AGENDA PLANNING COMMISSION MEETING CITY OF SHOREVIEW

DATE: MAY 28, 2019 TIME: 7:00 PM

PLACE: SHOREVIEW CITY HALL LOCATION: 4600 NORTH VICTORIA

1. CALL TO ORDER ROLL CALL APPROVAL OF AGENDA

2. APPROVAL OF MINUTES

March 26, 2019 April 23, 2019 (Workshop)

3. REPORT ON CITY COUNCIL ACTIONS

Meeting Dates: May 6 & 20, 2019 **Brief Description of Meeting Process**- Chair, Kent Peterson

4. NEW BUSINESS

A. MINOR SUBDIVISION*

FILE NO: 2715-19-02

APPLICANT: Thomas Houck LOCATION: 915 Oakridge Ave

B. PUBLIC HEARING - COMPREHENSIVE PLAN AMENDMENT- REZONE –MINOR SUBDIVISION - STANDARD VARIANCE*

FILE NO: 2716-19-03

APPLICANT: Elam and Kathryn Noor LOCATION: 1000/0 County Road E W

C. PUBLIC HEARING - DEVELOPMENT ORDINANCE AMENDMENT*

FILE NO: 2717-19-04

APPLICANT: Christopher Glasoe

LOCATION: City Wide

D. PUBLIC HEARING - PRELIMINARY PLAT- STANDARD VARIANCE*

FILE NO: 2718-19-05 APPLICANT: TSI, Inc.

LOCATION: 500/590 Cardigan Road

E. FINDING TIF PLAN - TIF DISTRICT NO. 12 CONFORMS TO COMPREHENSIVE PLAN*

5. MISCELLANEOUS

- A. City Council Meeting Assignments
 - June 3, 2019 Commissioner Doan
 - June 17, 2019- Commissioner Yarusso

6. ADJOURNMENT

* These agenda items require City Council review or action. The Planning Commission will hold a hearing, obtain public comment, discuss the application and forward the application to City Council. The City Council will consider these items at their regular meetings which are held on the 1st or 3rd Monday of each month. For confirmation when an item is scheduled at City Council, please check the City's website at www.shoreviewmn.gov or contact the Planning Department at 651-490-4682 or 651-490-4680

SHOREVIEW PLANNING COMMISSION MEETING MINUTES March 26, 2019

CALL TO ORDER

Chair Peterson called the March 26, 2019 Shoreview Planning Commission meeting to order at 7:00 p.m.

ROLL CALL

The following Commissioners were present: Chair Peterson; Commissioners Anderson, Riechers, Solomonson, Yarusso and Wolfe.

Commissioner Doan was absent.

APPROVAL OF AGENDA

MOTION: by Commissioner Anderson, seconded by Commissioner Solomonson to

approve the March 26, 2019 Planning Commission meeting agenda as

presented.

VOTE: AYES: Anderson, Peterson, Riechers, Solomonson, Yarusso, Wolfe

NAYS: None

APPROVAL OF MINUTES

MOTION: by Commissioner Solomonson, seconded by Commissioner Yarusso

to approve the February 26, 2019 meeting minutes as presented at this meeting.

VOTE: AYES: Anderson, Riechers, Solomonson, Yarusso, Peterson, Wolfe

NAYS: None

REPORT ON CITY COUNCIL ACTIONS

City Planner Castle reported that the rezoning at Bucher Park was approved by the City Council from a TOD-1 District to a TOD-2 District.

NEW BUSINESS

STANDARD VARIANCE

FILE NO.: 2714-19-01

APPLICANT: TIM & DAWN THOMPSON LOCATION: 874 COLLEEN AVENUE

Presentation by Associate Planner Aaron Sedey

The application is to replace an old deck that was 12' x 16' with a new enclosed porch that would be 16' x 16'. The variance request is to reduce the required 30-foot rear yard setback to 16 feet. The property is developed with an existing single family home with an attached two-stall garage and a previous deck. The property is zoned R1, Detached Residential. All adjacent properties are single family homes.

The applicants state that the proposed addition is carefully designed to be in the similar location as the old deck on which they had a temporary screened canopy. The location sits at a lower elevation than the neighboring property to the south. Landscaping has been added to the south property line to soften the view from neighboring property. One neighbor has a shed that will add to the buffer between the two homes. A letter of support by neighbors has been submitted.

Notices were mailed to property owners within 150 feet. One email response was received in support of the project.

Staff does not find practical difficulty. The unique circumstances are tied to the applicant's preference of location. Other options are available, including relocating the addition to the west or modifying the size to reduce encroachment into the rear setback. The character of the neighborhood would be change because most homes on Colleen Avenue maintain or exceed a 30-foot rear setback. While appreciating the investment effort of the applicants, staff recommends denial due to the fact that practical difficulty is not present.

Commissioner Solomonson noted that a deck is allowed to encroach into the setback. He asked how extensive construction of the proposed porch will be and the elevation of its location. Mr. Sedey answered that the new porch will include a roof, screening, a door and windows. The structure will be enclosed. The elevation difference between the applicant's property and the property to the south is 4 or 5 feet. Extensive landscaping has been planted between the two properties.

Commissioner Wolfe asked if there would be an issue if just the deck was being rebuilt. Mr. Sedey answered there would not be a variance if only a deck were built, but putting siding, screens, door and roof on makes it part of the principal structure. The same footprint as the old deck cannot be used for a porch without a variance.

Commissioner Anderson asked if the porch could encroach if it were detached, such as a gazebo. Mr. Sedey stated that if it were detached, it would be treated as an accessory structure and the setbacks would be different. The structure could be closer to the property line.

Mr. Tim Thompson, Applicant, stated the west side that looks like there is a lot of room is where the garage is located. It would not be practical to put the porch off the garage. What is bing built is similar to what is there now, but it will be enclosed and thus the need for a variance. The landscaping makes it difficult for neighbor properties to see the porch.

Commissioner Solomonson asked the reason for the increase in size and materials that will be used. **Mr. Thompson** explained that adding 4 feet to make it 16' x 16' makes it more functional for his family. The structure will be a basic deck structure. The roof will be the same shingles as the house as will the siding. It will blend in with the lines of the house and look to be part of it.

Chair Peterson asked if the porch could be extended toward the east. **Mr. Thompson** stated that the distance to the home to the east is 20 feet. If the porch were on the east, the setback would be 4 feet and again, would need a variance. There is an existing sliding door to the south where the porch is proposed. A new access would have to be added if the porch is moved to the east, which would add to the cost.

Commissioner Yarusso asked if the porch could extend further west and be a rectangular shape to reduce the amount of variance. **Mr. Thompson** stated that there is a large living room window next to the sliding door to the west. Contractors have told him it would be difficult to locate the porch outside the window.

Chair Peterson opened the discussion to public comment. There were no comments or questions.

Commissioner Yarusso stated that one concern is that the elevation is not helpful for screening but instead gives a clear view of the porch.

Commissioner Anderson stated it is difficult to find practical difficulty. It can be built but not screened.

Commissioner Solomonson stated that the roof is an allowed encroachment which means that whether or not screens are on the sides it will be visible. The lot is very irregularly shaped with limited opportunities for additions. He does not believe the character of the neighborhood would be changed and supports the application.

Commissioner Wolfe stated that he agrees with practical difficulty being the irregularly shaped lot and believes it will not change the character of the neighborhood. He leans toward supporting the application.

Commissioner Riechers agreed the shape of the lot is unique. There is already a shed closer to the rear lot line. The porch could be detached from the house and closer to the lot line without a variance. The character of the neighborhood would not be changed. She also is leaning toward supporting the request.

Commissioner Yarusso stated that the subject lot is not as deep as other lots in the neighborhood and when built, the house was pushed back to achieve a front yard. The sight lines from

neighboring homes are not parallel, but the porch will be a visible presence. She is going back and forth about supporting the application.

Chair Peterson stated that 16 feet is a substantial variance. However, the Comprehensive Plan encourages reinvestment. This home is 40 or 50 years old and built when regulations were quite different. The lot depth and placement of the home is a constraint and unique from other homes. There is a lot of buffer in the back. He will support the application.

MOTION:

by Commissioner Solomonson, seconded by Commissioner Wolfe to adopt Resolution No. 19-33, approving the variance request to reduce the rear yard setback to 16-feet for the proposed 3 season porch addition, submitted by Tim and Dawn Thompson for the property located at 874 Colleen Ave. This approval is subject to the following conditions:

- 1. The project must be completed in accordance with the plans submitted as part of the Variance application.
- 2. This approval will expire after one year if a building permit has not been issued and construction commenced.
- 3. Erosion control will be installed in accordance with City Code requirements prior to any site disturbance. Vegetation shall be restored in accordance with City Code standards.
- 4. This approval is subject to a 5-day appeal period.
- 5. Vegetation between properties should be added to include large shrubbery or trees to be maintained for the life of the property. A landscape plan shall be submitted for review by the City Planner prior to issuing the building permit.

This approval is based on the following findings:

- 1. An enclosed porch represents a reasonable use of the property.
- 2. The configuration of the existing lot and location of the house on the lot were not created by the home owner.
- 3. The proposal will not alter the characteristics of the neighborhood due to the nature of the encroachment.

Discussion: Commissioner Solomonson thanked the applicant for the improvement which will make the home more enjoyable in the summer.

VOTE: AYES: Wolfe, Solomonson, Peterson, Yarusso, Riechers

NAYES: Anderson

MISCELLANEOUS

City Council Meetings

Commissioners Solomonson and Peterson were respectively scheduled to attend the April 1, 2019 and April 15, 2019 Council meetings. However, no Planning Commission items will be considered at either meeting.

Comprehensive Plan - Update on Metropolitan Council Review

City Planner Castle reported that staff continues to work on revisions based on comments from the Metropolitan Council. Information has been received from the City's consultant regarding modeling of the City's sanitary sewer, water and transportation systems. One concern raised is the use of Policy Development Areas (PDAs) and the fact that multiple land uses are forecast for the future. The question is how to apply the designated future land use in determining the City's future growth. The land use map is modified to show the PDAs. PDAs identified with an asterisk means that the land use shown on the map is what will be used to calculate future growth. The most conservative land use category will be used to calculate the least intensive growth.

Commissioner Solomonson stated that the map is confusing as are the colors. He noted a possible wrong address in PDA No. 10, which will be double checked. He asked if PDAs are an issue with the Comp Plan Ms. Castle stated that the colors are being changed to make the land use designations clearer. PDAs are not an issue, but the Metropolitan Council felt there was too much flexibility with too many possibilities shown and how to apply for density calculations.

Commissioner Riechers stated that PDA 6 and 11 still show high density. Ms. Castle pointed out the corrected map.

Workshops

Ms. Castle referred Commissioners to an outlined process to amend the Development Code which includes workshop dates. She would like to see the review of the Development Code as a whole rather than section by section. The review is based on four phases. The first is looking at background and compatibility with the Comprehensive Plan. This would include a review of the fundamentals of zoning and looking at current trends with zoning - newer codes are showing more flexibility and more streamlined approval processes.

The next phase would look at zoning districts and permitted uses. The C1 District lists almost every retail use. Some are outdated, and it is not necessary to list them. Prohibited uses can be identified.

The third phase would review performance standards related to uses, such as home occupations, architectural and design standards. To determine the feasibility and viability of standards, they will be applied to actual sites in the City to see how they work.

The last phase would review administrative procedures.

Proposed Dates Scheduled:

•	June 11, 2019	Tour of City
•	July 8, 2019	Project goals and desired outcomes, possibly a joint
		meeting with the City Council
•	September 10, 2019	Look at Comp Plan in relation to the Development Code
•	October 8, 2019	Zoning Fundamentals
•	November 5, 2019	Code structure and organization of the Code

The review process will go through January of 2021, when public meetings will be held.

Commissioner Peterson noted that the Comp Plan refers to exploration and would like to see joint meeting opportunities with other committees and commissions when the topic is relevant.

Commissioner Solomonson asked if there will be additional workshops on specific items. Ms. Castle answered that there will be workshops that specifically address signage, building height, parking.

A workshop is scheduled in April to review notice requirements and affordable housing.

ADJOURNMENT

MOTION: by Commissioner Solomonson, seconded by Commissioner Anderson to

adjourn the meeting at 8:03 p.m.

VOTE: AYES: Anderson, Peterson, Riechers, Solomonson, Yarusso, Wolfe

NAYS: None

ATTEST:		
Kathleen Castle City Planner	 	

MINUTES

PLANNING COMMISSION WORKSHOP APRIL 23, 2019

The meeting commenced at approximately 7:00 pm.

Roll Call

The following Commissioners were present: Commissioners Peterson, Anderson, Doan, Riechers, Solomonson, Wolfe and Yarusso.

Staff members present: Kathleen Castle, Niki Hill

Villa's of North Point Special Use Permit

In 1981, the City approved a Special Use Permit for the Villa's of North Point Planned Unit Development located north of County Road I and west of Hamline Avenue. This development allowed the construction of 178 single-family "patio" homes and one standard single family lot. The property was zoned R-2, Single-Family Residential.

Condition #7 of the Special Use Permit required the developer to create restrictive covenants on properties addressing certain standards. One of these standards states "No accessory buildings shall be permitted except the attached garages as shown on the building plans". Staff understands that there is no active homeowner's association enforcing the restrictive covenants.

The staff does receive inquiries from property owners in this neighborhood regarding the need for additional storage space and accessory structures. The staff is bringing this matter to the Planning Commission for review to determine if there would be support to amend the PUD to permit accessory structures.

Commission members reviewed information existing accessory structures in the neighborhood and discussed the potential impact a change in this condition could have on the neighborhood. Commission members recognized that the existing garages are small for two cars and the lots, while smaller than the standard single-family residential lots do require maintenance. The storage of common household items in the existing garage may be difficult and there appears to be a need for a potential change in the special use permit. If a proposal moves forward to amend Condition Number 7, Commission members suggested regulations address size, location and height, similar to the way accessory structures are currently address on standard residential lots.

City Attorney Kelly recommended that any proposed amendment to the Special Use Permit should be instigated by a resident in the neighborhood. He also indicated that restrictive covenants expire after 30 years if there is no active home owner association as is the case here.

Commission members did express concern about how this should be addressed in the future to ensure the recommendations of the city are maintained and enforceable.

Land Use Application Notification Requirements

Staff reviewed the notification requirements for the different types of land use applications that are processed. Notification requirements do vary depending on the application. In some instances a public hearing is required along with a 350-foot notification range (as measured from the parcel boundary). In other instances there is no public hearing required and the notification range maybe 150 feet. The City's notification requirements are modeled after the State's requirements.

Examples were shown by staff of different buffers surrounding a conceptual development site showing the difference in notification ranges. The City Attorney recommended that the City retain the current notification ranges since they have been established by State law. After discussion, the Commission concurred and is comfortable with the current notification requirements. Staff will be preparing notification maps to be included in planning commission reports.

Commissioners also discussed other ways to provide notice such as website posting, social media and other engagement efforts. For land use applications, the Attorney recommended following the traditional method as posting information on social media may create issues with public notice and comments.

Affordable Housing

Commission members asked staff to address the topic of affordable housing at a workshop. Since this topic was addressed recently in the Comprehensive Plan, information regarding the affordability of the City's housing, programs and policies was summarized for the Commission. There will also be a brief discussion on how zoming affects affordable housing.

The recent report Crafting a Mixed Income Housing Strategy was discussed along with some of case studies and the recommendations. Commission members discussed how land use and zoning impacts housing costs. As part of the Development Code update the Commission should be reviewing proposed regulations within the scope of affordable housing. Recommendations of the study should be considered along with other mechanisms or regulations that support neighborhood preservation and affordable housing.

Planning Commission Meetings - Review

Commission members briefly talked about how the Planning Commission meetings are being run. Commission members recognized the respect members give to each other, the opportunity to participate in discussion and the interaction with the public as all positive things. Past Chair Doan and current Chair Peterson were commended in their ability to manage the meetings well.

Commission members also recognized that the public has been congenial and respectful as well. If this changes, the Commission should be prepared to modify the meeting process. Information for residents that explain the meeting process and how to provide public testimony would be helpful. Once the public comment period is closed, the Commission should focus discussion with the members only. When it is time to vote, Commissoners should provide information for the public on why they voted the way they did.

Adjournment

Meeting was adjourned at approximately 9:15 pm

Kathleen Castle, City Planner

TO: Planning Commission

FROM: Aaron Sedey, Associate Planner

DATE: May 21, 2019

SUBJECT: File No. 2715-19-08; Tom Houck, Minor Subdivision, 915 Oakridge Ave

INTRODUCTION

Tom Houck has submitted a minor subdivision application to adjust the property boundary between his property located at 915 Oakridge Ave and the neighboring property to the east at 905 Oakridge Ave, which is owned by Scott and Ann Nelson. The boundary adjustment will be effected by transferring the western track of land highlighted in the plans from 905 Oakridge and adding it to 915 Oakridge. No additional lots will be created, no trees will be removed, no buildings will be constructed, and no private driveways will be changed.

Both of the properties are developed with detached single-family uses with access off of Oakridge Ave, with 905 Oakridge through a private road easement.

DEVELOPMENT ORDINANCE REQUIREMENTS

Minor subdivisions require review by the Planning Commission and approval by the City Council. Minor subdivisions must be reviewed in accordance with subdivision and zoning district standards in the Development Regulations.

The property is located in the R-1 Detached Residential, and the Shoreland Management Overlay District. The City requires riparian lots to have a minimum of 100 feet in width and 15,000 square feet in size.

APPLICANTS' STATEMENTS

The applicant states that the purpose of the subdivision request is to extend the property for 915 Oakridge Ave, to have a more centered lot line between the two properties. The applicant's sister is the owner at 905 Oakridge Ave and would like to complete the subdivision prior to selling her property.

STAFF REVIEW

Minor Subdivision

The proposal is to adjust the eastern boundary or 915 Oakridge Ave to the west to more evenly separate the 915-905 Oakridge properties. No new lots are part of this subdivision, there are no projects proposed as part of this subdivision.

The proposed lot line adjustment and resulting lots shown in the following table:

	Width	Area
915 Oakridge Ave	142 feet Lakeside	32,400 sq. ft.
905 Oakridge Ave	131 feet Lakeside	18,207 sq. ft.
City Requirement Riparian	100 feet	15,000 sq. ft.*

Both of the existing homes would remain. The private road easement will be extended for 905 Oakridge Ave. The minimum setbacks of structures on each existing lot are not affected by the boundary adjustment.

Municipal sanitary sewer and water service are provided to both existing parcels and both of the dwellings are connected to these municipal services.

The proposed subdivision complies with City requirements. No Public Recreation Use Dedication fee is required for this property boundary adjustment since no new homesites will be created as a result of this approval.

PUBLIC COMMENT

Property owners within 350 feet were notified of the applicant's request. No comments have been received.

STAFF RECOMMENDATION

The minor subdivision application has been reviewed in accordance with the standards of the Development Regulations and found to be in compliance with these standards. Staff recommends that the Planning Commission recommend approval of the minor subdivision to the City Council, subject to the following conditions:

Minor Subdivision

- 1. The minor subdivision shall be in accordance with the plans submitted.
- The private driveway easement shall be updated to reflect the extension to 905 Oakridge Ave and conveyed before the City will endorse deeds for recording. Said easement shall be submitted to the City Attorney for review and approval prior to recording.
- This approval shall expire after one year if the subdivision has not been recorded with Ramsey County.

Attachments

- 1) Location Map
- 2) Submitted Statement and Plans
- 3) Motion
- 4) Buffer notice map

MapRamsey

915-905 Oakridge Ave



Legend



City Halls

Schools

Hospitals

Fire Stations

Police Stations

Recreational Centers
Parcel Points

Parcel Boundaries

Notes

Enter Map Description

2,666.7 0 1,333.33 2,666.7 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



Aaron Sedey <asedey@shoreviewmn.gov>

HOUCK REQUEST FOR LOT LINE ADJUSTMENT

1 message

Tom Houck <tom@houckads.com>
To: Aaron Sedey <asedey@shoreviewmn.gov>

Wed, May 8, 2019 at 8:20 AM

Aaron,

Please accept our request to adjust the property lot line that separates our lot (Parcel A, 915 Oakridge Ave) and my Ann and Scott Nelson's lot (Parcel B, 905 Oakridge Ave). We would like to move that lot line further towards the East from its current location. All other lot lines and boundaries remain the same.

If you or anyone has questions prior to the Planning Commission or Council meetings, please feel free to call me at 651-341-2911.

Thank you.

TOM HOUCK

Tom Houck

Market Consultant

Houck Transit Advertising

800-777-7290 | houckads.com

651-341-2911 cell

tom@houckads.com





Aaron Sedey <asedey@shoreviewmn.gov>

Property line change

1 message

Scott & Ann <ScottAnnNelson@comcast.net>
To: asedey@shoreviewmn.gov

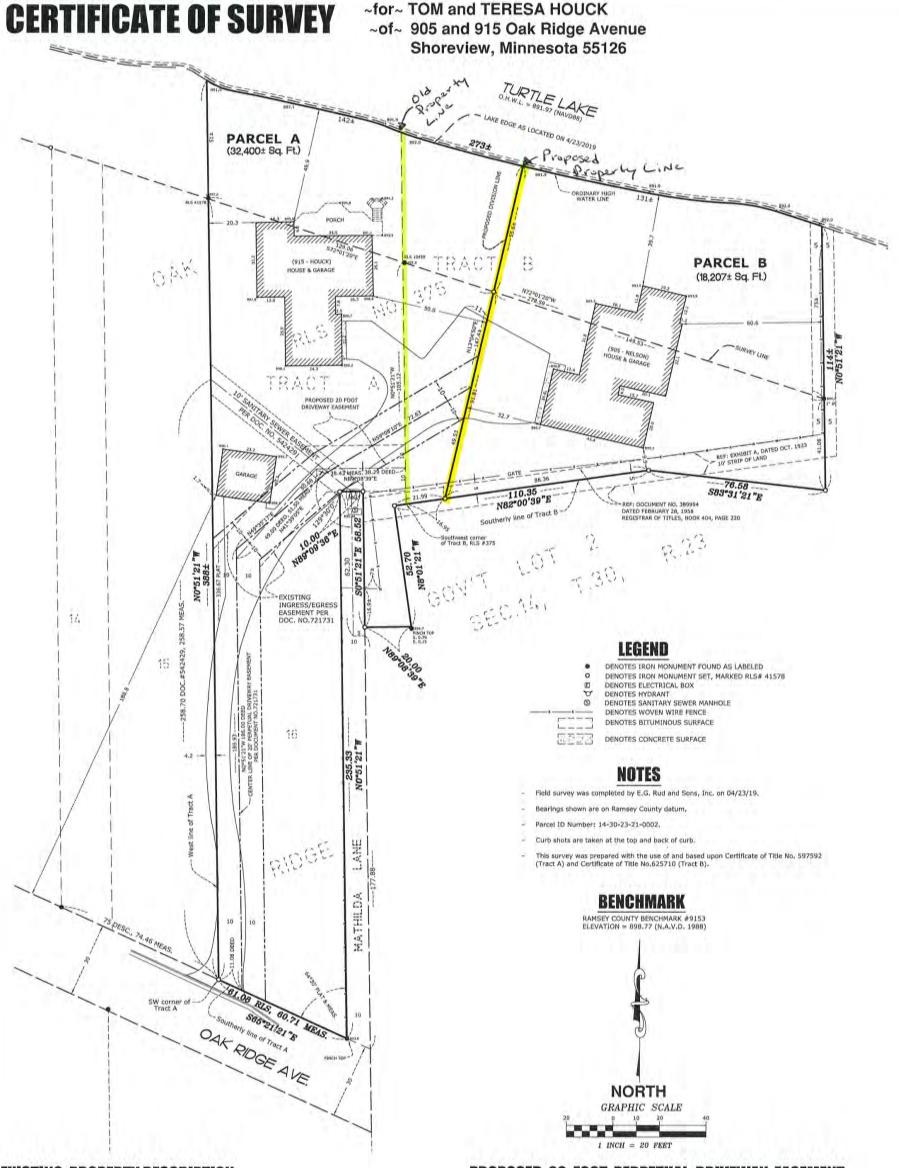
Wed, May 8, 2019 at 9:50 AM

Hi Aaron,

We are in agreement with the changes in accordance to the survey that was submitted to you by Tom & Terri Houck.

Thank you,

Scott & Ann Nelson 905 Oakridge Ave 651-270-2526



EXISTING PROPERTY DESCRIPTION:

CERTIFICATE OF TITLE NO. 597592

Tract A. Registered Land Survey No. 375, Ramsey County, Minnesota, AND

CERTIFICATE OF TITLE NO. 625710

Tract B, Registered Land Survey No. 375, Ramsey County, Minnesota.

PROPOSED PARCEL A DESCRIPTION:

Tract A, Registered Land Survey No. 375, Ramsey County, Minnesota.

That part of Tract B, Registered Land Survey No. 375, Ramsey County, Minnesota, which lies westerly of the following described line: Commencing at the Southwest corner of said Tract B, Registered Land Survey No. 375; thence on an assumed bearing of North 82 degrees 00 minutes 39 seconds East, along the southerly line of said Tract B, a distance of 16,95 feet to the point of beginning of the line to be described; thence North 13 degrees 04 minutes 50 seconds East, a distance 147.4 feat, more or less, to the shore line of Turtle Lake and said line there terminating.

PROPOSED PARCEL B DESCRIPTION:

That part of Tract B, Registered Land Survey No. 375, Ramsey County, Minnesota, which lies easterly of the following described line: Commencing at the Southwest corner of said Tract B, Registered Land Survey No. 375; thence on an assumed bearing of North 82 degrees 00 minutes 39 seconds East, along the southerly line of said Tract B, a distance of 15 feet to the point of beginning of the line to be described; thence North 13 degrees 04 minutes 50 seconds East, a distance 147.4 feet, more or less, to the shore line of Tauth Lake and said late these receivables.



PROPOSED 20 FOOT PERPETUAL DRIVEWAY EASEMENT

A 20 foot wide perpetual driveway easement for ingress and egress purposes, over, under, and across the following described parcel of land:

Tract A, Registered Land Survey No. 375, Ramsey County, Minnesota.

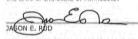
That part of Tract 8, Registered Land Survey No. 375, Ramsey County, Minnesota, which lies westerly of the following described line: Commencing at the Southwest corner of said Tract 8, Registered Land Survey No. 375; thence on an assumed bearing of North 82 degrees 00 minutes 39 seconds East, along the southerly line of said Tract 8, a distance of 16,95 feet to the point of beginning of the line to be described; thence North 13 degrees 04 minutes 50 seconds East, a distance 147.4 feet, more or less, to the shore line of Turtle Lake and said line there terminating.

The centerline of said 20 foot perpetual driveway easement described as follows:

Commencing at the Southwest corner of said Tract A; thence on an assumed bearing of South 65 degrees 21 minutes 21 seconds East, along the southerly line of said Tract A, a distance of 11.08 feet to the point of beginning of said centerline to be described; thence North 00 degrees 51 minutes 21 seconds West, and parallel with the West line of said Tract A, a distance of 189,93 feet; thence North 49 degrees 35 minutes 17 seconds East, a distance of 50.68 feet; thence North 59 degrees 08 minutes 10 seconds East, a distance of 72.63 feet to the east line of the above described parcel and said center line there terminating.

The side lines of said easement are to be prolonged or shortened to terminate at the southerly and easterly lines of the above described parcel.

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.



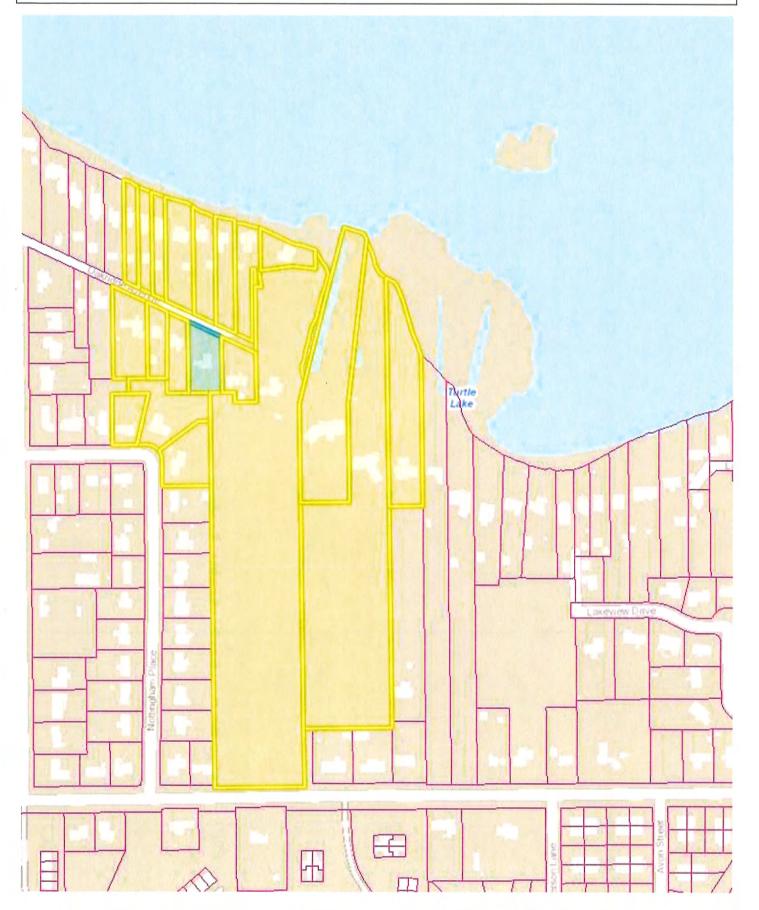
DRAWN BY: CJT JOB NO: 19255BT DATE: 05/03/19
CHECK BY: JER SCANNED [*] Date: May 03, 2019 License No. 41578

MOTION TO RECOMMEND MINOR SUBDIVISION

MOVED BY COMMISSION MEMBER
SECONDED BY COMMISSION MEMBER
To recommend approval to the City Council of the Minor Subdivision request submitted by Tom Houck for their property at 915 Oakridge Ave, subject to the following conditions:
Minor Subdivision
The minor subdivision shall be in accordance with the plans submitted.
 The private driveway easement shall be updated to reflect the extension to 905 Oakridge Ave and conveyed before the City will endorse deeds for recording. Said easement shall be submitted to the City Attorney for review and approval prior to recording. This approval shall expire after one year if the subdivision has not been recorded with Ramsey County.
VOTE:
AYES:
NAYS:
ABSENT:



350 foot buffer



TO:

Planning Commission

FROM:

Kathleen Castle, City Planner

DATE:

May 22, 2019

SUBJECT:

File No., Comprehensive Plan Amendment, Rezoning, Minor Subdivision and

Variance, Noor – 1000/0 County Road E

INTRODUCTION

Elam and Kathryn Noor submitted several applications related to the properties at 1000 and 0 County Road E. The Noor's own the property at 0 County Road E and are planning on building a home in the future. To provide access to their property from County Road E, they are proposing to divide off a strip of land on the east side of the 1000 County Road E which would then be combined with their property. The proposal requires the following:

1000 County Road E

- 1) **Minor Subdivision** to divide a strip of land off of eastern part of 1000 County Road E. This land area ranges in width from 30-feet at County Road E to 60-feet at Richmond Avenue.
- 2) **Comprehensive Plan Amendment** to change the land use designation from O, Office to RL, Low Density Residential (for only the strip of land being divided)
- 3) **Rezoning** to change the zoning district from PUD, Planned Unit Development to R1, Detached Residential (for only the strip of land being divided)

0 County Road E

1) **Variance** – to exceed the maximum 40-foot front yard setback for a dwelling unit; 187 feet is proposed.

SITE CHARACTERISTICS

Again, this proposal involves two properties. The property at 1000 County Road E is zoned Planned Unit Development with an underlying zone of O, Office. This property has an area of 6.59 acres and a width of 466 feet along County Road E. It is developed with a one-story office building, off-street parking area and stormwater ponding. There is a wetland that encumbers the majority of this property south of the building.

The vacant property at 0 County Road E, owned by the Noors, is zoned R1, Detached Residential. This parcel has a lot area of 34,419 square feet (.79 acres) and a lot width of 75 feet. While the majority of the parcel is covered by a wetland area, there is buildable area on the north side. This property is considered land locked as it does not have the required frontage on a public road. Ramsey County records indicate that this property was created in 1972.

The surrounding land uses include low density residential and rail to the north; low-density residential to the east and south; and office to the west.

PROJECT DESCRIPTION

The Noor's are planning on building a home on their property. To provide access to their property from County Road E, they are proposing to divide off a strip of land on the east side of the 1000 County Road E which would then be combined with their property. Access via County Road E is the most viable due to a municipal sanitary sewer line located along the eastern side of the 1000 County Road E property.

The strip of land proposed to be subdivided has a width of 30' at County Road E and then expands to 60' along the south lot line adjacent to Richmond Avenue. This land area is encumbered by the wetland and a drainage and utility easement. While the proposed subdivision includes land area that abuts Richmond Avenue, access from Richmond Avenue is not feasible due to the sanitary sewer line. It is the City's policy to prohibit private driveways over public infrastructure when possible.

MINOR SUBDIVISION

Minor subdivisions require review by the Planning Commission, approval by the City Council, and are reviewed in accordance with subdivision (Section 204) and zoning district standards in the Development Regulations.

That portion of land being subdivided from 1000 County Road E will be combined with 0 County Road E. The resulting parcels and existing structures comply with the zoning standards.

	1000 County Road E		0 County Road E	
	Code Requirement Section 205.044	Proposed	Code Requirement Section 205.082	Proposed
Area	None	5.85 acres	10,000 sf	1.53 acres
Width	100 feet	436'	30' (Street) 75'	30' (Street) 135'
Depth	None	615.92'	125'	615.92'
Lot Coverage	75%	10.9%	40%	7.6%
Building Setbacks				
Front	50'	No Change	40'	187'*
Side	10'	No Change	5'/10'	10'+
Rear	20'	No Change	30'	358'+/-
From Residential	50'	198.2'	NA	NA
Parking Setback				
From Residential	20'	78'	NA	NA

The City's subdivision standards also require all lots to have frontage on a public right-of-way. The proposed subdivision will bring the property at 0 County Road E into conformance with this requirement.

Municipal sanitary sewer and water service will also be provided to the residential lot.

The Planning Commission should note that the applicants will be requesting the City vacate a portion of the Drainage and Utility easement so there is more buildable area on the property. Vacations are reviewed by the City Council. In the event that this request is not approved, the property still contains enough buildable area for a future home.

COMPREHENSIVE PLAN AMENDMENT

A Comprehensive Plan Amendment is required for that portion of the 1000 County Road E property being divided as the designated Planned Land Use is O, Office. The proposed residential use requires a RL, Low Density Residential designation. This is consistent with the planned land use of the existing parcel at 0 County Road E. In the 2008 Planned Land Use excerpt, yellow represents low density residential while orange represents office and green represents park.

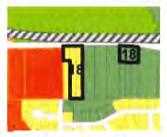


2008 Planned Land Use

The Plan Amendment requires a Public Hearing before the Planning Commission with the Planning Commission making a recommendation to the City Council. The City Council takes final action on the application.

Section 203.053 (D) outlines the criteria to be considered with a Comprehensive Plan Amendment. Consideration needs to be given to the site, adjoining planned land uses, building mass differences, traffic, separation and buffering from dissimilar land uses and the capacity of the site for development.

In Staff's opinion, the use of the property for a low density residential use is consistent with the criteria as the property is adjacent to low density residential uses to the north, east and south. The wetland area does provide a natural buffer to the established office use to the west.



2018 Future Land Use

In the 2018 Comprehensive Plan, the residential properties to the north and east (970/972/978 County Road E are located in Policy Development Area (PDA) 18. This PDA designates the future land use of these properties as RL, Low Density Residential, RM, Medium Density Residential, O, Office and P, Park. The RL designation recognizes that the continued use of these properties for low-density residential is suitable; however, if redevelopment was to occur, the other designations would be more appropriate.

While this property is adjacent to PDA #18, staff is not recommending the parcel be added to the PDA due to the limitations of this property with the

wetland area and easements. If this property is included in a future redevelopment, a plan amendment would be required at the time a development proposal is submitted. In the 2018 Future

Land Use excerpt, yellow represents low density residential while orange represents office and green represents park.

REZONING

The land area being divided is zoned PUD, Planned Unit Development with an underlying zone of O, Office. Section 203.052 addresses zoning district boundary amendments, which is a rezoning of property. This amendment requires the Planning Commission to hold a public hearing and make a recommendation to the City Council. The following criteria have been considered:

- (1) That the proposed rezoning is consistent with the policies of the Comprehensive Plan and with the general purpose and intent of the development regulations. The applicant is seeking a Comprehensive Plan amendment to change the planned land use from O, Office to RL, Low Density Residential. It is Staff's opinion that the land use change is consistent with the criteria for a Comprehensive Plan Amendment.
- (2) That the development facilitated by the proposed rezoning will not significantly and adversely impact the planned use of the surrounding property. The proposed single-family residential use will not significantly and adversely impact the planned low-density residential land uses that adjoin the property as the use is the same. The proposed residential use is separated from the office uses to the west by a wetland.
- (3) That the applicant is willing to enter into a development agreement with the City as a condition of rezoning approval. A development agreement is required and must be executed prior to the City's release of the deed for recording.

VARIANCE

When considering a variance request, the Commission must determine whether the ordinance causes the property owner practical difficulty and find that granting the variance is in keeping with the spirit and intent of the Development Code.

Applicant's Statement

The applicants believe undue hardship is present due to the location of lot, wetland area, easements and other impediments to construction. The buildable area of the property is constricted because of these characteristics.

Variance Criteria (Section 203.070)/Staff Review

Staff has reviewed the variance in accordance with the practical difficulty criteria and believes practical difficulty is present when applying the front yard setback requirement.

1. Reasonable Manner. The property owner proposes to use the property in a reasonable manner not permitted by the Shoreview Development Regulations. The property owner's proposed use of the property as single-family residential is reasonable. The existing parcel is currently guided and zoned for single-family residential use.

- 2. Unique Circumstances. The plight of the property owner is due to circumstances unique to the property not created by the property owner. The existing lot of record is unique because it does not have frontage on a public road. To provide access to this land-locked parcel, the owners are proposing the related subdivision so a driveway off of County Road E can be constructed. The lot line adjacent to County Road E then becomes the front property lot line. In the R1 district, the maximum structure setback permitted from the front property line is 40°. With a lot width of 30° along County Road E, there is no buildable area at the 40-foot structure setback. Additional property could not be acquired from the 1000 County Road E property as the owners of this parcel wanted to retain the property. Other constraints of this property that affect the buildable area include the wetland area located in the central and southern portion of the property and the existing drainage and utility easement. The proposed building pad is located on that part of the property that is outside of the wetland areas.
- 3. Character of Neighborhood. The variance, if granted, will not alter the essential character of the neighborhood. The location of the proposed home will not alter the character of the neighborhood. Conceptual drawings of the proposed home have been submitted. The home is designed as a modified two-story home with a walkout lower level. The applicants are proposing to orient the home to the south overlooking the wetland area. From the north property line, a structure setback of 30' is proposed to minimize the impact on the home directly to the north.

PUBLIC COMMENTS

Property owners within 350' of both properties were notified of this proposal. A public hearing notice was also published in the May 15th edition of the Bulletin Newspaper. One phone call received inquiring about proposal. A written comment was received from an adjoining property owner expressing opposition to the applications due wetland impacts. zoning and comprehensive plan policies. Staff will be following up with this owner to clarify the current zoning and the 2018 Comprehensive Plan policies

Public Works

The City Engineer reviewed the submitted plans. As previously stated, there is a municipal sanitary sewer line that extends from Richmond Avenue to



350' Notification Range

County Road E in the strip of land being divided off. Access to Richmond Avenue is not permitted due to the sewer line.

Ramsey County

Staff notified Ramsey County Public Works of the subdivision request. The County has no objections. The applicant will need to obtain permits from Ramsey County for all work located within the right-of-way, including driveway and utility work to connect to City water and sewer mains.

STAFF RECOMMENDATION

The applications have been reviewed in accordance Comprehensive Plan and Development Code regulations. The proposal meets the criteria for the Comprehensive Plan Amendment, Rezoning, Minor Subdivision and Variance. The existing parcel is a land-locked lot of record. The applicants have worked with the adjoining property owner to find a reasonable solution to provide access to the buildable portion of the property.

Staff recommends the Planning Commission adopt Resolution 19- approving the variance and to recommend approval of the Comprehensive Plan Amendment, Rezoning and Minor Subdivision to the City Council, subject to the attached conditions.

1000 County Road E

Minor Subdivision

- 1. That portion of land being divided from 1000 County Road E shall be combined with the property at 0 County Road E.
- 2. Municipal water and sanitary sewer service shall be provided to proposed home.
- 3. The applicant's 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.
- 4. This approval shall expire after one year if the subdivision has not been recorded with Ramsey County.

Comprehensive Plan Amendment

- 1. The Plan Amendment is subject to approval of the Minor Subdivision.
- 2. The amendment changes the land use designation from O, Office to RL, Low Density Residential.
- 3. Review and approval of the amendment by the Metropolitan Council.

Rezoning

- 1. The rezoning is subject to approval of the Minor Subdivision and Comprehensive Plan Amendment.
- 2. This approval rezones the property from O, Office to R1, Detached Residential.
- 3. Rezoning is not effective until the Development Agreements executed.

0 County Road E

Variance

- 1. This approval is subject to approval of the Comprehensive Plan Amendment, Rezoning and Minor Subdivision applications by the City Council.
- 2. The proposed single-family home shall be setback a maximum of 187' from the front property line adjacent to County Road E.
- 3. A minimum structure setback of 30-feet from the North side lot line is required for the single-family home, including the attached garage. A minimum structure setback of 16.5' is required from the wetland boundary.
- 4. All work within the County Road E right-of-way is subject to the permitting authority of Ramsey County.
- 5. Prior to issuing a building or grading permit, the applicant shall contact the Rice Creek Watershed District to determine if a permit is required from the District.
- 6. A grading and drainage plan shall be submitted with the building permit application for the proposed home.
- 7. Tree removal requires replacement trees per City Code. City requirements for the tree removal and protection plan shall be detailed in the Development Agreement.
- 8. The approval is subject to a 5-day appeal period.
- 9. This approval will expire after one year after the Planning Commission's action.

Attachments

- 1) Location Map
- 2) Submitted Plans and Applicant's statement
- 3) Response to Request for Comment
- 4) Resolution 19-48
- 5) Motion



Noor - 1000/0 County Road E



600.0 0 300.00 600.0 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

Legend



- City Halls
- Schools
- Hospitals
- Fire Stations
- Police Stations
- RC Recreational Centers
 Parcel Points
- Parcel Boundaries

Notes

Enter Map Description



PROPOSAL

Elam and Kathryn Noor 1000 County Rd E West, Shoreview Parcel ID 353023210016

City of Shoreview Planning Commission and City Council,

My wife and I have recently closed on the vacant lot located directly south of 978 County Rd E West. The parcel ID is 353023210016. The property is currently landlocked without access to a public roadway. We, along with Bob Moser and Keith Eibensteiner of Ventures 2000 Inc, the owners of the commercial property located at 1000 County Rd E West, are requesting the approval of a minor subdivision of that commercial property, as well as the rezoning, and merging with our existing residential parcel, and finally a setback variance to allow the construction of a home, giving the new merged parcel driveway access directly to County Rd E, as well as additional yard space for a future residential home we'd like to build for our family. The resultant property would be approximately 1.8 Acres, with a large south facing wetland, which is ideally suited to support the construction of our environmentally sustainable passive home. In order to allow for this change, we have attached this request to the following city applications and illustrations:

- Minor Subdivision Application
- City Comprehensive Plan Amendment
- Rezoning Application
- Standard Variance (Setback requirement) (See Page 3)
- Required Survey Documents

Sincerely,

Elam and Kathryn Noor elamnr@gmail.com

651-442-4524

02

1000 County Rd E West Shoreview

PROPOSAL ATTACHMENTS

Elam and Kathryn Noor 1000 County Rd E West Parcel ID 353023220032



Before Proposal



After Proposal

03

1000 County Rd E West Shoreview

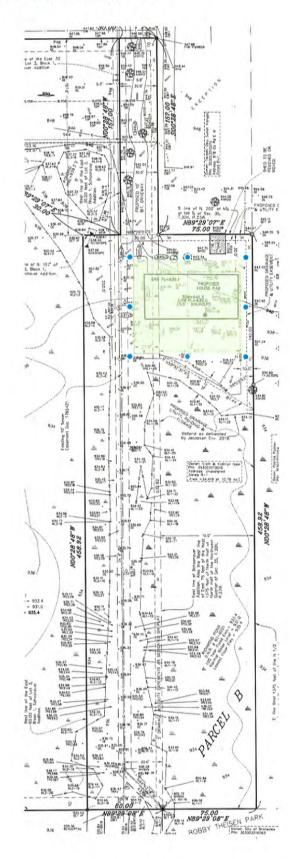
VARIANCE STATEMENT

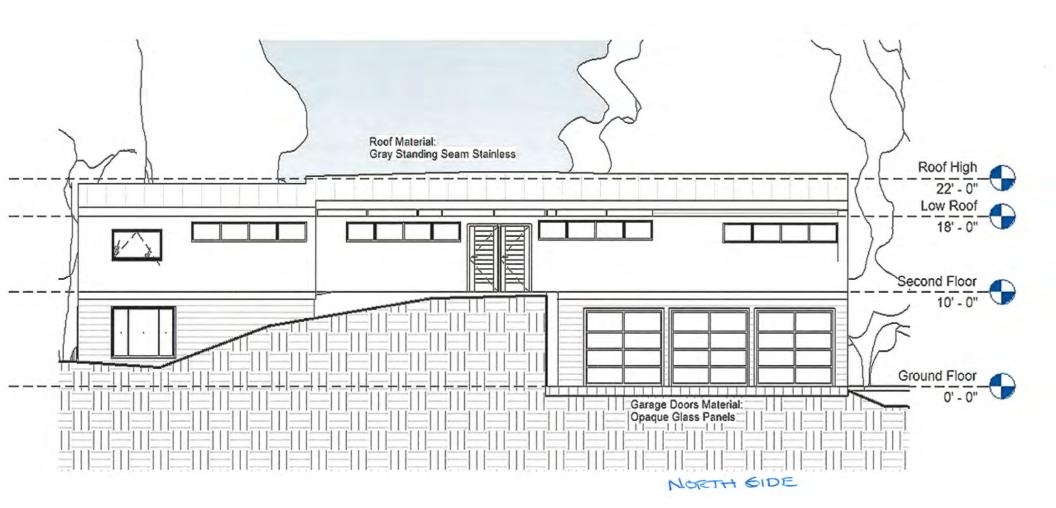
Elam and Kathryn Noor 1000 County Rd E West Parcel ID 353023220032

Due to the location of the lot, and the area taken up by wetlands, easements or other impediments to construction, the feasible buildable area on this lot is restricted to roughly the area outlined in green to the right. The buildable area is outside of the city's standard front and back setback requirements. As such, we are requesting a variance to adjust the setback requirements to the buildable lines illustrated in the attached survey, or 187 ft from the North Lot line at County E, and 358 ft from the South Lot line near Richmond Ave.

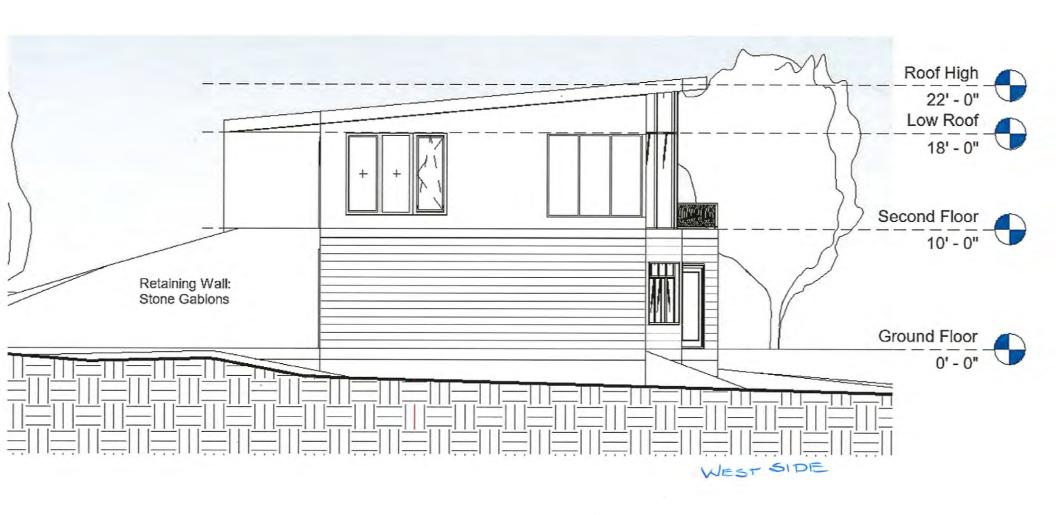
Thank you

Elam Noor

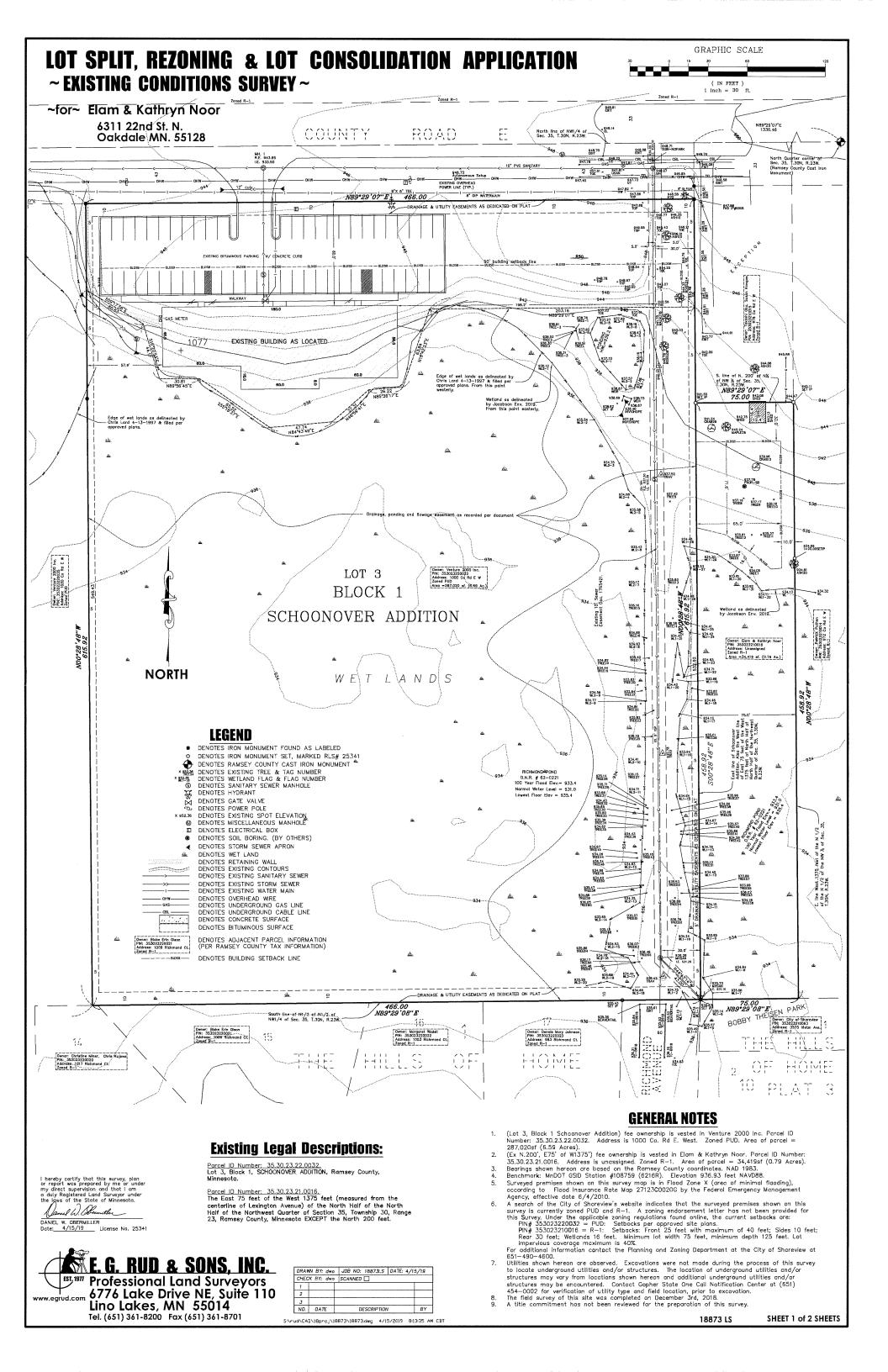


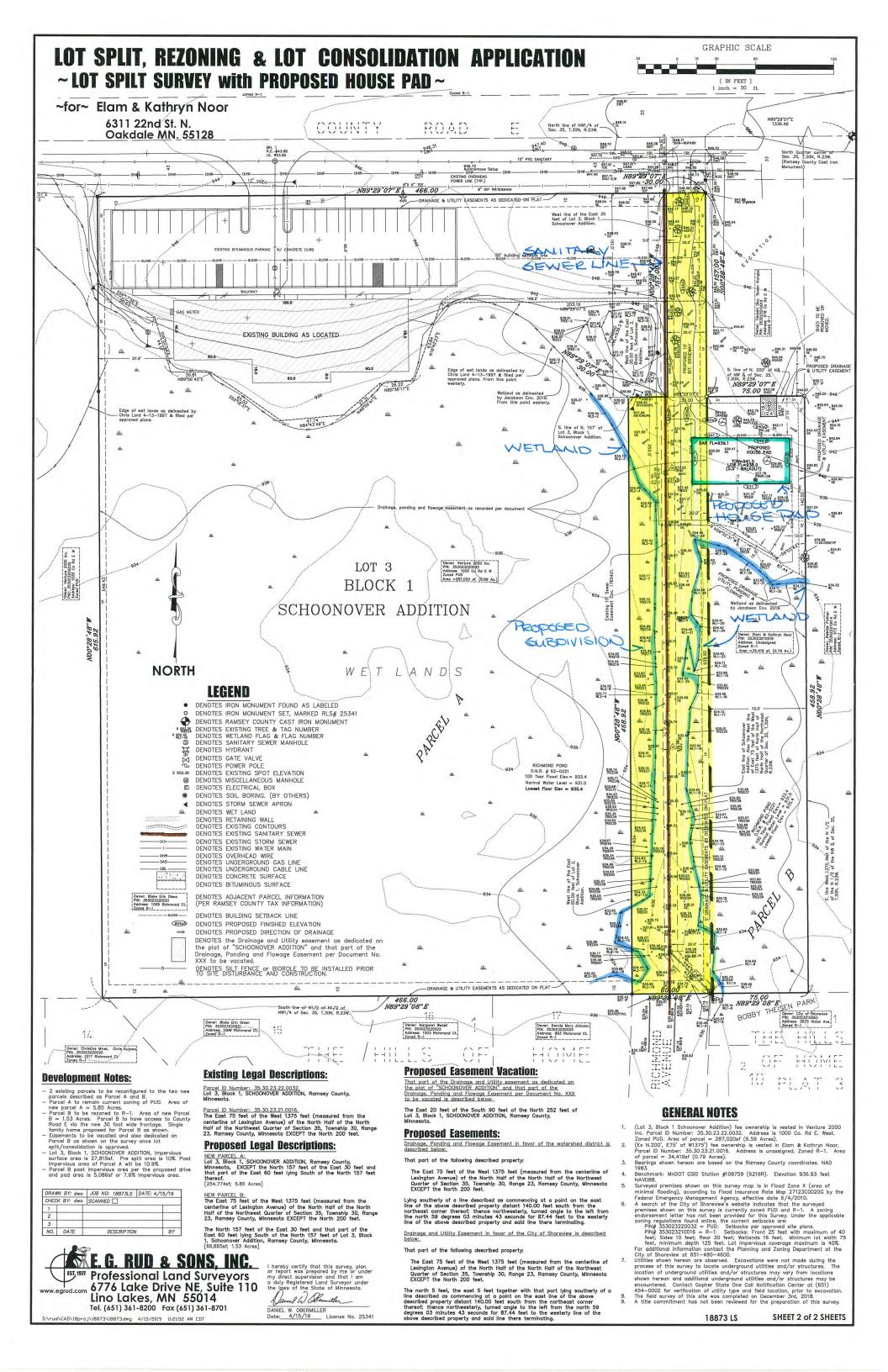












Wed, May 22, 2019 at 9:28 PM



Proposal of 1000 and 0 County Road E

1 message

Takashi Kangas <takashiobu@gmail.com>

To: kcastle@shoreviewmn.gov, smartin@shoreviewmn.gov

Cc: Susan Kangas <susankangas001@hotmail.com>

1. Regarding the minor subdivision: to divide a strip of land off of eastern part of 1000 County Road E.

My Comments:

This minor subdivision contradicts the city's comprehensive plan. Why is our house tagged for re-zoning for Planned Unit Development due in part to the traffic issue (slows traffic) but the this new planned development is not. If they build a house, the issue will continue. Will the city make more tax money from the 1000 0 County Rd E property is that why?

Approving this new driveway requires destroying wetland. That is a fact. We fell in love with the nature of Shoreview. There is a small pond and lots of birds, frogs, deer, rabbits, are also residents over there. We have had two pairs of sandhill cranes nest in the wetland this year. I learned about preserving wetland at the University of Minnesota and the best way to preserve wetland is don't touch it. Just keep the way it is.

Are the city planners ignoring the many important roles of wetland? The presence of amphibians and migrant birds are one of the indications that we are doing good job to avoid contamination.

If city prioritizes the small increase in tax money over our suggestions, the city has to admit that you have no concern over the importance of green space and the wetland.

2. Comprehensive Plan Amendment and Rezoning

My Comments:

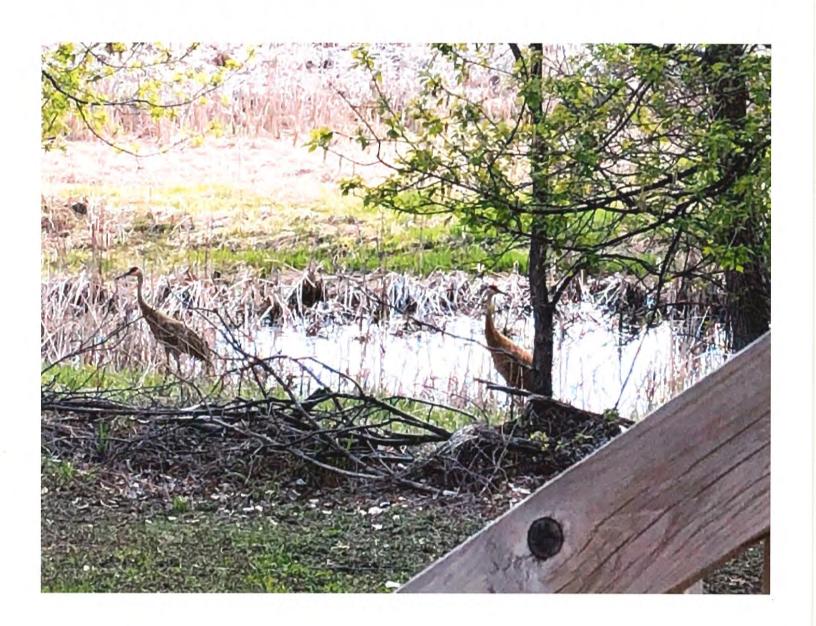
Why do you consider this 1000 and 0 Country Rd E property residential but our house is not?
Why can this property be R1 but 978 County Road E W became
Planned Unit Development and eventually rezoned to commercial. The city wants to get rid of lower taxed income houses but this new development is okay. Why? Social economics?

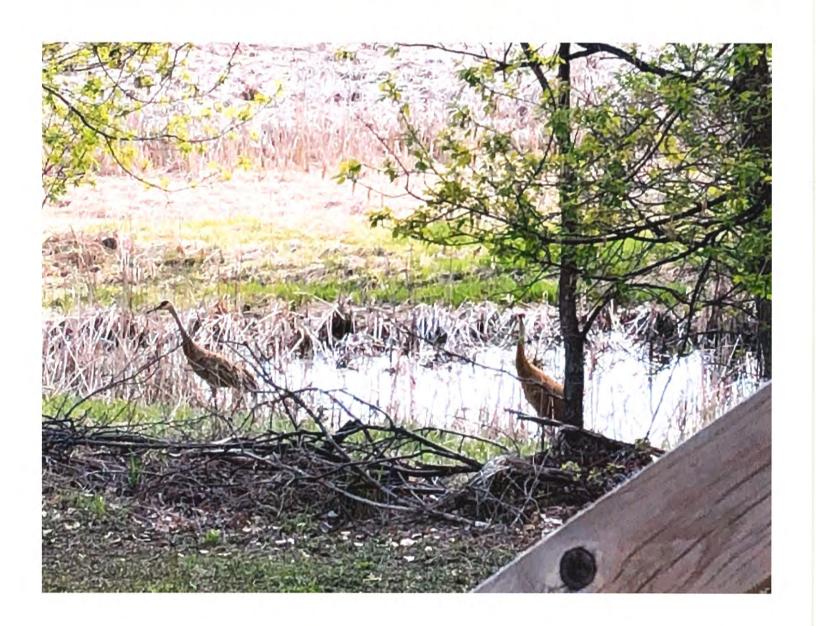
3, Variance: to exceed the maximum 40 foot front yard setback for a dwelling unit.

My Comments:

I will reiterate my same comments about preserving the wetland. Wetland controls flood, it keeps amphibians and migrant birds in Shoreview. There is no need for more disturbance from additional dwellings.

There are enough problems like high traffic on county road E, Train noise, and so on. In summary, it's unfair to unseat your long-term residents for invalid and insincere reasons while accepting a new residence which will cause all the same issues you say you seek to eliminate - slowed traffic on County Rd E, for example. At the very least we ask that you consider approving the driveway through to the residential area behind the property and not through to County Rd E as again that contradicts all your previous statements.







Comment Form - 1000/0 County Road E.

5 messages

See the attached information regarding a proposal to subdivide property at the above address. Please provide comments no later than May23rd. Thank you.

Kathleen Castle City Planner City of Shoreview 651-490-4682 kcastle@shoreviewmn.gov



Comment Routing Form.pdf 1536K

Lux, Joseph <Joseph.Lux@co.ramsey.mn.us> Fri, May 17, 2019 at 8:41 AM To: Kathleen Castle <kcastle@shoreviewmn.gov>, "WESOLOWSKI, TOM" <twesolowski@shoreviewmn.gov>, "Schwerm, Terry" <tschwerm@shoreviewmn.gov>, TOM SIMONSON <tsimonson@shoreviewmn.gov>, Nicole Hill <NHill@shoreviewmn.gov>, Aaron Sedey <asedey@shoreviewmn.gov>

Hi, Kathleen:

Thank you for sending the drawings of the proposed subdivision. I routed the drawings to Erin Laberee and Molly Churchich here and we have a couple of comments, though nothing major. Here are those comments:

- > Molly noted that the parcel will need to be reviewed by the Rice Creek Watershed District. It appears that they have avoided wetland impacts but the site is largely wetland.
- ➤ It seems that the site could be accessed via the closed off Richmond Avenue to the south, which would be safer than direct access to County Road E. We would recommend exploring this, but if it is not feasible, a driveway access on County Road E could be permitted. The County's permit manager is Ben Hofschulte, 651-266-7198 (office) or 651-368-0921 (cell).
- ➤ If utility connections need to be made from the north, coordination with the City's trail project should be encouraged to avoid impacting a new trail right after completion. Any connections within County Road E right of way will require the appropriate permits.

Please let us know if there are any questions or if we can be of any help.



Joseph Lux

Senior Transportation Planner

Ramsey County Public Works

1425 Paul Kirkwold Drive, Arden Hills, MN 55112

651-266-7114



From: Kathleen Castle [mailto:kcastle@shoreviewmn.gov]

Sent: Wednesday, May 15, 2019 3:50 PM

To: WESOLOWSKI, TOM <twesolowski@shoreviewmn.gov>; Schwerm, Terry <tschwerm@shoreviewmn.gov>;

TOM SIMONSON <tsimonson@shoreviewmn.gov>; Nicole Hill <NHill@shoreviewmn.gov>; Aaron Sedey

<asedey@shoreviewmn.gov>; Lux, Joseph <Joseph.Lux@CO.RAMSEY.MN.US>

Subject: Comment Form - 1000/0 County Road E.

External message alert: This message originated from outside the Ramsey County email system. Use caution when clicking hyperlinks, downloading pictures or opening attachments.

Sat, May 18, 2019 at 9:50 AM

[Quoted text hidden]

Tom Wesolowski <twesolowski@shoreviewmn.gov>

To: "Lux, Joseph" < Joseph.Lux@co.ramsey.mn.us>

Cc: Kathleen Castle <kcastle@shoreviewmn.gov>, "Schwerm, Terry" <tschwerm@shoreviewmn.gov>, TOM SIMONSON <tsimonson@shoreviewmn.gov>, Nicole Hill <NHill@shoreviewmn.gov>, Aaron Sedey <asedey@shoreviewmn.gov>

Given the wetland area located on the south portion of the property it may be a bit difficult to install a driveway to Richmond Ave. The only high ground in the area is located on a City sanitary sewer easement. The City tries to avoid having private drives over public underground infrastructure if possible.

As part of the County Road E Trail and Water Main project that will be completed this year, a water service will be installed to the right of way line allowing the property to access City water.

Thank you, Tom

Tom Wesolowski, P.E. | City Engineer City of Shoreview 4600 Victoria St. N. Shoreview, MN 55126 twesolowski@shoreviewmn.gov

Direct Tel: 651-490-4652

Fax: 651-490-4696

[Quoted text hidden]

Tom Wesolowski <twesolowski@shoreviewmn.gov>

Sat, May 18, 2019 at 11:14 AM

To: Kathleen Castle <kcastle@shoreviewmn.gov>

Cc: "SCHWERM, TERRY" <tschwerm@shoreviewmn.gov>, TOM SIMONSON <tsimonson@shoreviewmn.gov>, Nicole Hill <NHill@shoreviewmn.gov>, Aaron Sedey <asedey@shoreviewmn.gov>, Joseph.lux@co.ramsey.mn.us>

Kathleen,

Do not have any issues with the proposed subdivision. Have had many discussions with Elam about how to provide water and sanitary services and access to the property. As part of the Country Road E Trail and Water Main Extension project that the City will complete this year, a water service will be installed to the south right of way of County Road E along the portion of property that they will acquire from the 1000 County Rd E property. There is City sanitary sewer located in an easement on the 1000 property and the portion of property that will be acquired will allow a the installation of a sanitary sewer service from the new property to the existing sanitary sewer line.

Depending on the delineation of the wetland, the only higher ground that may allow a driveway to be constructed to Richmond Ave is on the City's sanitary sewer easement. We typically do not allow the installation of private driveways over public infrastructure, but if it is determined it would be best to have the driveway access off Richmond Ave the property owner would need to understand that if work is required on the sanitary sewer line the City would not be responsible for repairs to the private drive.

Thank you, Tom

Tom Wesolowski, P.E. | City Engineer City of Shoreview 4600 Victoria St. N. Shoreview, MN 55126 twesolowski@shoreviewmn.gov

Direct Tel: 651-490-4652

Fax: 651-490-4696

[Quoted text hidden]

Lux, Joseph <Joseph.Lux@co.ramsey.mn.us>
To: Tom Wesolowski <twesolowski@shoreviewmn.gov>

Mon, May 20, 2019 at 7:21 AM

Cc: Kathleen Castle <kcastle@shoreviewmn.gov>, "Schwerm, Terry" <tschwerm@shoreviewmn.gov>, TOM SIMONSON <tsimonson@shoreviewmn.gov>, Nicole Hill <NHill@shoreviewmn.gov>, Aaron Sedey <asedey@shoreviewmn.gov>

Sounds reasonable to me. I was under the impression that the old road bed was still in place and the homeowners might be able to use that.



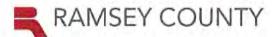
Joseph Lux

Senior Transportation Planner

Ramsey County Public Works

1425 Paul Kirkwold Drive, Arden Hills, MN 55112

651-266-7114



EXTRACT OF MINUTES OF MEETING OF THE PLANNING COMMISSION OF SHOREVIEW, MINNESOTA HELD MAY 28, 2019

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 P.M.

The following members were present:

And the following members were absent:

Member introduced the following resolution and moved its adoption.

RESOLUTION NO. 19-48 VARIANCE

WHEREAS, Elam and Kathryn Noor submitted a variance application for the following described property:

The East 75' of the West 1375 feet (measured from the centerline of Lexington Avenue) of the North Half of the Northwest Quarter of Section 35, Township 30, Range 23, Ramsey County, Minnesota EXCEPT the north 200 feet.

The North 157 feet of the East 30 feet and that part of the East 60 feet lying South of the North 157 feet of Lot 3, Block 1, Schoonover Addition, Ramsey County, Minnesota

(This property is commonly known as 0 County Road E)

WHEREAS, pursuant to the Development Code Section 205.082, R1 – Detached Residential, the maximum structure setback from the front property line is 40-feet, and

File No. 2716-19-03, Noor 0 County Road E Resolution 19-48 Page 2 of 4

WHEREAS, the applicants have requested a variance to this requirement in order to construct a new single-family dwelling on the property 187 feet from the front property line adjacent to County Road E; 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; and

WHEREAS, on May 28, 2019, the Shoreview Planning Commission approved the variance and adopted the following findings of fact:

- 1. Reasonable Manner. The property owner proposes to use the property in a reasonable manner not permitted by the Shoreview Development Regulations. The property owner's proposed use of the property as single-family residential is reasonable. The original parcel is currently guided and zoned for single-family residential use.
- 2. Unique Circumstances. The plight of the property owner is due to circumstances unique to the property not created by the property owner. The existing lot of record is unique because it does not have frontage on a public road. To provide access to this land-locked parcel, the owners are proposing the related subdivision so a driveway off of County Road E can be constructed. The lot line adjacent to County Road E then becomes the front property lot line. In the R1 district, the maximum structure setback permitted from the front property line is 40°. With a lot width of 30° along County Road E, there is no buildable area at the 40-foot structure setback. Additional property could not be acquired from the 1000 County Road E property as the owners of this parcel wanted to retain the property. Other constraints of this property that affect the buildable area include the wetland area located in the central and southern portion of the property and the existing drainage and utility easement. The proposed building pad is located on that part of the property that is outside of the wetland areas and avoids the majority of easement area.
- 3. Character of Neighborhood. The variance, if granted, will not alter the essential character of the neighborhood. The location of the proposed home will not alter the character of the neighborhood. The home is designed as a one-story home with a walkout lower level. The applicants are proposing to orient the home to the south overlooking the wetland area. From the north property line, a structure setback of 30' is proposed to minimize the impact on the home directly to the north.

NOW, THEREFORE, BE IT RESOLVED BY THE SHOREVIEW PLANNING COMMISSION, that the variance request for property described above, subject to the following conditions:

Variance

1. This approval is subject to approval of the Comprehensive Plan Amendment, Rezoning and Minor Subdivision applications by the City Council.

File No. 2716-19-03, Noor 0 County Road E Resolution 19-48 Page 3 of 4

Kathryn Noor

- 2. The proposed single-family home shall be setback a maximum of 187' from the front property line adjacent to County Road E.
- 3. A minimum structure setback of 30-feet from the North side lot line is required for the single-family home, including the attached garage. A minimum structure setback of 16.5' is required from the wetland boundary.
- 4. All work within the County Road E right-of-way is subject to the permitting authority of Ramsey County.
- 5. Prior to issuing a building or grading permit, the applicant shall contact the Rice Creek Watershed District to determine if a permit is required from the District.
- 6. A grading and drainage plan shall be submitted with the building permit application for the proposed home.
- 7. Tree removal requires replacement trees per City Code. City requirements for the tree removal and protection plan shall be detailed in the Development Agreement.
- 8. The approval is subject to a 5-day appeal period.
- 9. This approval will expire after one year after the Planning Commission's action.

The motion was duly seconded by Member following voted in favor thereof:	and upon a vote being taken thereon, the
And the following voted against the same:	•
Adopted this 28th day of May, 2019	
ATTEST:	Kent Peterson, Chair Shoreview Planning Commission
Kathleen Castle City Planner	
ACCEPTANCE OF CONDITIONS:	
Elam Noor	

```
File No. 2716-19-03, Noor
0 County Road E
Resolution 19-48
Page 4 of 4
```

```
STATE OF MINNESOTA )

COUNTY OF RAMSEY

CITY OF SHOREVIEW

)
```

I, the undersigned, being the duly qualified and acting Manager of the City of Shoreview of Ramsey County, Minnesota, do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a meeting of said City of Shoreview Planning Commission held on the 28th day of May, 2019 with the original thereof on file in my office and the same is a full, true and complete transcript there from insofar as the same relates to adopting Resolution No. 19-48.

WITNESS MY HAND officially as such Manager and the corporate seal of the City of Shoreview, Minnesota, this 28th day of May, 2019.

Terry C. Schwerm City Manager

SEAL

MOTION TO APPROVE ELAM AND KATHRYN NOOR 1000/0 COUNTY ROAD E

MOVED BY COM	MISSION MEMBER .		
SECONDED BY C	OMMISSION MEMB	FR	

To adopt Resolution 19–48 approving the variance to increase the maximum 40-foot front yard setback permitted to 187 feet and to recommend approval to the City Council of the Minor Subdivision, Comprehensive Plan Amendment, and Rezoning request submitted by Elam and Kathryn Noor, subject to the following conditions:

1000 County Road E

Minor Subdivision

- 1. That portion of land being divided from 1000 County Road E shall be combined with the property at 0 County Road E.
- 2. Municipal water and sanitary sewer service shall be provided to proposed home.
- 3. The applicant's 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.
- 4. This approval shall expire after one year if the subdivision has not been recorded with Ramsey County.

Comprehensive Plan Amendment

- 1. The Plan Amendment is subject to approval of the Minor Subdivision.
- 2. The amendment changes the land use designation from O, Office to RL, Low Density Residential.
- 3. Review and approval of the amendment by the Metropolitan Council.

Rezoning

- 1. The rezoning is subject to approval of the Minor Subdivision and Comprehensive Plan Amendment.
- 2. This approval rezones the property from O, Office to R1, Detached Residential.
- 3. Rezoning is not effective until the Development Agreements executed.

0 County Road E

Variance

- 1. This approval is subject to approval of the Comprehensive Plan Amendment, Rezoning and Minor Subdivision applications by the City Council.
- 2. The proposed single-family home shall be setback a maximum of 187' from the front property line adjacent to County Road E.
- 3. A minimum structure setback of 30-feet from the North side lot line is required for the single-family home, including the attached garage. A minimum structure setback of 16.5' is required from the wetland boundary.

- 4. All work within the County Road E right-of-way is subject to the permitting authority of Ramsey County.
- 5. Prior to issuing a building or grading permit, the applicant shall contact the Rice Creek Watershed District to determine if a permit is required from the District.
- 6. A grading and drainage plan shall be submitted with the building permit application for the proposed home.
- 7. Tree removal requires replacement trees per City Code. City requirements for the tree removal and protection plan shall be detailed in the Development Agreement.
- 8. The approval is subject to a 5-day appeal period.
- 9. This approval will expire after one year after the Planning Commission's action.

VOTE:		
AYES:		
NAYS:		
ABSENT:		

Regular Planning Commission Meeting May 28, 2019

TO: Planning Commission

FROM: Aaron Sedey, Associate Planner

DATE: May 22, 2019

SUBJECT: File No. 2717-19-04; Text Amendment - Urban Container Farming, Citywide

INTRODUCTION

The City has been approached by a Chris Glasoe about the City's Development Code to allow urban container farming or agriculture in the I, Industrial zoning district. Mr. Glasoe submitted an application requesting the City adopt a text amendment to allow urban container farming in the I, Industrial zoning district as a secondary use.

Mr. Glasoe has been working with a property owner to place one of these containers on property that is zoned and currently being used as industrial. This container is specifically designed for hydroponics; however, there are other containers designed for aquaculture and aquaponics.

Urban agriculture uses are being established throughout the country to provide locally sourced food. While there are many different types of urban agriculture, the intent of the text amendment is to address the applicant's request, therefore the text amendment focuses only on urban containers. Urban agriculture can be addressed further with the revision of Shoreview's Development Code. While the urban container farming is fairly new for zoning regulations the City of Minneapolis has amended their ordinances to permit a wide variety of urban growing operations in industrial districts.

The proposed ordinance would allow repurposed insulated containers to be used to grow vegetables as a secondary use on Industrial zoned lots, through a Conditional Use Permit.

CURRENT DEVELOPMENT CODE

Section 202 defines agriculture as the cultivation of soil. This traditional definition does not address newer forms of agriculture such as container farming, hydroponics, aquaculture, etc. While agriculture is defined, this use is not permitted in any of our zoning districts. Also current code doesn't allow for a principal use of the property have a secondary use also on the property.

The purpose of the Industrial zoning district (Section 205.050) is to provide areas within the City for the production, manufacture, warehousing, storage and transfer of goods, products and other commodities. The proposed use is consistent with the purpose and intent of this district as it involves the production of food in an enclosed structure. The container design itself is suitable for this type of district.

PROPOSED TEXT AMENDMENT

The applicant has provided information to the City regarding this type of use (see attached). It is Staff's opinion that this type of use is compatible with other industrial uses provided performance standards are established. The following summarizes the proposed text amendment.

SECTION 202 - DEFINITIONS

A definition is being added to better address urban agriculture. This definition includes outdoor and indoor operations.

SECTON 205.050 – INDUSTRIAL ZONING DISTRICT

The intent of the proposed amendment is to address the applicant's request and not the broader urban agriculture use. It is Staff's preference to address other applications of urban agriculture be addressed with the revision of the Development Code. As such, the proposed text amendment is limited to hydroponic containers as a secondary use on property. A conditional use permit would be required.

For the conditional use permit to be issued, approval from the Planning Commission and City Council is required as outlined in Section 203.032 and the conditions proposed in the new text must be met. These criteria of the Conditional Use Permit are:

- (1) The use is in harmony with the general purposes and intent of the Development Ordinance.
- (2) The use is in harmony with the policies of the Comprehensive Guide Plan.
- (3) Certain conditions as detailed in the Development Ordinance exist.
- (4) The structure and/or land use conform to the Land Use Chapter of the Comprehensive Guide Plan and are compatible with the existing neighborhood.

The following summarizes the proposed ordinance.

Container design - Containers used for the urban agriculture operation must be specifically designed for the agricultural use.

Container size – Containers shall not exceed 440 square feet with attached vestibule.

Location and placement on property – Containers must be located to the side or rear of the principal structure on the property. The required building setbacks for the district must be maintained. Placement on the property shall not interfere with the principal use of the property.

Parking – A minimum to 3 parking stalls must be provided per 1,000 square feet of the gross floor area of production use. This is consistent with the current parking requirements for industrial uses.

Number of Containers - The maximum number of containers is limited to 3.

Storage of Materials and Equipment – Are required to be within an enclosed structure.

Retail Sales – Retail sales of the produce is not permitted on the property.

Municipal Services – Will have separate meters for the container operations.

Signage – Must be on the container only, with one per property. To be approved with the CUP.

Building Code – The container shall meet the requirements of the City's Building Code.

As long as these requirements are reviewed with each individual proposal, Staff believes the intent of the code would be met and offer another option to an ever changing agricultural business. See attached ordinance for the proposed changes.

PUBLIC HEARING

Notice of the hearing has been published in the City's Legal Newspaper. No comments from the public have been received.

RECOMMENDATION

The Staff believes the proposed changes related to allowing urban container farming and urban farming adds a valued option for growing vegetables in the changing market. This text amendment would allow it as a secondary use on an Industrial zoned lot. Offering flexibility to future business opportunities and keeping variations of vegetable growing operations is in keeping the spirit and intent of the original code. Staff is recommending the Commission recommend approval to the City Council.

Attachments

- 1) Applicants application
- 2) Proposed Text Amendment
 - a. Section 202, Definitions
 - b. Section 205.050 changes with new code
- 3) Motion Sheet

DEVELOPMENT ORDINANCE TEXT AMENDMENT APPLICATION

Department of Community Development

Return to:

City of Shoreview 4600 Victoria Street North Shoreview, MN 55126 (651) 490-4682			
Applicant:			
Name: _ Christopher Glasoe			
Address: 237 Bridge Street	Shoreview	MN	55126
	City	State	Zip Code
Telephone Number: 651-983-1905	(daytime) _	651-486-8156	6(home)
Fax Number:	F-Mail:	chris@friskfra	boksen.com
Hydroponics facilities in allowed differ sale to resaurants, Community Freight Containers as Hydroponics	Supported Agricu	ulture (CSA),	and Farmers Markets.
sub-districts.			
Interest in Text Change:			
I am interested in this change in or	der to be able to	operate a bus	siness in Shoreview
producing varities of lettuces, smal	root vegetables	, herbs, flowe	rs and micro-greens
for sale to restaurants, Community	Supported Agric	ulture (CSA),	and Farmers Markets
Utilizing a freight container hydorpo	onic farm.		
Signatures: Applicant: Ohw kluse Property Owner:		Date: 4/2	19

Date Received by City: ______ By Whom: _____

Site

REQUIREMENTS

Space

The LGM dimensions are 40' x 8' x 9.5'. Allow for 1 foot of space around the perimeter and a minimum of 5 feet at the front of the container to access the man door, electrical panel, condenser and propane cage.

Farms can be placed in alleyways, parking lots, and other under-utilized spaces - we suggest placing the farm on either trap rock, railroad ties, sonotubes, or a 45' x 10' concrete pad.





Electrical

The LGM requires a 60 amp, 120/240 volt single phase connection (120/208 volt three phase is also acceptable). If you choose to hardwire we recommend hiring a licensed electrician for installation at the time of delivery.

Water

You'll need access to water in order to the fill water tanks inside the LGM. A designated water source is suggested, but it can be achieved with a common garden hose feed as well. The LGM is capable of automatic tank level management.



SITE REQUIREMENT INFO & GUIDELINES

BEFORE FARM DEPLOYMENT The dimensions of the farm are 40' x 8' x 9'6". Select level ground with a max 3% grade. We recommend placing the farm in a 45' x 10' area (or larger) to allow for space to connect to electricity and water. Most farmers select a parking lot or other paved area. We have had a small percentage of farmers excavate a 45' x 10' area to lay either trap rock or concrete. Let us know if you plan to deploy your farm on trap rock or plan to excavate for a concrete pad. Determine the closest electrical source and site voltage (110/220V single phase, 120/240V single phase, 120/208V three phase). The water source should be within 50' of the farm. Water can be supplied to the farm through either a hard or a soft plumbed line. Farms located in climates that get colder than 32°F need to insulate or heat the water feed to prevent freezing. You will need at least 10 pieces of pressure treated wood or hardwood (Poplar) in order to pitch and level your farm. You can find this wood at any local lumber yard or hardware box store. We recommend each piece being 10" x 10" x 2". The quantity to use will vary depending on the slope of the ground under the farm. Be sure to send a sample of the water that you will be using in your LGM to a lab for testing. You want to make sure your water is free of any bacteria, pathogens, or other harmful elements.

FTE	ER FARM DEPLOYMENT
_	Based on your electrical source and site voltage, have a licensed electrician hardwire or create a plug for a 60 amp
	208/220V four wire electrical feed.
	Install a backflow preventer between the external spigot on the farm and the hard/soft plumbed line to prevent
	nutrient water from mixing with the potable water supply. Please consult your local plumber to understand your
	state's requirements.
	The pitch of the farm should be 2" higher at the front (closer to the main door) than at the rear (double door end)
	You will need a two axis laser level as well as two 5-ton toe jacks to level the farm. Purchase the laser level for
	future pitch adjustments, but rent the toe jacks for deployment day from a tool rental service in your area.

Remember these are guidelines. If you have a site that doesn't meet every spec it may still work, but please consult Freight Farms. We've seen quite a range of locations for farm placement.

Section 205.050 Proposed Additions Red Text = Proposed Changes

202 Definitions

Urban farm. An establishment where food or ornamental crops are grown or processed to be sold or donated that includes, but is not limited to, outdoor growing operations, indoor growing operations, container farm, vertical farms, aquaponics, aquaculture, and hydroponics.

205.050 Industrial District (I)

- (A) Purpose. The Industrial District is established to:
 - (1) Reserve appropriately located areas for industrial related activities.
 - (2) Protect areas appropriate for industrial uses from intrusion by inharmonious uses.
 - (3) Provide opportunities for certain types of industrial plants to concentrate in a mutually beneficial relationship to each other.
 - (4) Provide adequate space to meet the needs of modern industrial development, including off-street parking, truck loading areas and landscaping.
 - (5) Provide sufficient open space around industrial structures to protect them from the hazard of fire and to minimize the impact of industrial plants on nearby uses.
 - (6) Establish and maintain high standards of site planning, architecture, and landscape design that will create an environment attractive to industries and research and development establishments seeking sites in the metropolitan area.
- (B) <u>Permitted Uses.</u> Permitted uses in the Industrial District are defined below. These uses are permitted in addition to those permitted uses defined in Section 205.044 (Office).

assembling

commercial antennas, excluding satellite earth stations, in accordance with the standards in Section 207

commercial uses, related to or supporting the industrial use located in the same building

distribution

electronics

fabrication

free-standing commercial towers are not permitted in industrial districts unless the property falls within the Telecommunications Overlay District manufacturing

mini-storage

mobile wireless telecommunication facilities for temporary use during power outages, natural disasters, emergencies or for temporary testing purposes for up to 72 hours

packaging printing

private antennas in accordance with the standards in Section 207.040(A) processing public or quasi-public facilities subject to Site and Building Plan review upon the finding that the use(s) will not impede or otherwise conflict with the planned use of adjoining property satellite earth stations provided that:

- (1) the diameter is less than two meters
- (2) the ground level view of these devices is screened from contiguous properties and adjacent streets

towers and antennas subject to compliance with the standards in Section 207.040

utilities

warehousing

wholesale

(C) <u>Conditional Uses</u>. Approval of a Conditional Use Permit shall require compliance with the requirements set forth in Section 203.032(D)(Conditional Use Permits. The following activities shall be considered conditional uses in the Industrial District:

auto body repair and painting
auto service stations
contractor's storage yards
clubs and lodges
gymnastics training and/or exhibition centers, provided the following findings
are made in addition to the standard findings for approval of a Conditional
Use Permit:

- (1) The presence and operation of said activity will not significantly interfere with the functionality or attractiveness of the area for permitted industrial uses.
- (2) Access to and from the site does not require the patrons to travel through commercial truck docking areas or areas frequented by heavy machinery. Access to the facility, while on the site, shall not require pedestrians to travel through commercial truck docking areas or areas frequented by heavy machinery.
- (3) For purposes of determining adequacy of on-site parking, the standards for commercial recreation uses shall be used as a guideline if a more definitive basis is not available. Parking space credit may be given for scheduling gymnastics activities when the typical industrial uses will be closed for business.

heavy industrial uses that may have a potential negative environmental impact on adjacent properties due to objectionable noise, heavy truck traffic, fumes or other nuisances, or may adversely affect health, safety or welfare.

lumber yards

outside storage areas

satellite earth stations with a diameter greater than two meters truck terminals

urban container farming, as a secondary use on a property. This use is permitted with a CUP if the following findings are made in addition to the standard findings of a Conditional Use Permit:

As a secondary use

- (1) Containers designed specifically for agricultural use are to be used only.
- (2) To be licensed by the state and or the county to conduct sales if applicable.
- (3) Size of one container shall not exceed 440 square feet with attached vestibule. Maximum number of containers permitted is 3.
- (4) Any equipment or supplies needed for farm operations shall be fully enclosed within a building.
- (5) The container shall not be located in a required front yard. Required building setbacks for district shall be maintained. Placement will not interfere with principal use.
- (6) A minimum of 3 parking spaces must be provided per 1,000 square feet of production space.
- (7) No retail sales are permitted onsite.
- (8) Signs are to be approved with the Conditional Use Permit.
- (9) The Containers shall meet the City's Building Code requirements.
- use, manufacture, or storage of hazardous materials that require registration or licensing with the Minnesota Emergency Response Commission or that require disclosure by Federal or State law as hazardous materials and production of hazardous waste in excess of 100 kg/month, provided the following findings are made in addition to the standard findings for approval of a Conditional Use Permit:
 - (1) The use is consistent with the purpose statement of this district.
 - (2) The applicant/owner demonstrates that all applicable hazardous material regulations, building code, and fire code provisions will be satisfied and the application includes statements from the appropriate regulatory agencies, City Fire Marshall, and City Building Official concerning compliance with such requirements.

(D) Required Conditions.

- (1) Lot Size. No minimum lot size; minimum lot width of 100 feet.
- (2) <u>Building</u> Setbacks. Front yard shall be 50 feet; rear yard shall be 20 feet; side yard shall be 10 feet except that side yard setbacks on corner lots shall be 30 feet. A landscaped 75-foot-setback is required as a buffer between industrial structures, truck and equipment parking, or outdoor storage facilities and property designated for residential use. Employee

and visitor parking areas shall be set back at least 20 feet from dedicated rights-of-way and property planned for residential use. Required setbacks to property planned for residential use shall be heavily landscaped and include earthen berms.

- (a) Minor Arterial and Collector Streets. Along minor arterial streets as identified in the Comprehensive Guide Plan, residential structures shall maintain a 40-foot setback. Along collector streets as identified in the Comprehensive Guide Plan, residential structures shall maintain a 30-foot setback.
- (b)Shoreland. Lakeside setbacks in shoreland areas shall be regulated by the Shoreland Regulations in Section 209.080.
- (c) <u>Encroachments.</u> The following shall be considered as permitted encroachments on setback requirements:
 - (i) In any yard: eaves, gutters, awnings, chimneys, landings, sidewalks and fences.
 - (ii) In side and rear yards: decks, open terraces, balconies and porches provided they are no closer than five feet to any property line. (These rules do not apply to side yards that adjoin a street.)
- (3) <u>Height.</u> 35 feet; this may be exceeded if for every additional foot of height there is an additional foot of setback on all sides.
- (4) Lot Coverage. Not to exceed 75%. Maximum lot coverage may be increased to 80% if best management practice measures are taken to minimize negative effects on the environment as documented in the current editions of Minnesota Construction Site Erosion and Sediment Control Planning Handbook (MBWSR) and Protecting Water Quality in Urban Areas (MPCA).
- (5) <u>Parking.</u> Parking space requirements shall be as required by Section 206.020 (Parking).
- (6) Signs. As regulated by Section 208 (Signs).

(7) Storage.

- (a) All materials, supplies, finished or semi-finished products and equipment shall be stored within a completely enclosed building in the Industrial District unless a Conditional Use Permit for an outside storage area has been obtained.
- (b) Outdoor storage areas shall be screened to minimize the visual impact of the area in accordance with the following requirements:
 - (i) The screening materials shall consist of both deciduous and coniferous vegetation species, attractive low or no maintenance fencing with an opaquing material, landscaped berm, brick or masonry wall, or any combination of these items. Fencing and walls shall not exceed eight feet in height. All screening materials shall be maintained so that dust and other wind blown materials that originate on the site remain on the site as far as practical.

- (ii) All landscape materials shall comply with the minimum standards set forth in Section 206.010 (Landscape and Screening). The City Forester shall approve the species mix, height, and density of plantings on the basis of year-around screening needs.
- (iii) The materials and equipment within outdoor storage facilities and truck terminals that are located adjacent to street or highway right-of-way shall be completely screened from view from the right-of-way. If a fence or wall is use for screening along a right-of-way or private road that serves more than one property, shrubbery and trees shall be planted to enhance the aesthetics of the fence as viewed from the roadway.
- (iv) The materials and equipment within an outdoor storage area and truck terminals that are located adjacent to property that is not zoned for Industrial uses shall be completely screened from view from the adjoining non-industrial property.
- (v) Industrial uses requiring bulk exterior storage of hazardous materials will not be allowed on wet or very wet soils, very shallow soils or soils with very high or high permeability areas.
- (vi)Trucks and/or trailers used to transport materials and supplies to and from the premises are permitted for a period not to exceed three (3) days. Trucks and/or trailers used for storage purposes are not permitted.
- (8) Refuse. All waste material, debris, refuse and garbage shall be properly contained in a closed container designed for such purposes. Said containers shall be stored within a fully enclosed building or in a screened area upon review through the site and building plan review process.
- (9) <u>Accessory Structures</u>. Accessory structures shall be permitted in the Industrial District through the site and building plan review process.

(10)Fences.

- (a) Location. All boundary line fences shall be located entirely upon the private property of the person, firm or corporation constructing, or causing the construction of such fence, unless the owner of the adjoining property agrees, in writing that such fence may be erected on the division line of the respective properties. The City Council may require the owner of property upon which a fence now exists, or is to be located, to establish lot lines upon said property by the placement of permanent stakes located by a licensed surveyor or engineer.
- (b) <u>Height.</u> Property line fences shall not exceed eight (8) feet in height except as follows:

- (c)Fences along a property line in common with a Residential District shall be subject to the provisions herein described in Residential District.
- (d) Fences in Industrial Districts which are primarily erected as a security measure may have areas projecting into the applicant's property on which barbed wire can be fastened commencing at a point at least seven (7) feet above the ground.
- (e)Such fences shall not be erected within the landscaped portion of the front yard of any industrial establishment.
- (11)Construction and Maintenance. Every fence shall be constructed in a substantial professional manner and shall be constructed of a substantial material reasonably suited to the purpose for which the fence is proposed to be used. Every fence shall be maintained in a condition of reasonable repair and shall not be allowed to deteriorate into disrepair or into a dangerous condition, or constitute a nuisance, either public or private. Any such fence which is or has become dangerous to the public safety, health and welfare is a public nuisance, and the Building Inspector is hereby authorized to commence property proceedings in a court of competent jurisdiction for the abatement thereof.
- (12)Fencing Material. The framing structure of fences in all districts shall be placed on the owner's side of the fence or equally distributed on both sides. Fencing material shall be dimensional, solid sawn, decay resistant lumber. Chain link fencing material with corrosion protection shall be permitted. Other materials may be permitted subject to the approval of the City Manager or his/her designee. It shall be unlawful for any person, firm or corporation to construct and maintain or allowed to be constructed or maintained upon any property located within the City, any fence of metal construction, or otherwise, which is charged or connected with electrical current in such a manner as to transmit said current to persons, animals or things which intentionally or unintentionally may come in contact with the same.

PROPOSED MOTION

MOVED BY COMMISSION MEMBER
SECONDED BY COMMISSION MEMBER
To recommend the City Council adopt the proposed text amendment allowing urban containe farming in industrial districts in Section 205.050, Industrial District (I) as a secondary use.
VOTE:
AYES:
NAYS:

Regular Planning Commission Meeting - May 28, 2019

TO: Planning Commission

FROM: Niki Hill, AICP, Economic Development and Planning Associate

DATE: May 23, 2019

SUBJECT: File 2718-19-05, Preliminary Plat and Variance, 500/590 Cardigan Road, TSI, Inc

Introduction

The City received Preliminary Plat and Variance applications from TSI, Inc for the properties at 590/500 Cardigan Road. The intent of the plat is to make adjustments to the parcel boundaries to allow for a new Tax Increment Financing District for a future building expansion. A zero lot line structure setback is being proposed along part of the western boundary and a variance has been requested. The application was complete as of May 15, 2019.

The City received special legislation titled "Shoreview Tax Increment Financing Pilot Project" granting us the ability to create 12-year economic development districts for the purposes of retention and expansion of existing businesses in our community. The authority allowed for the creation of these special BRE Districts under specific qualifying rules for a 5-year period which expires on June 30, 2019. TSI, Inc and Mead Metals have applied for business assistance and the City is recommending creating a special BRE district. In order to create the new TIF District, the property TSI will be utilizing for the building addition must be removed from the existing TIF District that was established in 2012 to assist with their previous expansion. The parcels of the proposed district must not be included in an existing district, which is why the plat separating the building from the parking lot is being proposed.

Background

The properties are located on Cardigan Road, south of County Road E and zoned I, Industrial. The 500 property is developed with TSI's headquarters, research/development and scientific equipment manufacturing facility, which is a permitted use. Other improvements on this property include an off street parking lot and strormwater infrastructure. The 590 property currently includes the former Trans Mississippi building and which was acquired this past year by Mead Metals. TSI has entered into a purchase agreement with Mead Metals to acquire this property. This property also has an off-street parking lot. Property to the west is also located in the Industrial zoning district. The property immediately to the south is zoned R3, Multi-Family Residential and is developed with the Shoreview Grand apartment complex. Property to the east is zoned R1, Detached Residential and is developed with single-family homes.

Project Description

TSI, Inc is proposing to replat the two properties to accommodate a building addition that would qualify for Tax Increment Financing. The proposed common property boundary aligns with a portion of the western side of the building. A variance has been requested as this does not meet the required 10' foot setback from a side property boundary. The zero lot line boundary is being requested because the building at 500 Cardigan is in an existing Tax Increment Financing

District and any new addition would need to be in a separate parcel to create/capture any increment in a new Tax Increment Financing district.

Preliminary Plat

The two properties are currently a mix of metes and bounds and platted parcels. Parking, grading, drainage and stormwater management were all addressed with the 2012 building addition that was approved. While there will be no changes or improvements to the site at this time, it should be noted that it 2012 a variance was approved for the 4% overage in impervious surface coverage.

The proposed two parcels would need to have shared parking, drainage/stormwater infrastructure and maintenance in order to be compliant. The City would be requiring the applicant to have easements over share stormwater infrastructures. Agreements between Lots 1 and 2 addressing the shared parking, drainage/stormwater infrastructure and maintenance would also be required.

	Lot 1, Block 1	Lot 2, Block 1	Industrial District
Lot Area	3.64 acres	6.92 acres	
Lot Width	500 feet	224 feet	100'
Side Setback	-	0	10'

^{*} Variance has been requested to reduce the setback to 0 feet.

The plat complies with the approved Industrial Zoning and the subdivision standards except for the side setback in which a variance has been requested.

Variance

Staff has reviewed the variance request in accordance with the criteria and believes that practical difficulty is present.

- 1. Reasonable Manner. The variance to reduce the required 10 foot setback is reasonable based on the TSI's business needs and growth objectives. The intent of the 10 foot setback is to meet fire/building codes and to ensure that there is ample distances between buildings on adjacent properties. In this case, any future building addition would be constructed on the same property line and the building as a whole will be owned by TSI, Inc. The property boundary is required specifically for the establishment of a new TIF District and not by TSI, Inc.
- 2. Unique Circumstances. The 500 Cardigan Road parcel and building are in an existing Tax Increment Financing District. Unique circumstances are created by the need for a separate/new parcel to be located in a new Tax Increment Financing District using Shoreview's Special Business and Retention Tax Legislation which expires at the end of June. This property boundary location allows the existing district to remain intact while enabling the City and TSI to capture any increment that will be generated from any future expansion.
- 3. Character of Neighborhood. The proposed boundary changes will not affect the character of the neighborhood. No improvements are being proposed at this time and any

future improvements will be reviewed at the Planning Commission and City Council as well as be required to adhere to the existing Industrial Zoning District requirements.

Applicant's Statement

The applicant states that they are requesting a preliminary plat for two reasons. The first is that the existing parcel/building was never platted and the second is that a new TIF district is being created which includes the newly created parcel. The new lot will be for planned westerly expansion of the building adding approximately 60,000 square feet.

The zero lot line building setback variance is being requested to allow the new addition to be in a new TIF district. They believe that the variance complies with the City's Comprehensive Plan and that it is a reasonable use of the property. The circumstances were not created by TSI.

Public Comment

Property Owners within 350-feet were notified of this hearing and the preliminary plat application. No comments were received.

Recommendation

The preliminary plat is consistent with the Code requirements for the Industrial Zoning except for the building setback from the side lot line, for which a variance has been requested. Staff believes practical difficulty is present due to circumstances related to the Tax Increment Financing District requirements. Staff recommends approval of the variance and that the Planning Commission forward the Preliminary Plat application to the City Council for review subject to the following conditions:

Variance

- 1. Said approval is contingent upon City Council approval of the Preliminary Plat
- 2. Any building code requirements for the zero lot line setback must be met prior to the City's release of the plat for recording.
- 3. This approval is subject to a 5-day appeal period.

Preliminary Plat

- 1. The applicant shall execute an agreement between the Lots 1 and 2 addressing the shared parking, drainage/stormwater infrastructure and maintenance. Said agreements shall be submitted to the City Attorney for review within 90 days of City Council approval.
- 2. Executed and recorded copies of the required agreements shall be submitted to the City.
- 3. The applicant is required to enter into a Development Agreement which will address the shared use of the parcels.
- 4. The Final Plat shall be submitted to the City Council.

Attachments

- 1) Location Map
- 2) Submitted Plans and Statement TSI, Inc
- 3) Request for Comment
- 4) Resolution 19-50
- 5) Motion

MapRamsey



Legend



- City Halls
- Schools
- Hospitals
- Fire Stations
- Police Stations
- Recreational Centers
 Parcel Points
- Parcel Boundaries

Notes

Enter Map Description

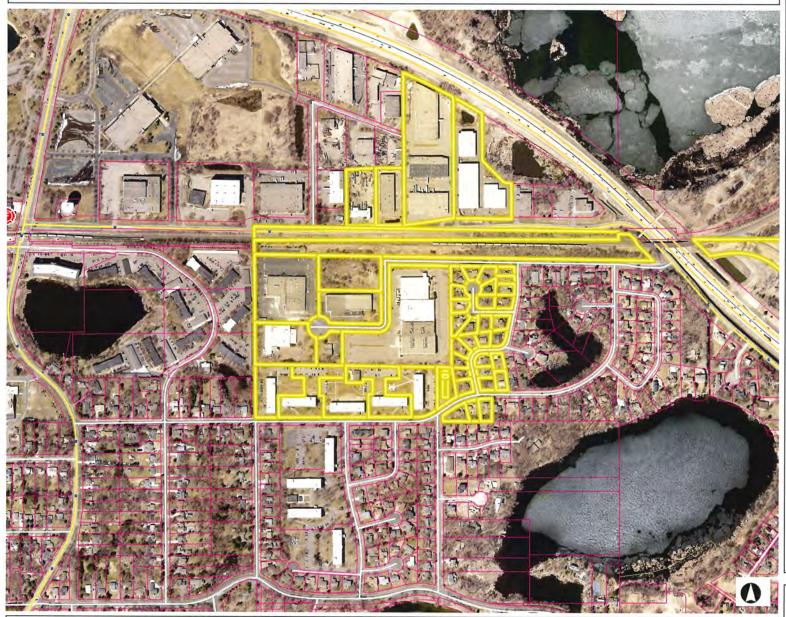
This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

NAD_1983_HARN_Adj_MN_Ramsey_Feet © Ramsey County Enterprise GIS Division

THIS MAP IS NOT TO BE USED FOR NAVIGATION



350 Foot Buffer Map



Legend



- City Halls
- Schools
- Hospitals
- Fire Stations
- Police Stations
- Recreational Centers
 Parcel Points
- Parcel Boundaries

Notes

Enter Map Description

1,333.3 0 666,67 1,333.3 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



TSI INCORPORATED

500 Cardigan Road, Shoreview, MN 55126 USA tel 651 490 2811 + toll free 800 874 2811 + fax 651 490 3824 + web www.tsi.com

May 6, 2017

Kathleen Castle City of Shoreview 4600 Victoria St. N Shoreview, MN 55126

Dear Kathleen,

TSI is applying for a preliminary plat. The plat is for two reasons: 1) Property was never platted, 2) A TIF district is being created and the newly created parcel will be in the new district. TSI is proposing 2 lots total. The new lot will be for a planned westerly expansion of the building adding approximately 60,000 ft2. The current lot will be platted to show current use of the land.

Included on the Preliminary Plat Application is Sandy Morgan Crawford's signature. She is President of Mead Metals. TSI has reached agreement to purchase the lot to the West of our parking lot and have added it to the plat application. The purchase of the property will take place in the near future.

Thank you for considering TSI's application.

Sincerely,

Paul V. Girard

TSI Facilities Manager

651-765-3747



TSI INCORPORATED

500 Cardigan Road, Shoreview, MN 55126 USA tel 651 490 2811 + toll free 800 874 2811 + fax 651 490 3824 + web www.tsi.com

May 6, 2017

Kathleen Castle City of Shoreview 4600 Victoria St. N Shoreview, MN 55126

Dear Kathleen,

TSI is applying for a zero lot line variance that would coincide with our western wall of our building. The reason for the variance is that we want to add an addition onto the building, however addition needs to be located in new TIF district.

The practical difficulty is where the TIF district line will be drawn which will be located parallel to TSI west wall. TSI believes that the variance complies with City Comprehensive Plan. TSI also believes that this is a reasonable use of the property, that circumstances requiring the variance was not created by TSI, and that the essential character of the neighborhood will not be changed.

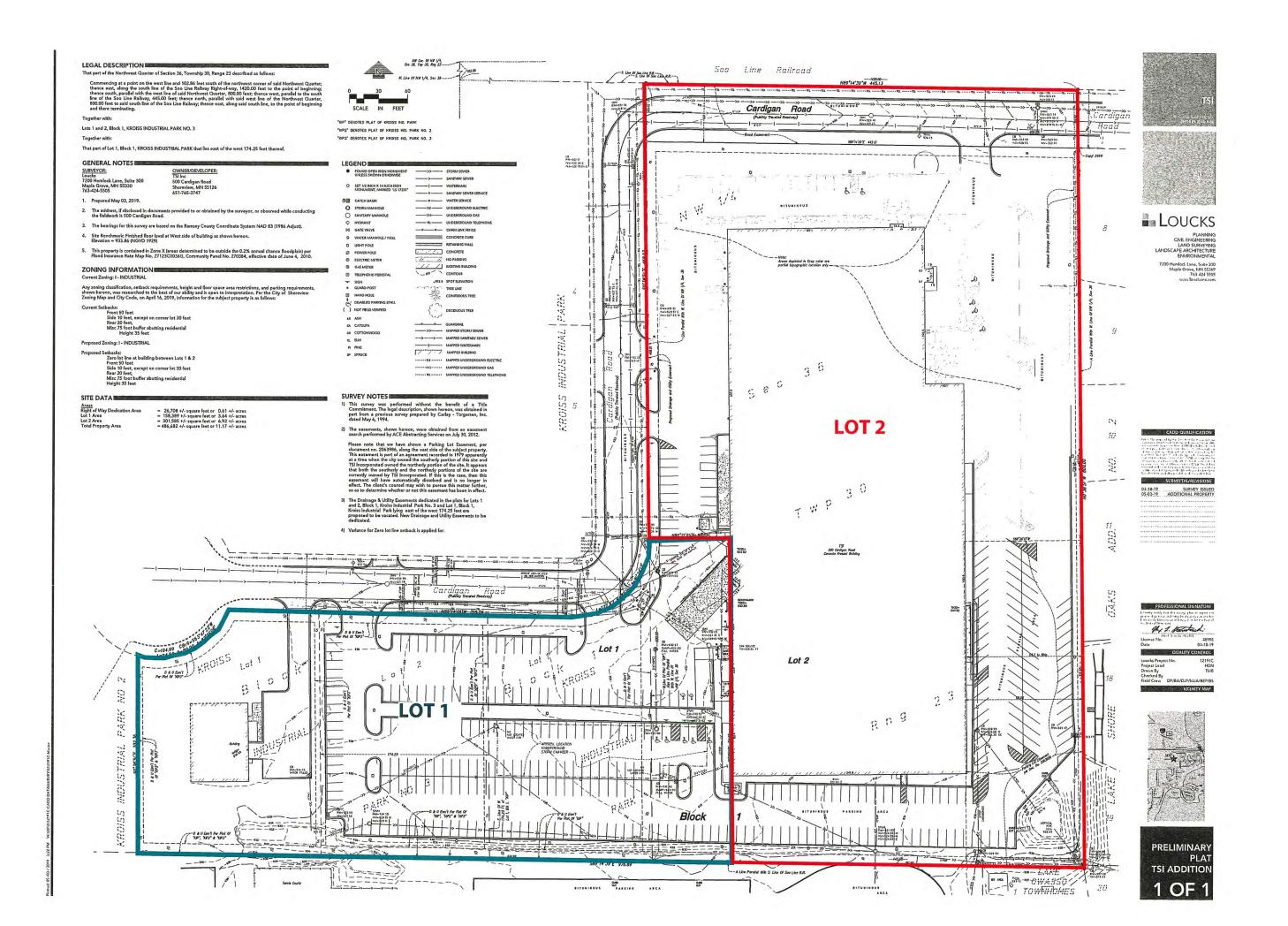
Thank you for considering TSI's application.

Sincerely,

Paul V. Girard

TSI Facilities Manager

651-765-3747



City Council:
Sandy Martin, Mayor
Sue Denkinger
Emy Johnson
Terry Quigley
Cory Springhorn



City of Shoreview 4600 Victoria Street North Shoreview MN 55126 651-490-4600 phone 651-490-4699 fax www.shoreviewmn.gov

To: Niki Hill, Economic Development and Planning Associate

Regarding; TSI Inc. 500/590 Cardigan Rd. Lot split

It is the understanding of the building department that the owner of the property is proposing to split the property into two parcels. Part of the property line would be located on the exterior wall line of the existing building. This would create a party wall situation which typically requires a fire wall to be built with no openings.

We also understand that it is the owner's intent to eventually add on to the existing building in this area with a 60,000 square foot building and treat the structure as one building with a single owner. We would allow the property line to be located between the two buildings with openings as long as all of the requirements below are met for the provisions of an anchor building separation in a mall. Below are these requirements.

402.4.2.2.2 Property lines.

Property lines may be platted between an anchor building and a covered mall building separated in accordance with Section 402.4.2.2.without requiring the construction of a party wall if there are legal agreements recorded with the deed for each of the separate properties. These recorded agreements shall require that buildings as divided by property lines be in conformance with the applicable provisions of the *State Building Code*, as if the buildings were a single building on a single piece of property. In addition, the agreement must state that no individual building or property owner may modify any portion of the building in any way that would not comply with the *State Building Code*.

Please let me know if you have any questions or concerns.

Dave Scherbel Building Official 4600 Victoria St. N City of Shoreview 651-490-4691

EXTRACT OF MINUTES OF MEETING OF THE PLANNING COMMISSION OF SHOREVIEW, MINNESOTA HELD MAY 28, 2019

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:

And the following members were absent:

Commissioner ______ introduced the following resolution and moved its adoption.

RESOLUTION NO. 19-50 APPROVING A VARIANCE TO REDUCE THE SIDE YARD SETBACK

WHEREAS, TSI, Inc submitted a variance application for the following described property:

Lot 2, Block 1, TSI Addition, Ramsey County, Minnesota (Commonly Known as 500 Cardigan Road)

WHEREAS, the Development Regulations establish that in the I – Industrial District a minimum 10-foot setback from a side property line is required; and

WHEREAS, the applicant has proposed a preliminary plat and requested to reduce the side setback to 0-feet; 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; and

Resolution 19-50 Page 2 of 4

WHEREAS, on May 28, 2019 the Shoreview Planning Commission made the following findings of fact:

- 1. Reasonable Manner. The variance to reduce the required 10 foot setback is reasonable based on the TSI's business needs and growth objectives. The intent of the of the 10 foot setback is to meet fire/building codes and to ensure that there is ample distances between buildings on adjacent properties. The property boundary is required specifically for the TIF district and not by TSI, Inc.
- 2. Unique Circumstances. The 500 Cardigan Road parcel and building are in an existing Tax Increment Financing district. Unique circumstances are created by the requirement for a separate/new parcel for a new Tax Increment Financing District using Shoreview's Special Business and Retention Tax Legislation which expires at the end of June. This property boundary location enables the existing district to remain intact while enabling the City and TSI to capture any increment that will be generated with any future expansion.
- 3. Character of Neighborhood. The proposed boundary changes will not affect the character of the neighborhood. No improvements are being proposed at this time.

NOW, THEREFORE, BE IT RESOLVED BY THE SHOREVIEW PLANNING COMMISSION, that the variance request for property described above, 500 Cardigan Road, be approved, subject to the following conditions:

- 1. Said approval is contingent upon City Council approval of the Preliminary Plat
- 2. Any building code requirements for the zero lot line setback must be met prior to the City's release of the plat for recording.
- 3. This approval is subject to a 5-day appeal period.

The motion was duly seconded by Commission vote being taken thereon, the following voted in	
And the following voted against the same:	
Adopted this 28 th day of May, 2019	
	Kent Peterson, Chair Shoreview Planning Commission

ATTEST:
Niki Hill, AICP, Economic Development and Planning Associate
ACCEPTANCE OF CONDITIONS:
Paul Girard
TSI, Inc

Resolution 19-50 Page 3 of 4 Resolution 19-50
Page 4 of 4

STATE OF MINNESOTA)

COUNTY OF RAMSEY

CITY OF SHOREVIEW)

I, the undersigned, being the duly qualified and acting Manager of the City of Shoreview of Ramsey County, Minnesota, do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a meeting of said City of Shoreview Planning Commission held on the 28th day of May, 2019 with the original thereof on file in my office and the same is a full, true and complete transcript therefrom insofar as the same relates to adopting Resolution 19-50.

WITNESS MY HAND officially as such Manager and the corporate seal of the City of Shoreview, Minnesota, this 28th day of May, 2019.

Terry C. Schwerm City Manager

SEAL

MOTION TO APPROVE VARIANCE AND PRELMINARY PLAT TSI, INC 500/590 CARDIGAN ROAD

MOVED BY COMMISSION MEMBER:	
SECONDED BY COMMISSION MEMBER:	

To adopt Resolution 19-50 approving the requested variance to reduce the required 10-foot building setback from a side property line to 0' feet and to recommend the City Council approve the Preliminary Plat request submitted by TSI, Inc Said approval is subject to the following:

Variance

- 1. Said approval is contingent upon City Council approval of the Preliminary Plat
- 2. Any building code requirements for the zero lot line setback must be met prior to the City's release of the plat for recording.
- 3. This approval is subject to a 5-day appeal period.

Preliminary Plat

- 1. The applicant shall execute an agreement between the Lots 1 and 2 addressing the shared parking, drainage/stormwater infrastructure and maintenance. Said agreements shall be submitted to the City Attorney for review within 90 days of City Council approval.
- 2. Executed and recorded copies of the required agreements shall be submitted to the City.
- 3. The applicant is required to enter into a Development Agreement which will address the shared use of the parcels.
- 4. The Final Plat shall be submitted to the City Council.

This approval is based on the following findings of fact:

- 1. The proposed improvement is consistent with the policies of the Comprehensive Plan.
- 2. Reasonable Manner. The variance to reduce the required 10 foot setback is reasonable based on the TSI's business needs and growth objectives. The intent of the of the 10 foot setback is to meet fire/building codes and to ensure that there is ample distances between buildings on adjacent properties. In this case, any future building addition would be constructed on the same property line and the building as a whole will be owned by TSI, Inc. The property boundary is required specifically for the TIF district and not by TSI, Inc.
- 3. Unique Circumstances. The 500 Cardigan Road parcel and building are in an existing Tax Increment Financing district. Unique circumstances are created by the requirement for a separate/new parcel for a new Tax Increment Financing District using Shoreview's Special Business and Retention Tax Legislation which expires at the end of June. This property boundary location enables the existing district to remain intact while enabling the City and TSI to capture any increment that will be generated with any future expansion.

4. Character of Neighborhood. The proposed boundary changes will not affect the character of the neighborhood. No improvements are being proposed at this time and any future improvements will be reviewed at the Planning Commission and City Council as well as be required to adhere to the existing Industrial Zoning District requirements.

This approval is based on the following findings of fact:

- 1. The proposed land use is consistent with the designated Industrial land use in the Comprehensive Plan and I, Industrial 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

VOTE:	
	AYES:
	NAYS:

Memorandum

To: Planning Commission Members

From: Tom Simonson

Assistant City Manager and Community Development Director

Date: May 23, 2019

Re: Planning Commission Finding that Modification to Development District No. 2 and

Tax Increment Financing Plan for Proposed Tax Increment Financing District No. 12 (a special BRE District) for the Mead Metals and TSI Incorporated Expansion Projects Conform to the General Development and Redevelopment Plans of the City

Introduction

The City Council will be considering the establishment of a new tax increment financing (TIF) district for the purpose of providing financial assistance for planned expansions by Mead Metals and TSI Incorporated. The Council will hold a public hearing on the actions relating to the creation of the TIF district on June 17th. In accordance with laws governing tax increment financing, the Planning Commission must find that the proposed TIF plan and district conforms to the general development and redevelopment plans of the City. A resolution has been prepared for Planning Commission consideration.

Background

TSI Incorporated has their corporate headquarters and main research/manufacturing facility at 500 Cardigan Road. The City has twice assisted previous company expansions by creating tax increment districts. TSI is now in need of another major building expansion of 60,000 square feet, and would like this continued



growth to occur on their existing site, but has some site challenges. TSI has been working with nearby Mead Metals in undertaking a land swap that would accommodate their expansion plan

and also allow Mead Metals to add on 30,000 square feet to their existing building. Mead Metals, 555 Cardigan Road, is also in need a building expansion to support their continued company growth. Combined, both projects are expected to result in the addition of over 250 jobs.

Both companies have submitted applications with the City seeking business assistance in support of their expansion projects. The City is recommending the use of our special authority to create a BRE TIF District for these two qualifying projects that would allow for a duration of 12-years instead of the standard of 8-years. The current special provision allowing the use of this special tool expires as of June 30, 2019. Therefore, we are expediting the process for creating a tax increment district to maximize the benefit to these two key businesses in the event the legislation to extend does not gain approval.

In order to meet the special authority deadline, a TIF Plan has been drafted and distributed to the county and school district for the required notification and comment period. While the details on the specific financing for both company expansions are still being negotiated, the assistance package will be presented at the June 3rd meeting of the EDA. With final approvals expected by the City Council on June 17th.

At their meeting on May 13th, the EDA board adopted a resolution recommending the Council call for the public hearing. The EDA also discussed the framework of the TIF Plan and supported the establishment of this proposed BRE TIF District to assist both expansion projects.

Discussion

The Planning Commission is requested to determine whether the Business Retention and Expansion TIF District being considered for the expansions of Mead Metals and TSI Incorporated conforms to the general plans for the development and redevelopment of the City as described in the *Comprehensive Plan* for the City.

On June 17, 2019, the City Council will consider creating a tax increment financing (TIF) District to facilitate and assist with the expansions of two local businesses. Mead Metals is planning a 30,000 square foot expansion and TSI a 60,000 square foot expansion.

As part of the TIF process, the Planning Commission is required to review the TIF plan for conformance with the *Comprehensive Plan*. Minnesota Statutes, Section 469.175, subdivision 3 states "Before or at time of approval of the tax increment financing plan, the municipality shall make the following findings, and shall set forth in writing the reasons and supporting facts for each determination...that the tax increment financing plan conforms to the general plans conform to the general plan for development or redevelopment of the municipality as a whole."

Chapter 6 is the Economic Development component of the City of Shoreview's 2008 Comprehensive Plan. The proposed BRE TIF District clearly fits within the strategies outlined in

the chapter and is highlighted as Goal No. 1 in the Comprehensive, Economic Development Chapter. This proposal is also consistent with the 2018 Comprehensive Plan that also addresses Economic Development in Chapter 6 and business retention and expansion in Goal #1. Excerpts from both Plans are attached.

The Land Use Chapter 4 of the 2008 Comprehensive Plan, designates both the Mead Metals and TSI properties are as Industrial land uses. The zoning designations of the properties also are for industrial uses.

Additionally, both Mead Metals and TSI are classified in the City's adopted Business Retention and Expansion Plan (BRE) as key businesses that should be retained and supported.

The Planning Commission will review the development applications of both proposed expansions at a later date. However, TIF statutes require the Commission to approve a separate resolution finding the development plans conform to the City's *Comprehensive Plan*. The Shoreview City Council will make the determination on the approval of TIF plan at the June 17, 2019 regular meeting.

Recommendation

Staff is recommending that the Planning Commission adopt the attached proposed Resolution No. 19-49, finding that the modification to Development District No. 2 and Tax Increment Financing Plan for the proposed Tax Increment Financing District No. 12 (a special BRE District) for the planned expansion projects by Mead Metals and TSI Incorporated conform to the general development and redevelopment plans of the City. This action is a necessary step in the consideration of providing financial assistance for the proposed expansions of these two key businesses based in the community.

Attachments

- 1. Excerpt 2008 Comprehensive Plan
- 2. Excerpt 2018 Comprehensive Plan
- 3. Resolution 19-49
- 4. TIF Plan
- 5. Motion

EXCERPT – 2008 COMPREHENSIVE PLAN

<u>CHAPTER 6 – ECONOMIC DEVELOPMENT</u>

Goals and Policies

The City of Shoreview is concerned with retaining and attracting a stable employment and tax base. As such, the City has established the following goals and policies to serve as guidelines for creating a framework to achieve a vital economic base for the community.

Goal 1: Support business development that increases the tax base and adds quality jobs.

Policies

- A. Focus business retention efforts on businesses that have been identified as having the greatest impact for future growth and development.
- B. Continue to evaluate the potential for utilizing city financial resources for retention of key businesses, land ownership and preserving development opportunities.
- C. Encourage quality business and industrial development that enhances the social, economic, and aesthetic value of the community.
- D. Seek development that provides tax base diversification and balance between residential and business development.
- E. Target certain areas of the City to explore opportunities for redevelopment that will provide more significant tax base and quality employment for the community.
- F. Support and maintain open communications between the City and the business community in acknowledgement of their value and be in position to address concerns or meet expectations.
- G. Broaden and diversify the industrial tax base of the community by attracting or retaining stable business and industry in order to protect the economic vitality of the City.

- H. Review current policies regarding financial incentives and modify when deemed appropriate to ensure that they reflect community objectives and values and to maximize the use of these economic development tools when found to be in the best interest of the community and the development and redevelopment goals of the City.
- I. Continue efforts to maintain and strengthen the City's bond rating by seeking diversification in the local tax base and promoting economic development efforts of commercial and industrial uses consistent with overall development goals.

Goal 2: Implement Business Retention and Expansion Strategic Plan - Retain quality businesses by creating a positive economic environment that supports and fosters business expansion in the community.

Policies

- A. Encourage business retention as a city wide goal through active follow-up to expressed business concerns.
- B. Enhance business communication efforts through evaluation of existing programs.
- C. Build relationships with key businesses through a variety of communication channels.
- D. Support a strong local business retention program that emphasizes the importance of existing business.
- E. Track effectiveness of business retention program by establishing and measuring outcomes.
- F. Plan for and work with members of the local business community to support potential business expansion and growth.
- G. Research and maintain a list of development tools and programs available in Shoreview.

EXCERPT – 2018 COMPREHENSIVE PLAN

GOAL 1 – BUSINESS RETENTION AND EXPANSION

Retain quality businesses by creating a positive economic environment that supports business and fosters expansion in the community.

ACTIONS:

- 1. Continue to implement and enhance the City's adopted Business Retention and Expansion (BRE) Program by:
 - a. Supporting existing businesses through proactive business outreach that provides information and available resources.
 - Enhancing business communication efforts through a variety of methods/formats including social media to develop stronger connections to our business community.
 - c. Continuing to build relationships with key landmark and emerging businesses through regular visits and communications.
 - d. Developing an internal database and tracking systems to improve the City's ability to inventory our businesses and better communicate with them.
- 2. Utilizing financial incentives as outlined in the Business Subsidy Policy to support business retention and expansion projects that provide quality jobs, strengthens the local economy and benefits the overall quality of life.
- 3. Identifying and assisting with addressing issues relating to workforce development and housing, transportation infrastructure and transit, and other needs of the business community critical for business retention and growth.

DRAFT

Fiscal Impacts May 15, 2019

Development Program for Municipal Development District No. 2

and the

Tax Increment Financing Plan for the establishment of

Tax Increment Financing District No. 12 (a BRE TIF district)

within

Municipal Development District No. 2



City of Shoreview Ramsey County State of Minnesota

Draft: April 18, 2019

Public Hearing: June 17, 2019

Adopted:

Table of Contents

C L' 1	- Development	D	1/	D I	District No. 2
Soction I	- HOWOINHMONE	Proaram to	r wiimicinai	IIOVOIANMONT	INICTRICT NO /

		_
	(D.1): D	
	tatement of Public Purpose	
	tatutory Authority	
	tatement of Objectives	
	stimated Public Costs and Supportive Data	
	nvironmental Controls	8
	roposed Reuse of Property	8
	dministration and Maintenance of Development District	
	Rehabilitation	
	Relocation	
	Boundary of Development	
Map of Municipal	Development District No. 2	10
Subsection 2-1.	nent Financing Plan for Tax Increment Financing District Foreword	: No. 12 11
Subsection 2-1.	Statutory Authority	
Subsection 2-3.	Statement of Objectives	
Subsection 2-4.	Development Program Overview	
Subsection 2-4.	Description of Property in the District and	11
Subsection 2-3.	Property To Be Acquired	12
Subsection 2-6.	Classification of the District	
Subsection 2-7.	Duration and First Year of Tax Increment of the District	
Subsection 2-7.	Original Tax Capacity, Tax Rate and Estimated Captured N	
Subsection 2-0.	Tax Capacity Value/Increment and Notification of Prior	Ct
	Planned Improvements	1.1.
Subsection 2-9.	Sources of Revenue/Bonds to be Issued	
Subsection 2-10.	Uses of Funds	
Subsection 2-10.	Fiscal Disparities Election	
Subsection 2-11.	Business Subsidies	
Subsection 2-12.	County Road Costs	
Subsection 2-14.	Estimated Impact on Other Taxing Jurisdictions	
Subsection 2-14.	Supporting Documentation	
Subsection 2-16.	Definition of Tax Increment Revenues	
Subsection 2-17.	Modifications to the District	
Subsection 2-17.	Administrative Expenses	
Subsection 2-19.	Limitation of Increment	
Subsection 2-20.	Use of Tax Increment	
Subsection 2-21.	Excess Increments	
Subsection 2-22.	Requirements for Agreements with the Developer	
Subsection 2-23.	Assessment Agreements	
Subsection 2-23.	Administration of the District	
Subsection 2-24.	Annual Disclosure Requirements	
Subsection 2-26.	Reasonable Expectations	
Subsection 2-26.	Other Limitations on the Use of Tax Increment	
Subsection 2-27.	Summary	
Jubaccuon 2-20.	Juiiiiiui y	. 40

Appendix A	
Project Description	.26
Annondiy D	
Appendix B	27
Map of Tax Increment District #9	27
A II C	
Appendix C	
Description of Property to be Included in the District	28
A 11 75	
Appendix D	
Estimated Cash Flow for the District	29
Appendix E	
Findings Including But/For Qualifications	31
Appendix F	
TIF Blight Qualification Report	33

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. 12. (As Modified June 17, 2019)

Tax Increment District No. 12 will provide assistance to two existing Shoreview companies located on Cardigan road. Mead Metals is planning a 30,000 square foot addition to their building with an anticipated total project cost of \$4,285,000. TSI, Incorporated is planning a 60,000 square foot addition with a total project cost estimated at \$12,466,000.

Tax Increment will be used to assist with site improvements, parking facilities, utilities including storm water management 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 469.152 to 469.1655, 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 469.1794, 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 <u>Minnesota Statutes</u> (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 <u>Minnesota Statutes</u>, Sections 469.174 through 469.1794, inclusive (the "Tax Increment Act") and through the use of industrial revenue bonds pursuant to the provisions of Chapter 469.152 to 469.1655, as amended, of <u>Minnesota Statutes</u> (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 <u>Minnesota Statutes</u>, 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**:

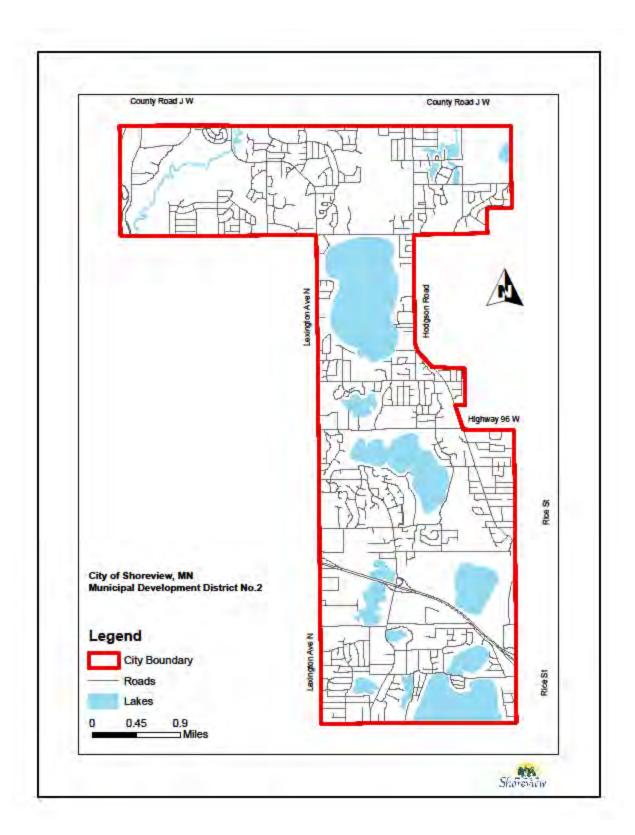
Section 1: Includes the portion containing the corporate limits of the City of Shoreview and excluding the portion of the Section residing in the corporate limits of the City of North Oaks.

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 June 17, 2019)

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



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. 12 (the "District"), a business retention and expansion 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 469.1794, 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 four parcels of land, adjacent and internal rights-of-way and the external road system immediately serving the development site. The District is being created to assist two companies, Mead Metals and TSI, Inc. with demolition, site preparation, parking facilities, internal and external road and pedestrian improvements, storm water management and other TIF eligible improvements to allow for the construction of building expansions on their respective properties; Mead Metals expansion is anticipated to 30,000 square feet and TSI, Inc. will be adding 60,000 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 1, 2019. 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.

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

The District encompasses all property, adjacent and internal rights-of-way, and the external road system immediately serving the development site 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.

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 469.1794, as amended, inclusive, finds that the District, to be established, is a business retention and expansion district pursuant to *Laws of Minnesota 2014, Chapter 308, Article 6, Section 13* as defined below:

Sec. 13.

SHOREVIEW TAX INCREMENT FINANCING PILOT PROJECT.

Subdivision 1.

Authority to establish districts.

(a) The governing body of the city of Shoreview or a development authority it designates may establish not more than three economic development tax increment financing districts in the city subject to the special rules under this section. The purpose of these districts is the retention and expansion of existing businesses in the city and the attraction of new business to the state to create and retain high paying jobs.

(b) The authority to establish or approve the tax increment financing plans and request certification for districts under this section expires on June 30, 2019.

Subd. 2.

Qualified businesses.

For purposes of this section, a "qualified business" must satisfy the following requirements:

(1) the business must qualify under one of the following when the tax increment financing plan is approved:

(i) it operates at a location in the city of Shoreview;

(ii) it does not have substantial operations in Minnesota; or

(iii) the assistance is provided for relocation of a portion of the business's operation from another state;

(2) the expansion or location of the operations of the business in the city, as provided in the business subsidy agreement under Minnesota Statues, sections 116J.993 to 116J.995, will result in an increase in manufacturing, research, service, or professional jobs, at least 75 percent of which pay an average wage or salary that is equal to or greater than 25 percent of the median wage or salary for all jobs within the metropolitan area; and

(3) the business is not engaged in making retail sales or in providing other services, such as legal, medical, accounting, financial, entertainment, or similar services, to third parties at the location receiving assistance.

Subd. 3.

Applicable rules.

- (a) Unless otherwise stated, the provisions of Minnesota Statutes, sections 469.174 to 469.1794, apply to districts established under this section.
- (b) Notwithstanding the provisions of section 469.176, subdivision 1b, the duration limit for districts created under this section is 12 years after the receipt of the first increment.
- (c) The provisions of Minnesota Statutes, section 469.176, subdivision 4c, apply to determining the permitted uses of increments from the districts with the following exceptions:
- (1) any building and facilities must be for a qualified business;
- (2) the building and facilities must not be used by the qualified business or its lessees or tenants to relocate operations from another location in this state outside of the city of Shoreview;
- (3) the 15 percent limit in subdivision 4c, paragraph (a), is increased to 25 percent; and
- (4) the city or development authority may elect to deposit up to 20 percent of the increments in the fund established under subdivision 4. If the city elects to use this authority, all of the remaining increments must be expended for administrative expenses or for activities within the district under Minnesota Statutes, section 469.1763.
- (d) The governing body of the city may elect by resolution to determine the original and current net tax capacity of a district established under this section using the computation under Minnesota Statutes, section 469.177, subdivision 3, paragraph (a) or (b).

Subd. 4.

Business retention and expansion fund.

- (a) The city may establish a business retention and expansion fund and deposit in the fund:
- (1) increments as provided under subdivision 3, paragraph (c), clause (4); and
- (2) increments from a district for which the request for certification of the district was made prior to April 30, 1990, if the amount necessary to meet all of the debt and other obligations incurred for that district has been received by the city.
- (b) Amounts in the fund may be expended to assist qualified businesses, as permitted under subdivisions 2 and 3, and are not otherwise subject to the restrictions in Minnesota Statutes, sections 469.174 to 469.1794.

In meeting the statutory criteria, the City relies on the following facts and findings:

- The District will be a business retention and expansion district consisting of portions of 4 parcels and interior and exterior roadways serving the site (new plat to be filed with Ramsey County) (See Appendix A and B for details).
- The businesses receiving tax increment assistance operate at locations within the City of Shoreview.
- The business receiving tax increment assistance will create manufacturing and professional jobs, at least 75 percent of which pay an average wage or salary that is equal to or greater than 25 percent of the median

- wage or salary for all jobs within the metropolitan area. The most current information (May 2018) from the Bureau of Labor Statistics for occupational employment in Minneapolis-St. Paul-Bloomington is \$26.94 per hour.
- Neither business is not engaged in making retail sales or in providing other services, such as legal, medical, accounting, financial, entertainment, or similar services, to third parties at the location receiving assistance.

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 *Laws of Minnesota 2014, Chapter 308, Article 6, Section 13, subd. 3 (b)* the duration of the District will be 12 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 2022. Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2033, or when the TIF Plan is satisfied. 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 2019 for taxes payable 2020.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2021) 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 2019, assuming request for certification is made before June 30, 2019. 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 2021. 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)	\$285,007
Original Estimated Net Tax Capacity (ONTC)	\$100,283
Estimated Captured Tax Capacity (CTC)	\$184,724
Fiscal Disparities Rate	36.7565
Fiscal Disparities Reduction	Outside Election
Original Local Tax Rate	121.0060% Pay 2019
Estimated Annual Tax Increment (CTC x Local Tax Rate)	\$223,527
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 District and found that some building permits have been issued in the past 18 months, but none that should increase the original tax capacity. Please see Appendix F for the building permits that were issued.

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

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

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

TOTAL
\$ 2,900,000

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 \$1,600,000 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

Tax Increment District No. 12 will provide assistance to two existing Shoreview companies located on Cardigan road. Mead Metals is planning a 30,000 square foot addition to their building with an anticipated total project cost of \$4,285,000. TSI, Incorporated is planning a 60,000 square foot addition with a total project cost estimated at \$12,466,000.

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.

USES OF TAX INCREMENT FUNDS	<u>TOTAL</u>
Site Improvements	\$ 620,000
Parking Facilities	\$ 600,000
Utilities/Storm Water	\$ 370,000
City Pooling (20% include BRE & admin)	<u>\$ 570,000</u>
PROJECT COST TOTAL	\$ 2,160,000
Interest	\$ 740,000
PROJECT AND INTEREST COSTS TOTAL	\$ 2,900,000

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.

Additionally, per the special legislation, Laws of Minnesota 2014, Chapter 308, Article 6, Section 13, Subd.3(4):

the city or development authority may elect to deposit up to 20 percent of the increments in the fund established under subdivision 4. If the city elects to use this authority, all of the remaining increments must be expended for administrative expenses or for activities within the district under Minnesota Statutes, section 469.1763.

Subsection 2-11. Fiscal Disparities Election

For communities affected by the fiscal disparity provisions of Minnesota Statutes, Chapter 473F and Chapter 276A, the original net tax capacity of the TIF District shall be determined before the application of fiscal disparity. In subsequent years, the current net tax capacity shall either (a) be determined before the application of fiscal disparity or (b) exclude the product of any fiscal disparity increase in the TIF District (since the original net tax capacity was certified) times the appropriate fiscal disparity ratio. The method the City elects shall remain the same for the life of the TIF District, except that a single change may be made at any time from method (a) to method (b) above. *The City elects for the fiscal disparities election to come from outside the district.*

Subsection 2-12. 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 fall under any of the above exemptions.

Subsection 2-13. 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 2-14. Estimated Impact on Other Taxing Jurisdictions

The estimated impact on other taxing jurisdictions assumes that the development contemplated by the TIF Plan would occur without the creation of the District. However, the City has determined that such development or redevelopment would not occur "but for" tax increment financing and that, therefore, the fiscal impact on other taxing jurisdictions is \$0. The estimated fiscal impact of the District would be as follows if the "but for" test was not met:

	IMPACT ON TAX BASE		
	Pay 2019 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) Upon Completion	Percent of CTC to Entity Total
Ramsey County	639,498,449	184,724	0.000289%
City of Shoreview	37,112,504	184,724	0.004977%
Mounds View ISD No.621	121,209,890	184,724	0.001524%

IMPACT ON TAX RATES

	Pay 2019	Percent		Potential
	Extension Rates	of Total	<u>CTC</u>	<u>Taxes</u>
Ramsey County	.52652	43.51%	184,724	97,260
City of Shoreview	.33193	27.43%	184,724	61,315
Moundsview ISD No.621	.26332	21.76%	184,724	46,008
Other (HRA, EDA,et.al)	<u>.08828</u>	7.30%	184,724	<u>16,307</u>
Total	1.21006	100%		\$220,890
1000	1.21000	10070		4220,070

The estimates listed display the captured tax capacity when all construction is completed. The tax rate used for calculations is the Pay 2019 rate. The total net capacity for the entities listed is based on proposed Pay 2019 figures.

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

- (1) <u>Estimate of total tax increment.</u> It is estimated that the total amount of tax increment that will be generated over the life of the District is \$2,900,000
- (2) <u>Probable impact of the District on city provided services and ability to issue debt.</u> 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 to be determined 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 \$552,096;
- (4) <u>Estimated amount of tax increment attributable to county levies.</u> 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 \$1,167,120;
- (5) Additional information requested by the county or school district. The City is not aware of any standard questions in a county or school district written policy regarding tax increment districts and impact on county or school district services. The county or school district must request additional information pursuant to *M.S. Section 469.175 Subd. 2(b)* within 15 days after receipt of the TIF Plan.

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

Subsection 2-15. 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: 5/28/2019
- **EDA Staff Reports**: 5/13/2019; 6/3/2019
- > 2040 Comprehensive Plan Chapter 6 Goals- Business Retention and expansion
- > TIF Application- District No. 12

Subsection 2-16. 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 2-17. 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.

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 2-18. 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 15 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 2-19. 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 2023 and report such actions to the County Auditor.

Subsection 2-20. 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, pooling option, the Business Retention and Expansion Fund (up to 20%), and the costs of public improvement activities outside the District.

Subsection 2-21. 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 2-22. 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 2-23. 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 2-24. Administration of the District

Administration of the District will be handled by the City Manager.

Subsection 2-25. 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 2-26. 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 2-27. Other Limitations on the Use of Tax Increment

1. <u>General Limitations.</u> 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. <u>Pooling Limitations</u>. 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. <u>Five Year Limitation on Commitment of Tax Increments</u>. Tax increments derived from the District shall be deemed to have satisfied the 75 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, 75 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 Tax Increment District No. 12 to provide assistance to two existing Shoreview companies located on Cardigan road. Mead Metals is planning a 30,000 square foot addition to their building with an anticipated total project cost of \$4,285,000. TSI, Incorporated is planning a 60,000 square foot addition with a total project cost estimated at \$12,466,000.

The TIF Plan for the District was prepared by Kirstin Barsness, Development Consultant, 29770 Broadway Street Lindstrom, telephone 651-408-1032. Reviewed by Mary Ippel, Briggs and Morgan, 2200 IDS Center, 80 South 8th Street, Minneapolis, MN 55402, 612-977-8122.

Appendix A

Project Description

The City of Shoreview is establishing Tax Increment District No. 12 to provide assistance to two existing Shoreview companies located on Cardigan road. Mead Metals is planning a 30,000 square foot addition to their building with an anticipated total project cost of \$4,285,000. TSI, Incorporated is planning a 60,000 square foot addition with a total project cost estimated at \$12,466,000.

It is projected that over 245 professional jobs will be created as part of the development.

Appendix B



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	Legal Description	OWNER
36.30.23.22.0009	Lot 5 Blk 1 of Kroiss Industrial Park	Mead Metals
36.30.23.22.0008	Lot 4 Blk 1 of Kroiss Industrial Park	TSI, Incorporated
TBD	TBD	TSI, Incorporated

Appendix D

	Assu	mptions and Ra
District Type	Special BRE	
Inflation Rate - Every _ Years	2.00%	
Interest Rate:	5.00%	
Note Issued Date (Present Value Date):	01-Aug-20	
Local Tax Rate - Frozen	121.0060%	Pay 2019
Fiscal Disparities Election (A - outside or B inside)	A	
Year District was certified	Pay 2019	
Assumes First Tax Increment For District	2022	
Years of Tax Increment	12	
Assumes Last Year of Tax Increment	2033	
Fiscal Disparities Ratio	36.7565%	
Fiscal Disparities Metro Wide Tax Rate	143.99%	
Local Tax Rate - Current	121.0060%	
State Wide Property Tax Rate (Used for total taxes)	41.00%	
Market Value Tax Rate (used for total taxes)	0.18744%	
•		
Commercial Industrial Class Rate(preferred)	1.5%-2.0%	
First 150,000	1.50%	
Over 150,000	2.00%	
Commerical Industrial Class Rate (C/	2.00%	
Rental Class Rate	1.25%	Pay 2019
Residential Class Ra - Under \$500,000	1.00%	
Over \$500,000	1.25%	

			Base Value Info	ormation (origin	al tax capacity)			
				Percentage	Total	Tax Year	Property	
		Land	Building	of value used	Original	Original	Tax	Original
PID		Market Value	Market Value	for District	Market Value*	Market Value	Class Rate	Tax Capacity
XX.XX.XX.XXXXX	TSI existing	951,350	-	100%	951,350	2019	Comm/Ind	19,027
36.30.23.22.0008	Mead vacant	675,000	-	100%	675,000	2019	Comm/Ind	13,500
36.30.23.22.0017	Trans Missippi	261,400	213,800	100%	475,200	2019	Comm/Ind	9,504
36.30.23.22.0009	Mead Metals	590,700	2,321,900	100%	2,912,600	2019	Comm/Ind	58,252
		2,478,450	2,535,700		5,014,150			100,283

			PROJECT IN	NFORMATION				
	Land Value	Building Value	Total Estimated	Property	Project Tax	Percent Completed	Percent Complete	First Year Full
Use			Market Value	Tax Class Rate	Capacity	2020	2021	Taxes Payable
TSI Expansion	1,626,350	7,200,000	8,826,350	Comm/Ind	176,527	-	100%	2021
Mead Metals Exp.	852,100	4,571,900	5,424,000	Comm/Ind	108,480	100%	100%	2022
TOTAL	2,478,450	11,771,900	14,250,350		285,007			

Note:

- 1. Market values are based upon estimates from Ramsey County Assessor's Office May 2019
- 2. Building on Trans Missippi will be dempolished so value isn't included in Project information

			TA	AX CALCULATIO	NS			
New Use	Total Tax	Fiscal Disparities	Local Tax	Local Property	Fiscal Disparities	Statewide Property	Market Value	Total Taxes
	Capacity	Tax Capacity	Capacity	Taxes	Taxes	Taxes	Taxes	
TSI Expansion	176,527	-	176,527	213,608	97,192	72,376	16,544	399,720
Mead Metals	108,480	-	108,480	131,267	54,648	44,477	10,167	240,559
TOTAL	285,007	0	285,007	344,876	151,840	116,853	26,711	640,279

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
- 3. Fiscal Disparities Election is being taken from outside the TIF District

				TAX IN	CREMENT CAS	H FLOW					
Project	Original	Captured	Annual	Semi-Annual	State	BRE Fund/Admin.	Semi-Annual	Semi-Annual	PERIOD		
Tax	Tax	Tax	Gross Tax	Gross Tax	Auditor	at	Net Tax	Present	ENDING	Tax	Payment
Capacity	Capacity	Capacity	Increment	Increment	0.36%	20.00%	Increment	Value	Yrs.	Year	Date
											8/2/2020
											2/1/2021
											8/1/2021
											2/1/2022
108,480	67,756	40,724	49,278	24,639	89	4,910	19,640	19,161	0.5	2022	8/1/2022
				24,639	89	4,910	19,640	37,855	1.0	2022	2/1/2023
285,007	100,283	184,724	223,527	111,764	402	22,272	89,089	120,583	1.5	2023	8/1/2023
				111,764	402	22,272	89,089	201,294	2.0	2023	2/1/2024
290,707	100,283	190,424	230,425	115,212	415	22,960	91,838	282,465	2.5	2024	8/1/2024
				115,212	415	22,960	91,838	361,657	3.0	2024	2/1/2025
296,521	100,283	196,238	237,460	115,212	427	22,957	91,828	438,908	3.5	2025	8/1/2025
				_ 115,212	427	22,957	91,828	514,276	4.0	2025	2/1/2026
302,452	100,283	202,169	244,636	122,318	440	24,376	97,502	592,349	4.5	2026	8/1/2026
				122,318	440	24,376	97,502	668,517	5.0	2026	2/1/2027
308,501	100,283	208,218	251,956	125,978	454	25,105	100,420	745,051	5.5	2027	8/1/2027
				125,978	454	25,105	100,420	819,719	6.0	2027	2/1/2028
314,671	100,283	214,388	259,422	129,711	467	25,849	103,395	894,724	6.5	2028	8/1/2028
				129,711	467	25,849	103,395	967,900	7.0	2028	2/1/2029
320,964	100,283	220,681	267,037	133,519	481	26,608	106,430	1,041,386	7.5	2029	8/1/2029
				133,519	481	26,608	106,430	1,113,080	8.0	2029	2/1/2030
327,383	100,283	227,100	274,805	137,403	495	27,382	109,526	1,185,061	8.5	2030	8/1/2030
				137,403	495	27,382	109,526	1,255,285	9.0	2030	2/1/2031
333,931	100,283	233,648	282,728	141,364	509	28,171	112,684	1,325,772	9.5	2031	8/1/2031
				141,364	509	28,171	112,684	1,394,540	10.0	2031	2/1/2032
340,610	100,283	240,327	290,810	145,405	89	29,063	19,640	1,406,234	10.5	2032	8/1/2032
				141,364	89	28,255	113,020	1,471,883	11.0	2032	2/1/2033
347,422	100,283	247,139	250,846	125,423	402	25,004	100,017	1,528,562	11.5	2033	8/1/2033
				141,364	402	28,192	112,769	1,590,910	12.0	2033	2/1/2034
Totals				2,867,796	9,339	571,692	2,190,153				
Present Value Da	ite 8-1-20 Pre	sent Value Ra	te 5%	2,067,413	5,792	376,743	1,590,910				

NOTES:

^{1.} Amount of increment will vary depending upon market value, tax rates, class rates, construction schedule and inflation on Market Value.

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. 12 as required pursuant to *M.S., Section 469.175, Subd. 3* are as follows:

- 1. Finding that the Tax Increment Financing District No. 12 is a Business Retention and Expansion Tax Increment District as defined Laws of Minnesota 2014, Chapter 308, Article 6, Section 13. Tax Increment Financing District No. 12 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.
 - 2. Finding that the businesses to be assisted meet the definition of Qualified business as set forth in *Laws of Minnesota 2014, Chapter 308, Article 6, Section 13, Sub 2.*

Qualified businesses.

For purposes of this section, a "qualified business" must satisfy the following requirements:

(1) the business must qualify under one of the following when the tax increment financing plan is approved:

(i) it operates at a location in the city of Shoreview;

Both Mead Metals and TSI meet this Qualification

(2) the expansion or location of the operations of the business in the city, as provided in the business subsidy agreement under Minnesota Statues, sections 116J.993 to 116J.995, will result in an increase in manufacturing, research, service, or professional jobs, at least 75 percent of which pay an average wage or salary that is equal to or greater than 25 percent of the median wage or salary for all jobs within the metropolitan area; and

From the Bureau of Labor and Statistics, May 2018 State Occupational Employment and Wage Estimates Minnesota (most current data) the Median Wage fort he Minneapolis- St. Paul- Bloomington MSA was \$20.49 per hour. The City has received information demonstrating that 75% of the jobs created will pay greater than 25% of \$20.49 per hour.

(3) the business is not engaged in making retail sales or in providing other services, such as legal, medical, accounting, financial, entertainment, or similar services, to third parties at the location receiving assistance.

Both Mead Metals and TSI meet this qualification.

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. 12 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 parking constraints, storm water management systems and other necessary site improvements needs to facilitate the expansion would not occur with public assistance.

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 the need to install an underground storm water management system in order to accommodate a higher density development parking (the majority is underground due to site size limitations) 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, remediation needs, 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 \$ 27,978,800 (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 \$ 6,986,519 (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 \$20,469,350 (the amount in clause b less the amount in clause c) without tax increment assistance.

But-For Analysis	
Current Market Value	5,014,150
New Market Value - Estimate	14,250,350
Difference	9,236,200
Present Value of Tax Increment	2,067,413
Difference	7,168,787
Value Likely to Occur without TIF is less than	\$ 7,168,787

3. Finding that the TIF Plan for Tax Increment Financing District No. 12 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. 12 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 by creation of an estimated 245 new professional level jobs. The Project will increase the tax base and provide for improved storm water management practices.

Appendix F

Building Permit Data

PLANNING COMMISSION **CITY OF SHOREVIEW, MINNESOTA**

RESOLUTION NO. 19 – 49

RESOLUTION OF THE PLANNING COMMISSION FINDING THAT THE MODIFICATION OF MUNICIPAL DEVELOPMENT DISTRICT NO. 2 AND THE TAX INCREMENT FINANCING PLAN FOR TAX INCREMENT FINANCING DISTRICT NO. 12 CONFORM TO THE GENERAL PLANS FOR THE DEVELOPMENT AND REDEVELOPMENT OF THE CITY.

WHEREAS, the City Council for the City of Shoreview, Minnesota, (the "City") has proposed a modification to Municipal Development District No. 2 and the adoption of a Tax Increment Financing Plan for Tax Increment Financing District No. 12 (collectively, the "Plans") and has submitted the Plans to the Shoreview Planning Commission (the "Commission") pursuant to Minnesota Statutes, Section 469.175, Subdivision 3, and

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

NOW, THEREFORE, BE IT RESOLVED by the Commission that the Plans conform with the general plans for the development and redevelopment of the City as a whole.

Adopted this day of

day of, 20	019.
	Chair
	day of, 20

PROPOSED MOTION

MOVED BY COMMISSION MEMBER:
SECONDED BY COMMISSION MEMBER:
To adopt Resolution No. 19-49, finding that the modification to Development District No. 2 and Tax Increment Financing Plan for the proposed creation of Tax Increment Financing District No. 12 (a special BRE District) being undertaken for the planned expansion projects by Mead Metals and TSI Incorporated conform to the general development and redevelopment plans of the City.
VOTE:
AYES:
NAYS:

Regular Planning Commission Meeting May 28, 2019