6. The applicant should be aware that starting on January 1, 2013 the reviewing authority for storm water management on the property will transfer from the City to the Ramsey-Washington Metro Watershed District. Future projects that include

but are not limited to grading, addition of impervious surfaces, or modifications of impervious surfaces may require a permit from Ramsey-Washington and would be subject to their rules for storm water management, wetland management, ect.

7. The building will connect to City water and sanitary sewer mains located along County Road E. The developer's contractor will be required to wet tap the 16" PCCP water main. Shoreview personnel shall be notified and be present during the tap. The water service is proposed to be 10" DIP. The domestic line for the building, (Size not shown) shall be tapped off the 10" service outside the building with a curb stop or valve accessible by City Utility personnel. This allows the building water to be shut off without shutting off the fire protection.

If you have questions or require additional information, please contact Tom Wesolowski at 651-490-4652 or twesolowski@shoreviewmn.gov.



Kathleen Nordine <knordine@shoreviewmn.gov>

655 County Road E

Lux, Joseph <Joseph.Lux@co.ramsey.mn.us>

Tue, Aug 28, 2012 at 3:16
PM

To: Kathleen Nordine <knordine@shoreviewmn.gov>

Cc: "Laberee, Erin" <Erin.Laberee@co.ramsey.mn.us>

Hi, Kathleen:

The attached files contain a drawing and title certificate for the right of way adjacent to PaR Systems site at 655 County Road E. We don't have a problem with the parking lot having a closer setback than your ordinance specifies, as long as it's no closer than the existing lot. Erin Laberee needs to be consulted regarding any proposed change in access. It seems like the road easement on the east side of the property may establish some right of access, but there are an awful lot of driveways in a short space on that stretch of County Road E. PaR has two driveways already, so we'd be very reluctant to allow more. If the easterly one that's present now could be eliminated or combined with a new one, that might be allowable. We're eager to see the plans.

In his research, Dan did establish that we have a road easement for County Road E adjacent to this property, but there may be some issues in other locations on County Road E. He's going to research that, but it will take some time.

Joe Lux

Joseph Lux

Planning Specialist

Ramsey County Public Works

1425 Paul Kirkwold Drive

Arden Hills, MN 55112-3933

651-266-7114



From: Baar, Daniel D
Sent: Tuesday, August 28, 2012 2:11 PM
To: Lux, Joseph
Subject: 655 County Road E

Joe,

Here is the exhibit. The document for the Co. Rd. E easement appears to transfer the land to Ramsey County in fee. There are multiple opinions out there as to if this can exist or not. Either way, the exhibit shows the land encumbered by it. Let me know if you need anything else on this.

Dan

Daniel Baar, L.S.
Deputy County Surveyor
Ramsey County Surveyor's Office
1425 Paul Kirkwold Drive
Arden Hills, MN 55112
651-266-7170

2 attachments



655CoRdE_8-28-12.pdf
383K



Cert. of Title_572085.pdf
908K

Certificate of Title

Certificate Number: **572085**

Document Number: **2047681**

Transfer From Certificate Number: **569821**

Originally registered the 9th day of November, 1992.

Book: **769** Page: **148**

Dist. Court No.: **C-5-88-136**

State of Minnesota
County of Ramsey

} s.s.

REGISTRATION

This is to certify that

PaR Systems, Inc., a Delaware Corporation is now the owner of an estate in fee simple

of and in the following described land situated in the County of Ramsey and State of Minnesota,

That part of the Southeast Quarter of Section 26, Township 30, Range 23, described as follows: Commencing at the Southwest corner of the Southeast Quarter of said Section 26; thence Easterly along the South line of said Section 26 on an assumed bearing of South 89 degrees 56 minutes 24 seconds East a distance of 2,070.71 feet; thence North 1 degree 17 minutes 54 seconds East to a point on a line 75 feet North of and parallel to the South line of said Section which is the point of beginning of the tract to be described; thence continuing North 1 degree 17 minutes 54 seconds East to a point which is 569.85 feet Northerly of the South line of said Section measured along said bearing; thence South 88 degrees 42 minutes 06 seconds East a distance of 550.65 feet, more or less, to the East line of said Section 26; thence Southerly along the East line of said Section 26 on an assumed bearing of South 0 degrees 03 minutes 57 seconds East to a point on a line 75 feet North of and parallel to the South line of said Section; thence Westerly along said parallel line to the point of beginning.

Subject to an easement for roadway purposes over the East 60 feet of the above described property as set forth in Book 2482 of Ramsey County Records, page 168.

Doc. No. 1891264

Subject to the interests shown by the following memorials and to the following rights or encumbrances set forth in Minnesota statutes chapter 508, namely:

1. Liens, claims, or rights under the laws or the Constitution of the United States, which the statutes of this state cannot require to appear of record;
2. Any real property tax or special assessment;
3. Any lease for a period not exceeding three years, when there is actual occupation of the premises under the lease;
4. All rights in public highways upon the land;
5. Such right of appeal or right to appear and contest the application as is allowed by law;
6. The rights of any person in possession under deed or contract for deed from the owner of the certificate of title;
7. Any outstanding mechanics lien rights which may exist under sections 514.01 to 514.17.

MEMORIALS

Document Number	Document Type	Date of Registration Month Day, Year Time	Amount (\$)	Running in Favor of
2047682	Mortgage, Assn. of Rents, Sec. & Fix. Fin. Agrmnt.	Aug 08, 2008 10:00 AM	1,000,000.00	M&I Marshall and Isley Bank, a Wisconsin Corporation, 50 South Sixth Street, Suite 1000, City of Minneapolis, County of Hennepin, State of Minnesota
2178846	Satisfaction of Mortgage	Jul 09, 2012 10:00 AM		Satisfies document no(s). 2047682.0

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of my office this 8th day of August, 2008.

Mark E. Oswald

Registrar of Titles,

In and for the County of Ramsey and State of Minnesota.



LAKE JOHANNA FIRE DEPARTMENT

5545 LEXINGTON AVENUE NORTH • SHOREVIEW, MN 55126
OFFICE (651) 481-7024 • FAX (651) 486-8826

August 22, 2012

Department of Community Development
Attn: Kathleen Nordine, City Planner
4600 N Victoria Street
Shoreview, MN 55126

Site and Building Plan Review
Par Systems
655 County Road E
Shoreview, MN 55126

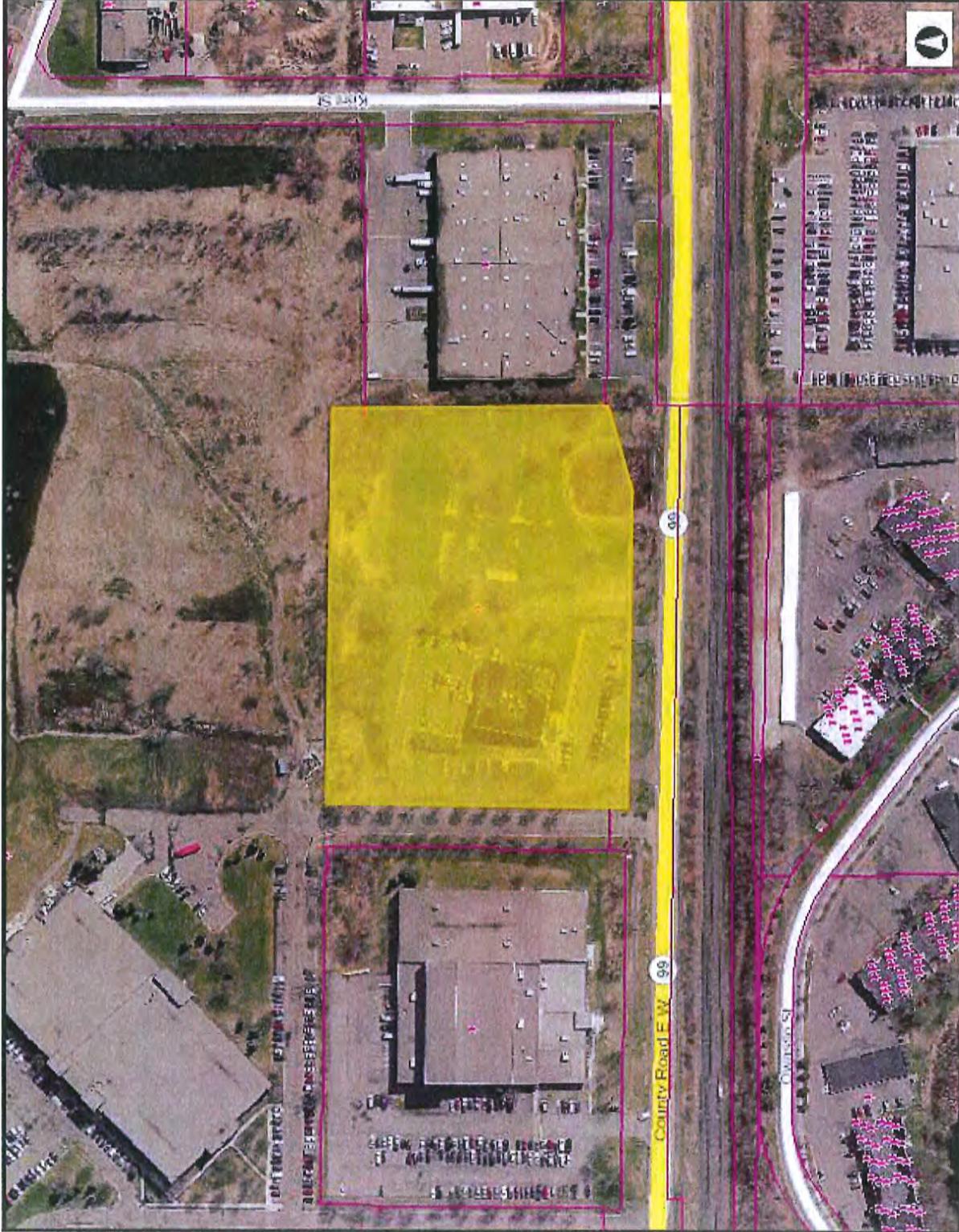
File No. ????

- Verify location of F.D.C.
 - Should be on address side of building.
- Fire Hydrant within 150' of F.D.C.
- Fire Department lock box is required.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Current", written over a horizontal line.

Rick Current
Fire Marshal
Lake Johanna Fire Department



Legend

- County Offices
- City Halls
- Schools
- Hospitals
- Fire Stations
- Police Stations
- Recreational Centers
- Parcel Points
- Parcels

Notes

Site and Building Plan Review and Variance

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.
THIS MAP IS NOT TO BE USED FOR NAVIGATION

411.9 0 205.97 411.9 Feet

NAD_1983_HARN_Acj_MN_Ramsey_Feet
© Ramsey County Enterprise GIS Division



August 22, 2012

Department of Community Development
City of Shoreview
4600 North Victoria Street
Shoreview, MN 55126

**RE: Par Systems
655 county Road E, West
Standard Variance Application
"Practical Difficulties"**

To Whom it May Concern:

Par Systems is proposing to construct a 36,000 to 48,000 sq. ft. Office / Production facility next to the existing Office building at 655 County Road E West, Shoreview, MN.

The 655 site is approximately 5 acres. The existing corporate office building foundation is approximately 10,000 sq. ft. The building and site had been purchased by PaR to be used as their Corporate office.

Due to new opportunities PaR is in need of expansion for both production and office. The existing corporate office is sufficient for the current office requirements but does not provide for the needs of the company's overall projected expansion. The current structure does not site squarely on the site and does not allow for a way to expand the current structure in a usable layout. There are other non-compliant existing conditions on both the 655 site and the adjacent 605 site to the East.

- The right away on the South East of the 655 site is an odd configuration. The line angles into the site rather than running straight along the road as it does elsewhere.
- The 605 site parking area appears to be encroaching over the required setbacks.
- The 655 existing parking area has encroached the setbacks.
- The new parking area for the new building will be set back further than the existing parking areas at the 655 and 605 sites.
- The 655 site will have adequate greenspace that meets or exceeds the requirements.

The proposed new building would enhance and fit in with the character of the neighborhood by providing for a positive curb appeal.

We ask that a Standard variance be provided to allow PaR to continue to expand their presence in Shoreview, MN.

If you have any questions please call me at 763-951-8901 or email me at Garrym@missionconstruction.com

Sincerely:

Garry R. Mannor
Mission Construction, Inc.



Trusted Partner – Since 1961

Mark A. Wrightsman
President and Chief Executive Officer

August 23, 2012

City of Shoreview
4600 North Victoria Street
Shoreview, MN 55126

To Whom It May Concern:

PaR has been a part of the City of Shoreview landscape for many years and we look forward to being a mainstay of the community for years to come. As the leader in material handling, automation, and robotic solutions since 1961, PaR has made significant investments in people, technology, and products, resulting in hundreds of product platforms which form the basis of thousands of installed solutions for critical and demanding applications across numerous industries. We are recognized by Fortune 100 clients as the custom engineered solutions provider adding dramatic value for their clients. As we expand our operations both locally and globally, continuing this investment focus is critical to our success in the future as it has been in the past.

Since our July 2008 move from our previous location in Shoreview to the new locations at 707 & 655 County Road E West, our employee base has grown by over 30 percent at these locations. In January 2012, we acquired the Friction Stir Welding product line from MTS, a local Minneapolis company, and have since moved those operations to our Shoreview locations. As a result of this acquisition and organic growth in our existing business at this location, we are in need of increased facility and manufacturing space in order to support our expanding employee base. The potential for expansion capability was a key part of our long-term vision when we acquired these properties in Shoreview.

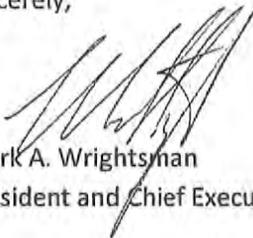
We are aware of the availability of TIF monies at this location and are requesting that these funds be used for the site work on the 36,000 square-foot facility we are proposing. This financing assistance would supplement the \$800,000 PaR will be investing in equipment needed to support the manufacturing operations in this facility. In addition, this will support PaR's continuing investments

*Creating Solutions that Dramatically Enhance Real Value for *your* Customers.*

in people, technology, and products as we grow our Minnesota-based business. Your support for the TIF funding will help us to justify this important investment in Shoreview, to remain competitive, and to continue our desired growth in local workforce to support our business.

PaR appreciates the support that the City of Shoreview has provided over the years and we look forward to continuing that strong relationship as we both make long-term investments for our mutual benefit.

Sincerely,



Mark A. Wrightsman
President and Chief Executive Officer



Trusted Partner - Since 1961

Mark A. Wrightsman
President and Chief Executive Officer

August 23, 2012

City of Shoreview
4600 North Victoria Street
Shoreview, MN 55126

To Whom It May Concern:

Our plans are progressing for construction of a new PaR Systems facility east of our existing buildings on County Road E West. I have just been informed that, per code, the new site requires 230 parking spaces. I am writing to let you know that 157 parking spaces between the existing 655 building and the new building will be more than adequate for PaR's parking requirements.

If you have any questions or concerns or if anything further is required relating to this matter, please feel free to contact me.

Thank you for your continuing support of PaR Systems' growth in Shoreview.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark A. Wrightsman', written over a light blue background.

Mark A. Wrightsman

Creating Solutions that Dramatically Enhance Real Value for *your* Customers.



MISSION
CONSTRUCTION, INC.

August 24, 2012

Department of Community Development
City of Shoreview
4600 North Victoria Street
Shoreview, MN 55126

RE: Par Systems
655 & 707 County Road E, West Existing and new Building Parking

To Whom it May Concern:

The following letter is to address the parking requirements of PaR Systems.

707 Building: Building Size is Approximately 70,000 sq. ft.

- Current / forecasted employees including contract employees (155) one hundred fifty five.
- Current parking spaces (144) one hundred forty four in main parking lot plus approximately 6 in the back of the building.
- Total existing parking available (150) one hundred fifty spaces.

655 Existing Building Plus Proposed New Building 54,818 sq. ft. Combined Total

- Forecasted employees in the existing 18,818 sq. ft. 655 building (45) forty five.
- Forecasted employees in the new building (75) seventy five.
- Total forecasted employees for the entire site (120) one hundred twenty.
- Existing parking spaces (85) eighty five.
- Proposed additional parking to be added (72) seventy two.
- Loss of (4) four existing spots due to parking lot reconfiguration.
- We forecast the need for no more than (10) ten visitor parking spaces.
- Total parking spaces proposed (157) one hundred fifty three.
- Total parking spaces required (130) one hundred thirty.
- (27) twenty three additional parking spaces.

Combined Parking Requirements between 707 and 655:

<u>Building:</u>	<u>Parking Required:</u>	<u>Parking Provided:</u>	<u>Difference:</u>
707	155	150	(5)
655	<u>130</u>	<u>157</u>	<u>27</u>
Totals:	285	307	22 additional spaces.

If you require any additional information please contact me.

Sincerely:

Garry R. Mannor
Mission Construction, Inc.
Garrym@missionconstruction.com



Kathleen Nordine <knordine@shoreviewmn.gov>

FW: PAR Systems

Garry Mannor <garrym@missionconstruction.com>

Tue, Sep 11, 2012 at 11:56 AM

To: "NORDINE, KATHLEEN (knordine@shoreviewmn.gov)" <knordine@shoreviewmn.gov>

Cc: "twesolowski@shoreviewmn.gov" <twesolowski@shoreviewmn.gov>, "Behm, Brian" <bbehm@par.com>

Kathleen:

Please see the note from Ramsey County below.

We have discussed removing the center entrance with the County and they are in agreement.

Sincerely:

Garry R. Mannor

Mission Construction, Inc.

direct 763 951-8901 | cell 763 370-5519 | fax 763 694-0020

13821 Industrial Park Blvd. | Plymouth, MN 55441

From: Hagle, Dennis [mailto:Dennis.Hagle@CO.RAMSEY.MN.US]

Sent: Tuesday, September 11, 2012 11:42 AM

To: Garry Mannor

Subject: PAR Systems

Garry,

Ramsey County will allow access at the Easterly edge of 655 Co. Rd. E (PAR Systems) on to Co. Rd. E. There is already 2 existing entrances to this site off of Co. Rd. E, one of these existing entrances must be eliminated if the Easterly one is to be allowed.