City of Wayzata Housing and Redevelopment Authority
AMENDED Meeting Agenda
Thursday, July 30, 2015

7:30 am – 8:30 am
Wayzata City Hall Community Room
600 Rice Street East
Wayzata, MN 55391

1. Call to Order – Chairman Shaver

2. Approval of Agenda

3. Approval of Minutes of June 30, 2015

4. Old Business

   a. Downtown Parking Update

5. New Business

   a. Potential Redevelopment Proposal at 239-235-253 & 259 (TIF & public easement for shared parking)
   b. Over Settlement of Tax Increment from TIF District 2 (CARD)

6. Next Meeting Date: October 29, 2015

7. Adjournment

HRA members present: T. Shaver, B. Ambrose, D. McGill, R. Wothe, B. Petit
City Staff/HRA Executive Director present: Heidi Nelson
City Staff present: Becky Malone, Bryan Gadow, and Don Uram
Others present: City Attorney Jay Lindgren with Dorsey & Whitney, LLP, Stacie Kvilvang with Ehlers and Associates, John Mehrkens with Presbyterian Homes

Chairman Shaver called the meeting of the HRA to order at 7:30 am.

APPROVAL OF AGENDA

Wothe motioned to approve the June 30, 2015, meeting agenda as presented, seconded by McGill. The motion passed 5/0 by voice vote.

APPROVAL OF MINUTES – MINUTES OF MAY 29, 2015

McGill motioned to approve the May 29, 2015 minutes as presented, seconded by Ambrose. The motion passed 5/0 by voice vote.

OLD BUSINESS

a. Updated boundary survey outlining the boundaries/clarifying lot lines between 801 Superior Blvd. (City owned lot), 755 Lake St. (Bar Lazy H Five LLC), and 747 Mill St. (the Muni)

Shaver stated this information has been provided in response to the request made by the HRA at their May 29, 2015 meeting.

Wothe clarified the lot size as the east/west line is 128-feet and the north/south line is 124-feet, for a total of about 13,000 square feet.

b. Update on TIF districts, increments created, and anticipated tax revenue

Ms. Stacie Kvilvang stated the City has two (2) TIF Districts outstanding. She reviewed the Management Review and Analysis Report. She explained the City can keep 10% of the tax increment that is generated over the term of the District to pay for administrative costs. The City can also pool up to 20% of the tax increment that is generated over the term of the District. This 20% can be spent outside of the TIF district boundaries. The City has spent about $900,000 for storm water improvements and street projects outside of the TIF District. The City is currently seeking Special Legislation to extend the term of the Widsten District to its maximum statutory limit. If the City's request is approved there will be approximately $3.9 million available for financing the public parking ramp on Mill Street through the remaining term of the District or the City could choose to pool approximately $900,000 for projects outside of the District.

DRAFT

Ambrose asked what requests the City Council would need to make in order to request the Special Legislation next year because the District is set to expire in 2015.

Kvilivang explained the City had the Special Legislation request in 2015 but there was no tax bill approved. The City would not decertify the District and keep it open until next year. She explained the term could be extended from 2020 to 2022.

Shaver asked if there would be impacts on the Special Legislation if the City were to begin construction on the Mill Street parking ramp prior to the Special Legislation being approved.

Kvilvang stated without the Special Legislation the City has a limited amount of increment and if the project were started, it would be limited to the amount that is available in the District.

NEW BUSINESS

a. Approve Amended and Restated Redevelopment Agreement for Wayzata Bay Redevelopment LLC

Nelson reviewed the history of the redevelopment agreement for Wayzata Bay Redevelopment LLC. If approved, this item would be presented to the City Council at their meeting on July 7, 2015.

Kvilvang pointed out the work that Ms. Nelson has done on this project for the City and thanked her for this. She also thanked Mr. Mehrkens and Mr. Lindgren for their work with this project. She reviewed the Redevelopment Agreement and key issues including changes, additions and deletions from the original document. She explained that the repayment to the developer is 95% of increment collected in 2015-2017 and 100% of increment collected from all development. In 2018 and beyond, the City will receive 100% of TIF from the East Block, and 0% from the North, Superior, West and Plaza blocks. The City intends to pool the tax increment generated from the East Block to assist in paying for the proposed City owned parking ramp to be constructed at Mill Street and Broadway Avenue.

Petit asked what portion of the market value is not taxable.

Kvilvang stated 100% is taxable but Presbyterian Homes has looked at having a portion of the skilled nursing beds exempt, but the County has not agreed. She reviewed definitions, land use and development controls, TIF project area and land assembly, construction of minimum improvements, project defaults/deadline adjustments, master redeveloper reimbursement obligations, qualified redevelopment costs, and performance review, and master redeveloper covenants. She continued to explain that the Developer has to provide a $1 million letter of credit to the City to ensure the infrastructure improvements are completed.

DRAFT

Wothe asked Mr. Mehrkens if there were any objections to the amended revised agreement.

Mr. John Mehrkens, on behalf of Wayzata Bay Redevelopment, stated the amended agreement represents a fair compromise and he would support the approval of this agreement.

Ambrose requested the presentation slides provided by Ms. Kvilvang be added to the HRA meeting packet for reference.

Shaver asked what the end and start point would be for the restated redevelopment agreement for the determination in the 50% value, or $21 million, and to make sure the transfer is smooth. It is as if there is a transition period with the City having no further financial obligation.

Kvilvang stated this transfer would be smooth because of the annual valuation and it is anticipated that they would be sure of that valuation by 2018. The City will be sure to know the increment amount when it issues bonds for the parking ramp to ensure it will pay the debt service.

Wothe motioned to approve the Amended and Restated Redevelopment Agreement for Wayzata Bay Redevelopment LLC, seconded by McGill. The motion passed 5/0 by voice vote.

b. Review of Wayzata Bay Redevelopment Company memo re: Lake/Superior Parcel and draft City Council meeting minutes of June 16, 2015

Nelson stated in the draft Term Sheet Presbyterian Homes had been asked to provide a concept plan for what they would propose for the development of the corner for Lake and Superior. It had been determined by the Council to wait and see how things progress. There had been concern about creating a “canyon” when you come down Superior, additional parking demands, and the effect upon the Municipal Liquor operations.

Shaver stated the tables and scenarios provided by Mr. Mehrkens have helped to shape the discussions on additional parking load and the impacts these scenarios could have on the parking ramp project. He clarified that the rights held by Presbyterian Homes for right of first refusal expire on November 15, 2015 and there are no further rights beyond the obligation to notify them of the intent to sell the property.

Mr. Lindgren clarified that the City must provide a 60 day notice prior to entering into a purchase agreement.

Shaver suggested having a mechanism in place to ensure the City does not miss this notification.

Wothe asked for clarification regarding the City’s obligation to Jim Beltz.

DRAFT

Nelson explained there is no agreement to date with the Beltz family. The City has had discussions with them. They do have redevelopment desires including the expansion of their building. This would create a parking demand they would have to meet. This could be done with the parking ramp. With this, there would be a capital contribution and an ongoing maintenance contribution. The other piece is the potential for a commercial corner within the ramp and if the Beltz family would be interested in working with the City on this. There is an old development agreement that stated anything north of that line will affect parking. The City continues to discuss the possibility of partnering with the Beltz family because they may have some rights regarding what happens in this area.

Shaver asked if it was the City's decision to include a commercial component to the parking ramp.

Nelson stated the City is not obligated to include a commercial piece with the parking ramp but the City sees this as an opportunity to make the ramp more than a concrete parking structure.

Petit clarified the City would not be asking Mr. Beltz to put any parking on his site.

Nelson clarified the City felt it would be more efficient to build a structure and have them make a capital contribution versus having parking included on his site due to the size.

NEXT MEETING DATE: July 30 and October 29, 2015

Nelson updated the HRA on other development occurring including 239, 235, 259, and 253 Lake Street. She stated the litigation is continuing forward. There had been a hearing on May 15 and the City is anticipating a ruling on that. Since the hearing, the City has had a workshop with Mr. Hoyt and the neighboring properties to discuss a more collective redevelopment proposal. The City has done tax increment analysis for the City to participate in the project with the expectation there would be public parking. She would provide a full update at the July 30 HRA meeting. She stated the downtown parking project continues to be on the City's agenda and there will be a workshop on July 21. At this time, the City has set October 1, 2016 as the start of construction and the ramp would be available April 1, 2017 for public use.

ADJOURNMENT

There being no further business; Wothe motioned to adjourn at 8:36 a.m., McGill seconded the motion and the motion passed 5/0 by voice vote.

Respectfully submitted,

Becky Malone
Deputy City Clerk, City of Wayzata
Drafted by Tina Borg, *TimeSaver Off Site Secretarial, Inc.*

DRAFT

City of Wayzata
600 Rice Street
Wayzata, MN 55391-1734

Mayor:
Ken Willcox

City Council:
Bridget Anderson
Johanna McCarthy
Andrew Mullin
Steven Tyacke

City Manager:
Heidi Nelson

Date: July 23, 2015

To: HRA Chair & Commissioners

From: Heidi Nelson, HRA Executive Director

Subject: Downtown Parking Update

Attached please find the presentation from the July 21 City Council workshop discussion regarding downtown parking. The Council continues to work through the issues of programming and pre-design for the Mill Street Ramp. Downtown parking will be on the August 5th regular meeting agenda to solicit direction from the Council regarding the programming and sizing of the ramp, potential re/development in and around the ramp, and the treatment of Mill Street.

Wayzata City Council – Work Session

Downtown Parking Project Update

July 21, 2015

AGENDA

1. **Completed Since June 16, 2016**
2. **Updated Parking Calculations**
3. **Handicap Parking**
4. **Advancement on Parking Ramp Graphics and Pre-Design**
5. **Next Steps**
6. **Schedule**

Since the June 16 meeting we have,

1. Completed Soil Borings

2. Updated Parking Calculations (10% SF reduction, Shared Parking, and Low/High future development options)

3. Advanced Parking Ramp Pre-Design

4. Presented Downtown Parking Project (Parking Ordinance) to Planning Commission on July 6, 2015

Updated Parking Calculations

Current Ordinance

Applied Net Square Footage:

- Removed 10 % of Gross SF per City Code

Demand reduced: 2,231 to 2,008

Deficit reduced: -637 to -414

ZONE	PRIMARY LAND USES	QUANTITY	UNIT	CITY RATE/1000 SF	TOTAL DEMAND
Phase 1	OFFICE	83,370	SQ. FT.	4.0	333
Phase 1	RESTAURANT	35,136	SQ. FT.	22.3	784
Phase 1	RETAIL	178,601	SQ. FT.	4.0	714
Phase 1	GOVERNMENT	33,950	SQ.FT.	5.2	177
					2008

Parking Supply		
		1594
On Street	180	
Off Street	1414	
SURPLUS/(DEFICIT)		**-414**

Updated Parking Calculations

Current Ordinance

Applied Shared Parking Calculations

- Demand reduced: 2,008 to 1,701
- Deficit reduced: -414 to -107

Current Ordinance Phase 1 Parking District

ZONE	PRIMARY LAND USES	QUANTITY*	UNIT	CITY RATE/1000 SF	TOTAL DEMAND	Shared Pkg Demand (Peak Hour- 7AM to 6PM)
Phase 1	OFFICE	83,370	SQ. FT.	4.0	333	333
Phase 1	RESTAURANT	35,136	SQ. FT.	22.3	784	548
Phase 1	RETAIL	178,601	SQ. FT.	4.0	714	643
Phase 1	GOVERNMENT	33,950	SQ.FT.	5.2	177	177
*10% SF removed per 801.20.9 D1					2008	1701
Parking Supply					1594	1594
	On Street	1414				
	Off Street	180				
SURPLUS/(DEFICIT)					**-414**	**-107**

Updated Parking Calculations

Current Ordinance

Applied Low and High Redevelopment Options

- Low Parking Demand: -591/-276 (shared)
- High Parking Demand: -823/-439 (shared)

Current Ordinance and Redevelopment Parking Demand
Phase 1 Parking District

ZONE	PRIMARY LAND USES	QUANTITY*	UNIT	CITY RATE/1000 SF	TOTAL DEMAND	Shared Pkg (Pk Hr: 7AM-6PM)
Phase 1	OFFICE	83,370	SQ. FT.	4.0	333	333
Phase 1	RESTAURANT	35,136	SQ. FT.	22.3	784	548
Phase 1	RETAIL	178,601	SQ. FT.	4.0	714	643
Phase 1	GOVERNMENT	33,950	SQ.FT.	5.2	177	177
*10% SF removed per 801.20.9 D1					2008	1701
Parking Supply					1594	1594
	On Street	180				
	Off Street	1414				
SURPLUS/(DEFICIT)					**-414**	**-107**
REDEVELOPMENT IMPACTS						
Redevelopment Impacts (low)					-145	-137
Superior Dev Parking Loss*					-32	-32
Net Total Parking Demand					**-591**	**-276**
Redevelopment Impacts (high)					-377	-300
Superior Dev Parking Loss*					-32	-32
Net Total Parking Demand					**-823**	**-439**

(* Will change based on detailed development plan)

Updated Parking Calculations

Proposed Ordinance

Applied Net Square Footage:

- Removed 10 % of Gross SF per City Code

Demand reduced: 1,896 to 1,707

Deficit reduced: -302 to -113

ZONE	PRIMARY LAND USES	QUANTITY*	UNIT	CITY RATE/1000 SF	TOTAL DEMAND
Phase 1	OFFICE	83,370	SQ. FT.	3.7	308
Phase 1	RESTAURANT	35,136	SQ. FT.	15.2	534
Phase 1	RETAIL	178,601	SQ. FT.	3.9	688
Phase 1	GOVERNMENT	33,950	SQ.FT.	5.2	177
					1707

* 10% SF removed per 801.20.9 D1

Parking Supply		1594
On Street	1414	
Off Street	180	
SURPLUS/(DEFICIT)		-113

Updated Parking Calculations

Proposed Ordinance

Applied Shared Parking Calculations

- Demand reduced: 1,642 to 1,478
- Deficit reduced: -48 to 116

ZONE	PRIMARY LAND USES	QUANTITY*	UNIT	CITY RATE/1000 SF	TOTAL DEMAND	Shared Pkg
Phase 1	OFFICE	83,370	SQ. FT.	3.7	308	308
Phase 1	RESTAURANT	35,136	SQ. FT.	15.2	534	374
Phase 1	RETAIL	178,601	SQ. FT.	3.9	688	619
Phase 1	GOVERNMENT	33,950	SQ.FT.	5.2	177	177
					1707	1478

* 10% SF removed per 801.20.9 D1

Parking Supply		1594	1594
On Street	1414		
Off Street	180		
SURPLUS/(DEFICIT)		**-113**	**116**

Updated Parking Calculations

Proposed Ordinance

Applied Low and High Redevelopment Options

- Low Parking Demand: -284/-45 (shared)
- High Parking Demand: -442/-162 (shared)

ZONE	PRIMARY LAND USES	QUANTITY*	UNIT	CITY RATE/1000 SF	TOTAL DEMAND	Shared Pkg
Phase 1	OFFICE	83,370	SQ. FT.	3.7	308	308
Phase 1	RESTAURANT	35,136	SQ. FT.	15.2	534	374
Phase 1	RETAIL	178,601	SQ. FT.	3.9	688	619
Phase 1	GOVERNMENT	33,950	SQ.FT.	5.2	177	177
* 10% SF removed per 801.20.9 D1					1707	1478
Parking Supply					1594	1594
	On Street	1414				
	Off Street	180				
SURPLUS/(DEFICIT)					-113	116
REDEVELOPMENT IMPACTS						
Redevelopment Impacts (low)					-139	-129
Superior Dev Parking Loss*					-32	-32
Net Total Parking Demand					-284	-45
Redevelopment Impacts (high)					-297	-246
Superior Dev Parking Loss*					-32	-32
Net Total Parking Demand					-442	-162

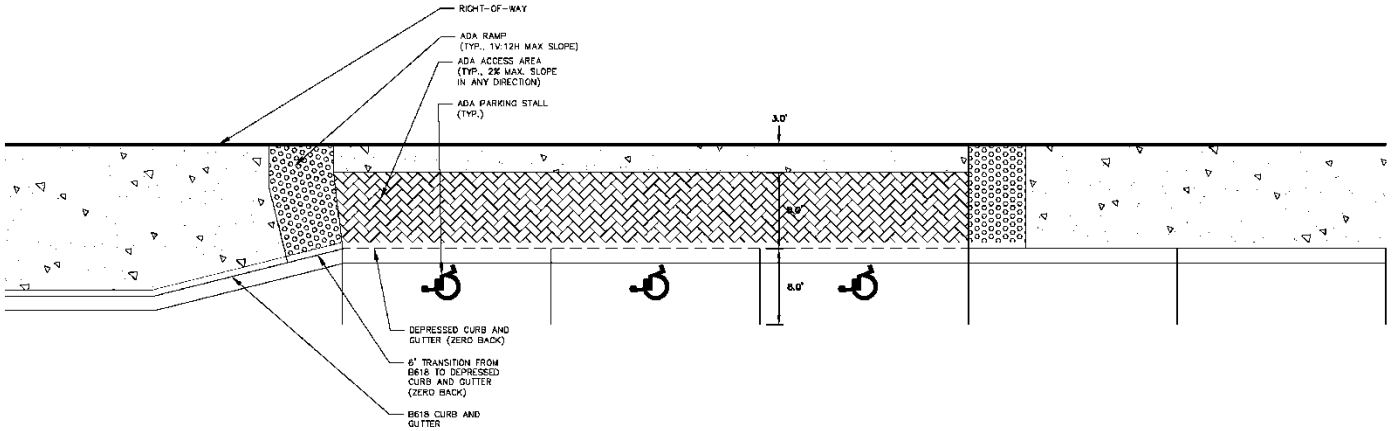
(* Will change based on detailed development plan)

Discussion Topics for August 5th Action

1. Addition of On-Street Handicap Stalls
2. Number of Parking Stalls in Ramp
   a. 1 Structured Level
   b. 2 Structured Levels
3. Woonerf
4. Development:
   a. Low Development
   b. High Development
   c. No Development

Handicap Parking Options

- There is a deficit of 4 handicap stalls within the Phase 1 Parking District for publicly owned parking (off-street)
  - MN rules requiring ADA parking stalls do not apply to public right of way (on-street).
  - Muni Lot – deficit of 2 ADA stalls
  - Mill Street Lot – deficit of 2 ADA stalls
  - West City Lot – meets requirement
- MN rules require ADA stall to be 8’ in width with an 8’ access aisle



TYPICAL ADA PARALLEL PARKING LAYOUT

SCALE 1"=10'

Handicap Parking Options

- Existing slope limits the number of ADA stalls on Broadway to the two proposed (shown below)
- Curb alterations are required for ADA stalls to be added to Lake Street
  - Reduce width of existing sidewalk and avoid entrances to business
- Less impactful to add additional ADA stalls to West City Lot, Mill Street surface lot or ramp

ADA diagonal stalls on Broadway

Proposed and Potential ADA stalls on Lake Street

Mill Street Ramp
Plan View – Low Development

Mill Street Ramp
View from Broadway – Low Development

Mill Street Ramp
View of Woonerf – Low Development

Mill Street Ramp
View from Superior-Low Development

Mill Street Ramp
Plan View – High Development

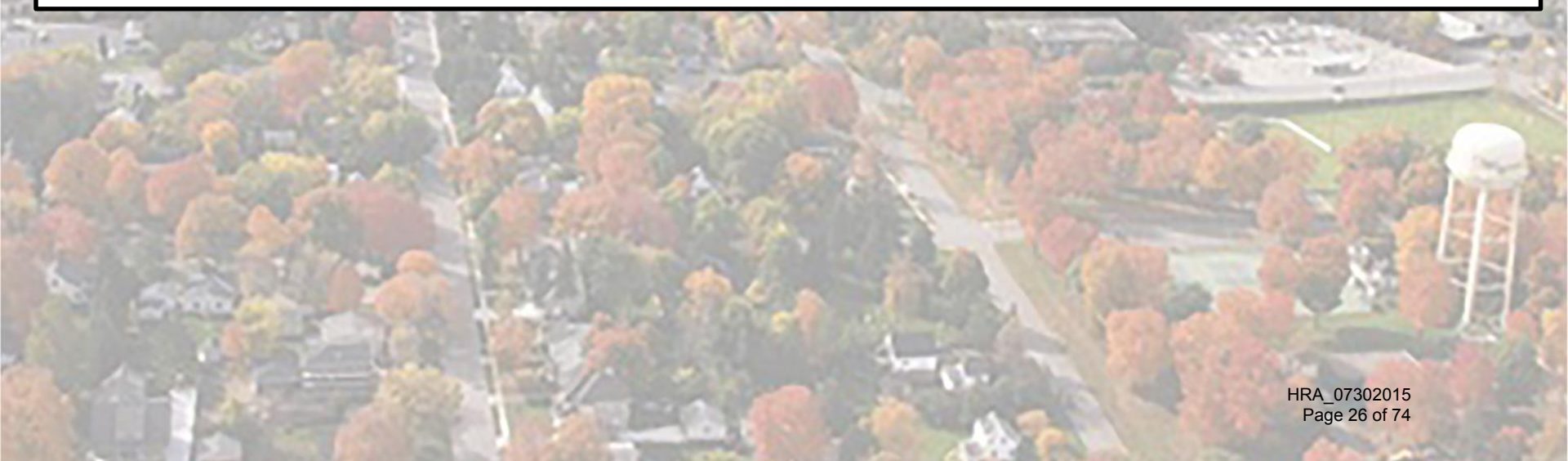
Mill Street Ramp
View from Broadway – High Development

Mill Street Ramp
View of Woonerf – High Development

Mill Street Ramp
View from Superior-High Development

Next Steps –Aug/Sept City Council

1. Review Procurement Options
   - Traditional design-bid-build (DBB)
   - Agent Construction Manager (ACM)
   - Construction Manager at Risk (CMAR)
   - Design-Build (DB)
   - Design-Build-Operate-Maintain (DBOM)
2. Select Preferred Procurement Option for A/E Team and Construction Team
3. Issue RFP's as needed



Schedule

1. Implement Parking Pilot Programs for Summer 2015
2. Measure Parking Pilot Programs and plan for long term implementation of parking management tools
3. Define Parking District cost/benefits by Aug. 2015
4. Complete pre-design/programming for Mill St. Ramp Sept. 2015
5. Define plan of finance for ramp construction by Sept. 2015
6. Draft Parking Ordinance amendments by Sept. 2015
7. Draft Parking/Mobility District Ordinance by Sept. 2015
8. Begin site plan submittal/rezone/plat process Oct. 2015
9. Continue collaboration with Carish's re public use of parking ramp
10. Determine procurement process for ramp construction by Dec. 2015
11. Site plan process/entitlement complete by Dec. 2015
12. Ramp construction start Oct. 2016

CITY OF WAYZATA

PLANNING DEPARTMENT

MEMORANDUM

To:	Housing and Redevelopment Authority
From:	Bryan Gadow, Director of Planning and Building
Date:	July 23, 2015
Re:	Review of West Lake St Redevelopment Project Concept

Background

On May 19th, the City Council held a workshop meeting with Mr. Brad Hoyt, property owner of 253 Lake St E, Mr. Pat Hughes, property owner of 239 Lake St E, and Ms. Kim Erickson of Cambridge State Bank for 259 Lake St to discuss potential redevelopment options for the properties.

The property owners were requesting City public financing assistance on the project in the form of Tax Increment Financing (TIF) for the purposes of building structured parking in the rear portion of the properties. The parking would be utilized for the business tenants during the work day, but have a public easement over it to allow public usage of the parking in the evening and on weekends. Given the proximity of these parcels to the both the Dakota Rail Trail and the City Beach and Marina, potential public parking in this area could provide a benefit as the City continues the implementation of its Lake Effect Design Framework, which includes additional parking on the west end of Lake St.

The City is also engaging the Three Rivers Park District to examine potential for capital partnership on a parking ramp component of the project, given the proximity of the site to the Dakota Rail trailhead.

Since the City Council workshop, Mr. Hoyt has worked with Mr. Neil Weber of Weber Architects and Planners to develop a site plan concept for the properties. As the developable parcels are currently owned by three different property owners who may have different timelines for development, the attached site concept is designed to be phased if necessary. Note that discussions between the three property owners are still on-going, and at present there is not a joint application for development.

Site Concept

The Site Concept is for three separate buildings joined by rear structured parking, with a current assumption of office use. As the concept is further refined by the property owners, additional

uses such as light retail may be incorporated into the plan. The three buildings are proposed to be three stories in height, with upper level setbacks on the second and third levels. The proposed ramp is designed to limit impacts to the wetland that is the rear of the property, with mitigation as needed. Further review of the wetland concept of the project would occur as the concept processes. Mr. Weber has included some initial preliminary cost estimates for the project, which are attached.

TIF Analysis

At the conclusion of the workshop, the Council directed staff to engage the City's public finance consultant, Ehlers Inc., to conduct a preliminary analysis of potential TIF for redevelopment scenarios on the lots that would include a parking ramp.

Ehlers provided preliminary TIF analysis to the Council in June, and has updated the analysis based upon the attached Concept Plan. A copy of the City's Business Subsidy and Public Financing Policy and the 2013 Redevelopment Plan are attached for reference. The West Lake Street area is identified as a key redevelopment site in the Plan.

The purpose of this discussion is to brief the HRA members on discussions that the City has had on this potential project, and receive feedback. If the City moves forward with the Project, the City would draft a Letter of Intent with the property owners outlining responsibilities and parameters of public financing participation. The HRA would then be asked to initiative the creation of a TIF District.

Attachments

- West Lake Street Site Concept Plan
- Preliminary Cost Estimates
- TIF Analysis from Ehlers and Associates (June and July 2015)
- Business Subsidy and Public Financing Policy
- 2013 Redevelopment Plan
- Section from Lake Effect Design Framework on West End of Lake Street

HUGHES PROPERTY
235 EAST LAKE STREET

56,713 SF

HOYT PROPERTY
253 EAST LAKE STREET

53,445 SF

FLAGSHIP PROPERTY
259 EAST LAKE STREET

51,872 SF

PARKING STRUCTURE

FIRST	118 CARS
SECOND	117 CARS
THIRD	117 CARS
TOTAL	352 CARS

SITE PARKING

HUGHES	20 CARS
HOYT	8 CARS
FLAGSHIP	10 CARS
TOTAL	38 CARS

HUGHES
21,564 SF
72 CARS

FIRST 9,228 SF
SECOND 7,246 SF
THIRD 5,040

HOYT
40,200 SF
134 CARS

FIRST 14,400 SF
SECOND 13,160 SF
THIRD 12,440 SF

FLAGSHIP
28,200 SF
94 CARS
85 CARS EASEMENT

FIRST 11,140 SF
SECOND 9,000 SF
THIRD 8,060 SF

BARRY AVENUE

LAKE STREET

SITE CONCEPT

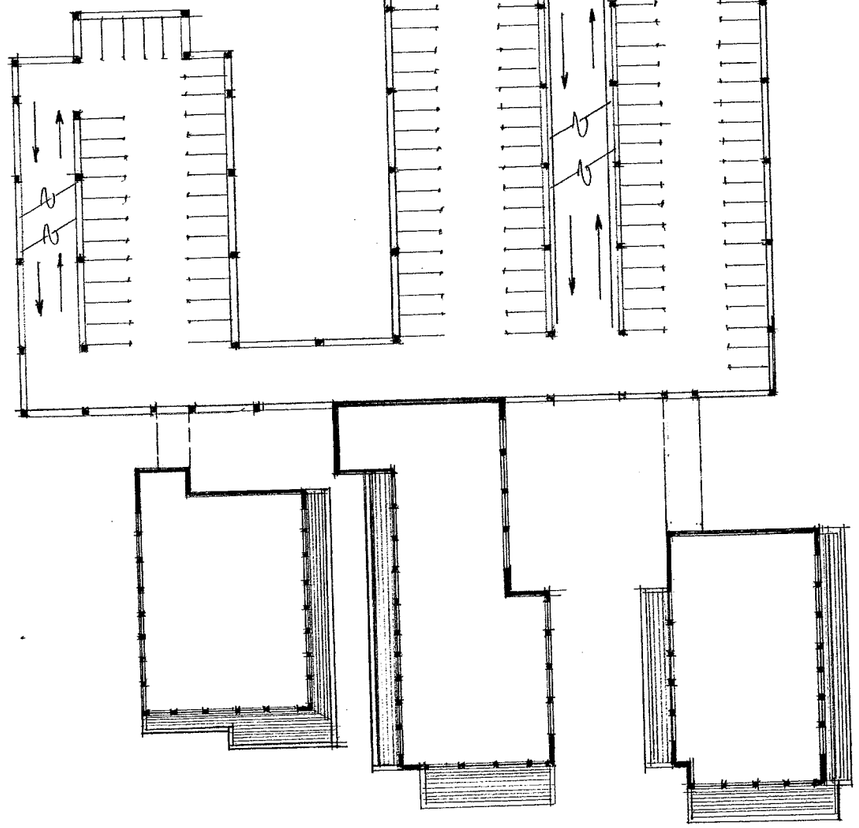
SCALE 1' = 30'0"

253 EAST LAKE STREET
WAYZATA, MINNESOTA

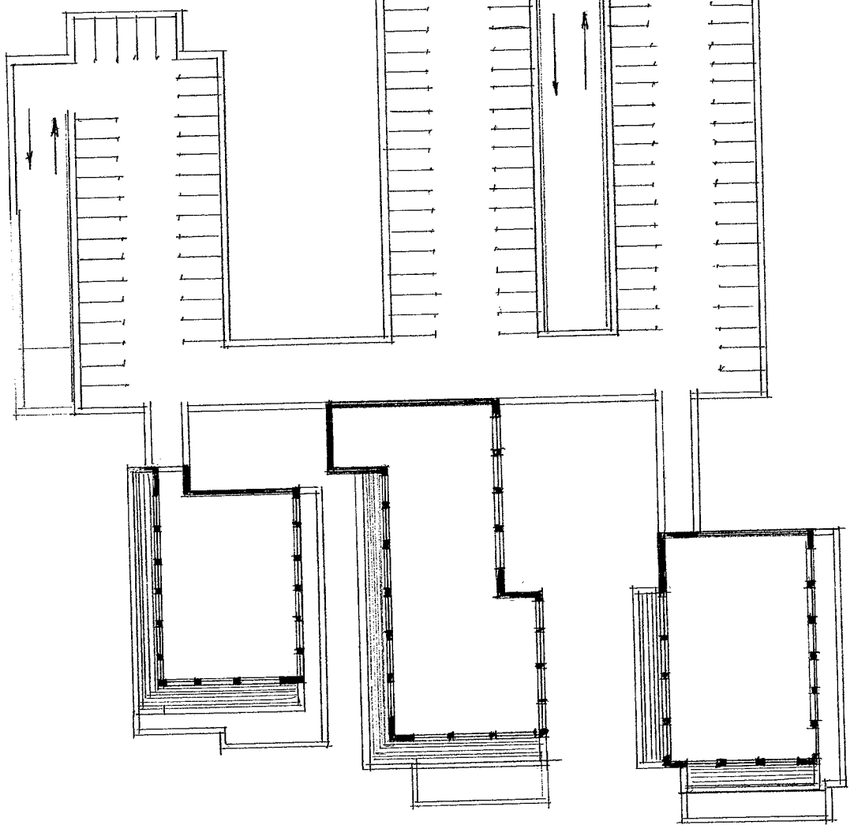
CONTINENTAL PROPERTY GROUP, INC.

WEBER architects & planners
1280 Waterman Road, Long Lake, MN 55356-9415
952.476.4434 / Fax 952.473.0843 / mgweber@msn.com

14 JULY 2015



SECOND



THIRD

253 EAST LAKE STREET
WAYZATA, MINNESOTA

CONTINENTAL PROPERTY GROUP, INC.

WEBER architects & planners
2300 Wildrose Road, Long Lake, MN 55356-9419
952.476.4434 • Fax 952.476.5853 • mw@weberarchitects.com

14 JULY 2015

WEBER
architects & planners
2280 Watertown Road, Long Lake, MN 55356-9419
952.476.4434 • Fax 952.476.5863 • nw@weberarchitects.com

21 July 2015

Summary of concept proposal by:

CONTINENTAL PROPERTY GROUP
253 EAST LAKE STREET

PROPERTIES:
This concept proposal involves 3 properties. The addresses of the 3 are, 235, 253 and 259 East Lake Street. They are owned by different entities. The concept presented here is based on the idea that on grade parking and a parking structure be constructed at the rear of the properties which would provide parking for all three buildings and the easement of 85 spaces required for the marina building across the street

BUILDINGS:
The plan shows three separate buildings. This will allow each of the property owner the ability to develop their own building independent of each other. Separation of the buildings will allow each of the buildings significant exterior exposure to light which will maximize the value to each owner. The concept plan shows the total areas of each building by floor. The total building areas is approximately 90,000 sf (89,964 sf to be specific).

PARKING:
The parking provided on the site (all 3 pieces) total 390 spaces. The parking structure has a total of 352 cars. On grade parking (38 spaces) is provided at each of the buildings as shown on the plan.

The demand for each of the buildings based on the recommended changes to be made in the parking ordinance when figured on 3.7 spaces per 1000 of the net sf of each of the buildings are:

- Hughes 72 spaces
- Hoyt 134 spaces
- Flagship 94 spaces
- Easement 85 spaces
- Total 385 spaces

Since we providing 390 spaces this meets the requirement without figuring cross use deductions.

The intent of this proposal is to use the TIF generated by the building construction to build the parking. The City would own the parking. The parking would be available for public parking evenings and weekends when the "tourist" and lake shore demand is at it's highest and the office use is at the lowest.

CIRCULATION:
The concept is laid out to provide 2 access points from Lake Street and one from Barry. The 2 from Lake Street are both egress and ingress while the one from Barry would be used as access to the ramp and access to the Zitzloff building.

CONSTRUCTION COSTS:
Attached are some very preliminary cost estimates from Benson-Orth relate to the concept. They include pilings as recommended by soil borings taken on the site for both the buildings and the parking structure. While value is not necessarily related to cost this should give a sense of the costs of the buildings.

Costs do not include:

- Demolition costs
- Wetland mitigation costs
- Land value

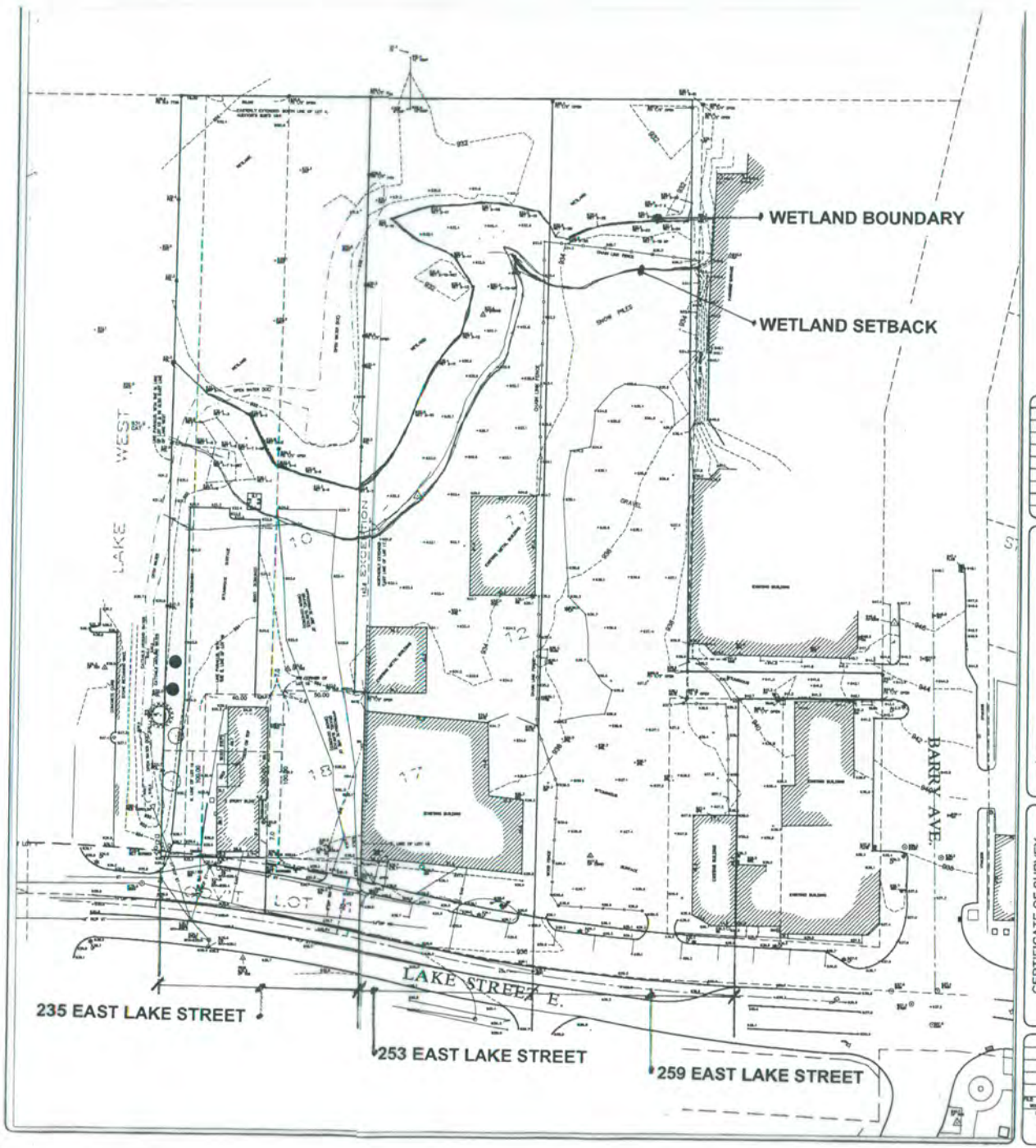
CONCLUSION:
This plan shows a concept that provides a source of public parking which works for the proposed buildings as well as meeting a demand for parking caused by restaurant, retail and lakefront activities. This parking is paid for by the construction of the buildings. There are a lot of details and design decisions to be made as we move forward should the City approve such an approach. This is simply a concept design and not yet an architectural design.

EXISTING CONDITIONS

HUGHES PROPERTY
235 EAST LAKE STREET

HOYT PROPERTY
253 EAST LAKE STREET

KAMINSKY PROPERTY
259 EAST LAKE STREET



WEBER
architects & planners
2280 Watertown Road, Long Lake, MN 55356-9419
952.476.4434 • Fax 952.476.5863 • nw@weberarchitects.com

REVISIONS

SATHRE-BERGQUIST, INC.

CERTIFICATE OF SURVEY
PREPARED FOR
COMPANY NAME
DESCRIPTION
CITY OF ********, MINNESOTA

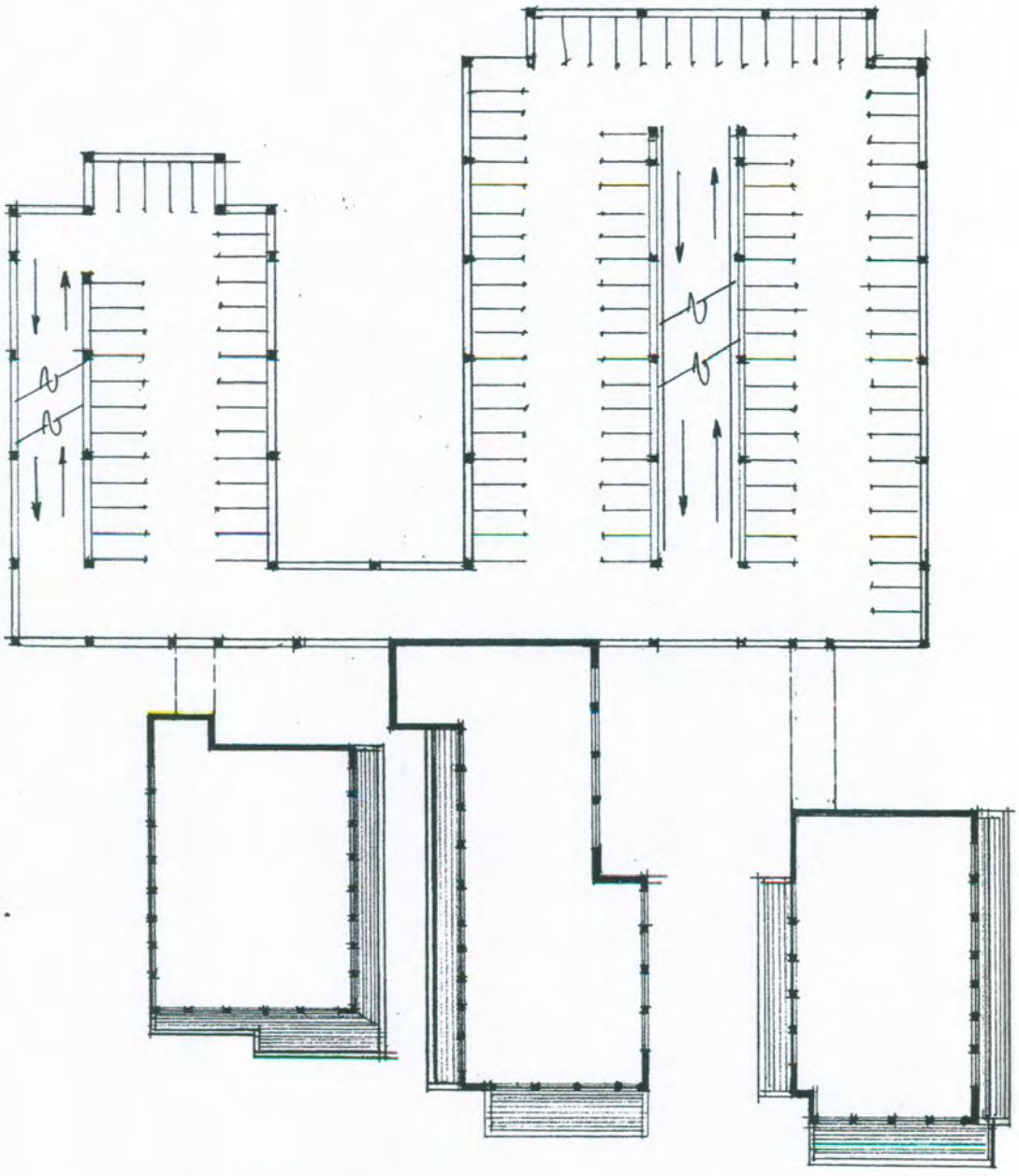
1

SITE CONCEPT

WEBER architects & planners
2280 Watertown Road, Long Lake, MN 55356-9419
952.476.4434 • Fax 952.476.5883 • mw@weberarchitects.com

253 EAST LAKE STREET
WAYZATA, MINNESOTA

CONTINENTAL PROPERTY GROUP, INC.



SECOND

BRAD HOYT
CONTINENTAL PROPERTY GROUP

I HEREBY CERTIFY THAT THIS PLAN, SPECIFICATION OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY REGISTERED ARCHITECT UNDER THE LAWS OF THE STATE OF MINNESOTA.

DATE

WEBER
architects & planners
2280 Watertown Road, Long Lake, MN 55356-9419
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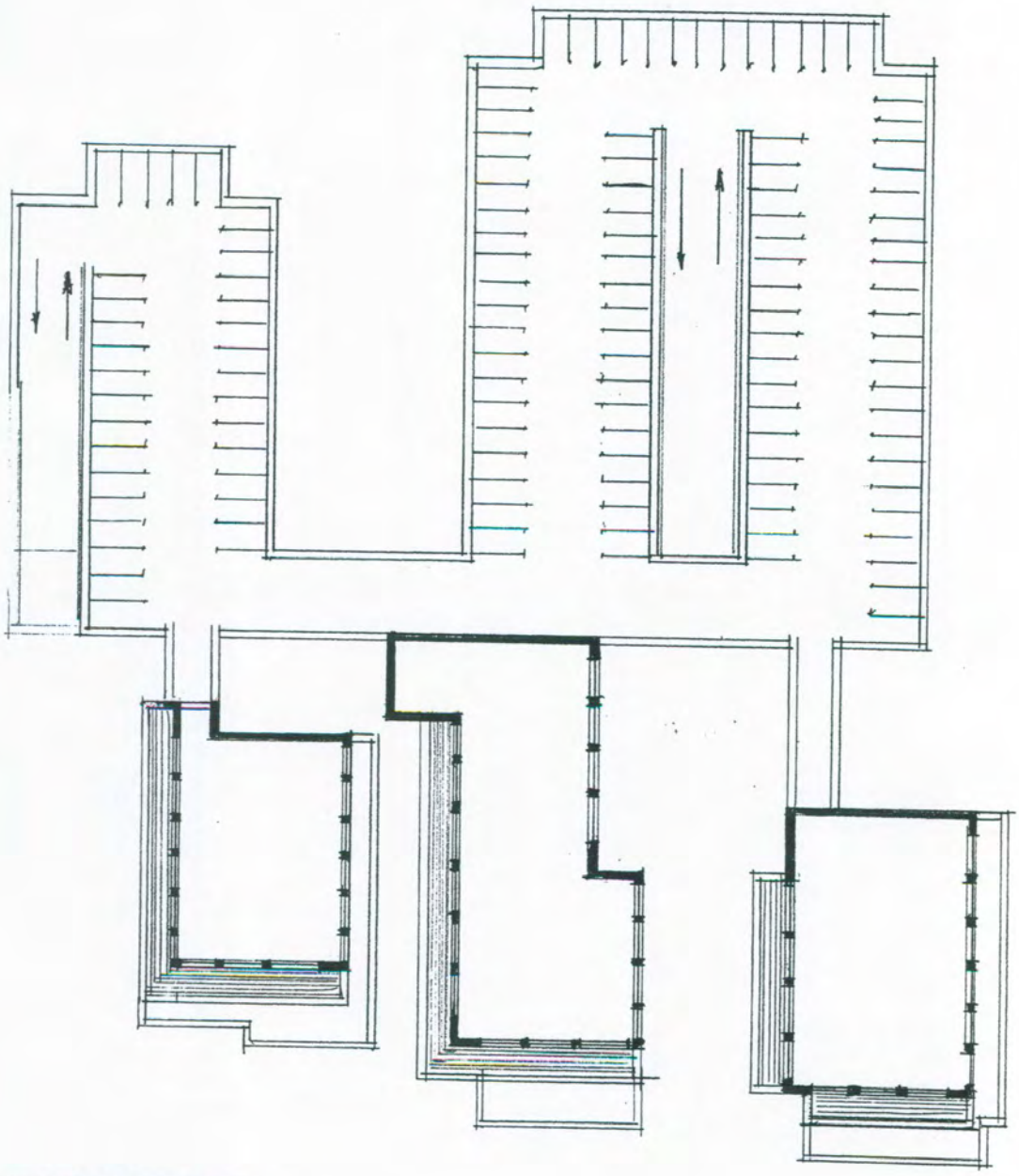


THIRD

BRAD HOYT
CONTINENTAL PROPERTY GROUP

I HEREBY CERTIFY THAT THIS PLAN, SPECIFICATION OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY REGISTERED ARCHITECT UNDER THE LAWS OF THE STATE OF MINNESOTA.

NEIL WEBER, AIA DATE
REGISTRATION #11325

WEBER architects + planners
2280 Watertown Road, Long Lake, MN 55356-9419
952.476.4434 • Fax 952.476.5863 • nw@weberarchitects.com

SITE CONCEPT

LAKE STREET

HUGHES
21,664 SF
72 CARS
FIRST 9,228 SF
SECOND 7,246 SF
THIRD 5,040

HOYT
40,200 SF
134 CARS
FIRST 14,400 SF
SECOND 13,160 SF
THIRD 12,440 SF

FLAGSHIP
28,200 SF
94 CARS
85 CARS EASEMENT
FIRST 11,140 SF
SECOND 9,000 SF
THIRD 8,060 SF

PARKING STRUCTURE
FIRST 118 CARS
SECOND 117 CARS
THIRD 117 CARS
TOTAL 352 CARS

SITE PARKING
HUGHES 20 CARS
HOYT 8 CARS
FLAGSHIP 10 CARS
TOTAL 38 CARS

HUGHES PROPERTY
236 EAST LAKE STREET
56,713 SF

HOYT PROPERTY
253 EAST LAKE STREET
53,445 SF

FLAGSHIP PROPERTY
259 EAST LAKE STREET
51,872 SF

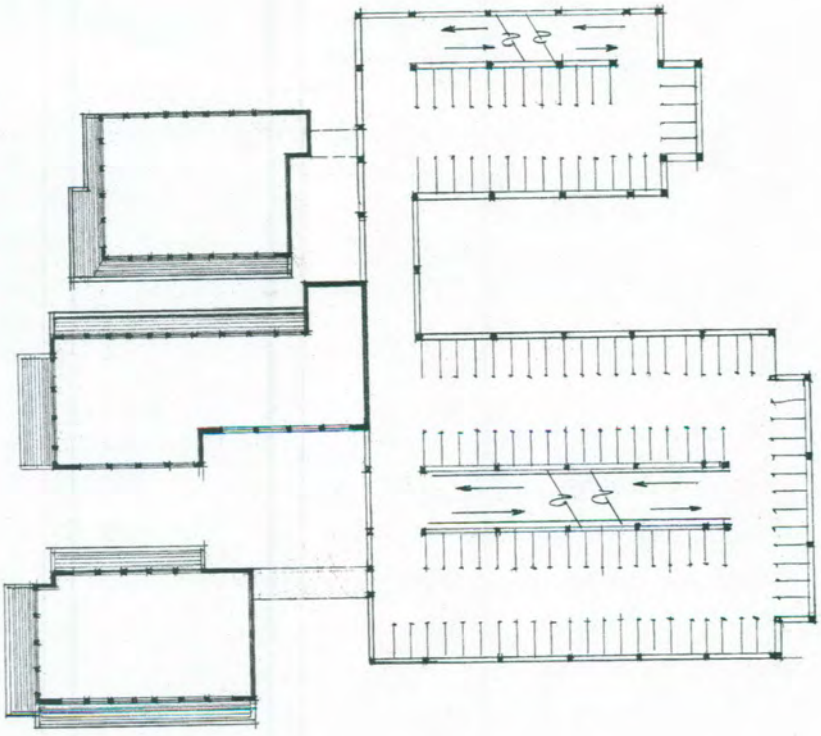
BARRY AVENUE

WEBER architects & planners

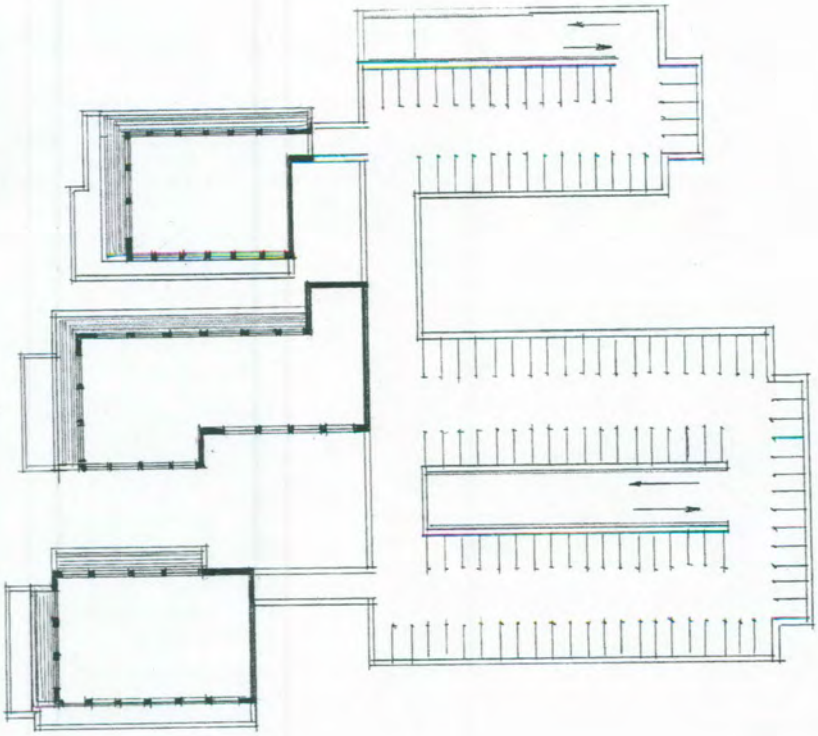
253 EAST LAKE STREET
WAYZATA, MINNESOTA

CONTINENTAL PROPERTY GROUP, INC.

SECOND



THIRD



WEBER architects & planners

253 EAST LAKE STREET
WAYZATA, MINNESOTA

CONTINENTAL PROPERTY GROUP, INC.

BENSON-ORTH
GENERAL CONTRACTORS
45 YEARS OF EXCELLENCE

Neil Weber, AIA
Weber Architects & Planners
2280 Watertown Rd
Long Lake, MN

July 22, 2015

Mr. Weber,

Please see our estimate for the construction of three office buildings and a parking ramp on the site at 235 – 259 Lake St. East in Wayzata, MN.

- Shell office space with 38 on grade parking and pilings $12,684,924
  - Estimated 90,000 SF of office
  - Estimate Tenant Space Improvements $65.00/SF $5,850,000
- Parking ramp with pilings $9,666,400
  - 352 parking spaces
- Total project cost $28,201,324

Benson-Orth General Contractors has been in business the Minneapolis/St. Paul area since 1969. Specializing in commercial construction, we are experienced in building Industrial, Warehouse, Office, Medical Office, Retail, Hospitality, Multi-family and Senior Assisted Living facilities.

Thank you for the opportunity to estimate the Wayzata offices and ramp development, please contact me if you have any questions or would like more information.

Best Regards,

Ron Sorem

Ron Sorem
Director of Business Development
Benson-Orth General Contractors

10700 Hwy 55, Suite 310
Plymouth, MN 55441
763-545-8826

City of Wayzata

239, 253 & 259 Lake Street - TIF Estimate Summary (Redevelopment District - 26 years of TIF)

June 3, 2015

	Units/Sq. Ft.			Value Per Unit/sq. ft.				
Project Scenario	**Apartments**	**Retail**	**Office**	**Apartments**	**Retail**	**Office**	**Total Value**	**Present Value TIF @ 5%**
Mixed-Use #1	90	7,000	0	$200,000	$250	N/A	$19,750,000	**$2,594,208**
Mixed-Use #2	90	7,000	0	$250,000	$250	N/A	$24,250,000	**$3,376,196**
Mixed-Use #3	90	7,000	0	$300,000	$250	N/A	$28,750,000	**$4,158,184**
Office	0	0	80,000	N/A	N/A	$275	$22,000,000	**$3,078,929**

EHLERS
LEADERS IN PUBLIC FINANCE

239, 253 & 259 Lake Street

City of Wayzata

90 Apartment Units and 7,000 Sq. Ft. Retail

ASSUMPTIONS AND RATES

DistrictType:	**Redevelopment**	
District Name/Number:		
County District #:		
First Year Construction or Inflation on Value	**2016**	
Existing District - Specify No. Years Remaining		
Inflation Rate - Every Year:	**0.00%**	
Interest Rate:	**5.00%**	
Present Value Date:	**1-Aug-17**	
First Period Ending	1-Feb-18	
Tax Year District was Certified:	**Pay 2016**	
Cashflow Assumes First Tax Increment For Development:	2018	
Years of Tax Increment	26	
Assumes Last Year of Tax Increment	2043	
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	**Inside(B)**	
Incremental or Total Fiscal Disparities	**Incremental**	
Fiscal Disparities Contribution Ratio	37.0420%	Pay 2015
Fiscal Disparities Metro-Wide Tax Rate	161.6250%	Pay 2015
Maximum/Frozen Local Tax Rate:	109.878%	Pay 2015
Current Local Tax Rate: (Use lesser of Current or Max.)	109.878%	Pay 2015
State-wide Tax Rate (Comm./Ind. only used for total taxes)	50.8400%	Pay 2015
Market Value Tax Rate (Used for total taxes)	0.23943%	Pay 2015

Tax Rates

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

BASE VALUE INFORMATION (Original Tax Capacity)

Map #	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Original Market Value	Tax Year Original Market Value	Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion Orig. Tax Cap.	Area/ Phase
	06-117-22-23-0005			2,205,000	1,000	2,206,000	100%	2,206,000	Pay 2016	C/I Pref.	43,370	C/I Pref.	43,370	
	06-117-22-23-0013			1,300,000	185,000	1,485,000	100%	1,485,000	Pay 2016	C/I Pref.	28,950	C/I Pref.	28,950	
	06-117-22-23-0014			795,000	0	795,000	100%	795,000	Pay 2016	C/I	15,900	C/I Pref.	15,150	
				4,300,000	186,000	4,486,000		**4,486,000**			**88,220**		**87,470**	

Note:

1. **Base values are for pay 2016 based upon review of County website on 5-29-15.**

239, 253 & 259 Lake Street

City of Wayzata

90 Apartment Units and 7,000 Sq. Ft. Retail

PROJECT INFORMATION (Project Tax Capacity)

Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Total Taxable Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2016	Percentage Completed 2017	Percentage Completed 2018	Percentage Completed 2019	First Year Full Taxes Payable
	Retail	250	250	7,000	1,750,000	C/I Pref.	34,250	5	100%	100%	100%	100%	2018
	Apartments	200,000	200,000	90	18,000,000	Rental	225,000	2,500	100%	100%	100%	100%	2018
TOTAL					**19,750,000**		**259,250**						
Subtotal Residential				**90**	**18,000,000**		**225,000**						
Subtotal Commercial/Ind.				**7,000**	**1,750,000**		**34,250**						

Note:

1. Market values are based upon estimates from comparable projects

TAX CALCULATIONS

New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Retail	**34,250**	**12,687**	**21,563**	**23,693**	**20,505**	**17,413**	**4,190**	**65,801**	**9.40**
Apartments	**225,000**	**0**	**225,000**	**247,226**	**0**	**0**	**43,097**	**290,323**	**3,225.81**
TOTAL	**259,250**	**12,687**	**246,563**	**270,919**	**20,505**	**17,413**	**47,287**	**356,124**	

Note:

1. Taxes and tax increment will vary signficantly from year to year depending upon values, rates, state law, fiscal disparities and other factors which cannot be predicted.

WHAT IS EXCLUDED FROM TIF?	
Total Property Taxes	**356,124**
less State-wide Taxes	**(17,413)**
less Fiscal Disp. Adj.	**(20,505)**
less Market Value Taxes	**(47,287)**
less Base Value Taxes	**(60,509)**
Annual Gross TIF	**210,410**

EHLERS
LEADERS IN PUBLIC FINANCE

239, 253 & 259 Lake Street
City of Wayzata
90 Apartment Units and 7,000 Sq. Ft. Retail

TAX INCREMENT CASH FLOW

% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 10%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
							-	-	-	-				02/01/18
100%	259,250	(87,470)	-	171,780	109.878%	188,748	94,374	(340)	(9,403)	84,631	80,553	0.5	2018	08/01/18
							94,374	(340)	(9,403)	84,631	159,141	1	2018	02/01/19
100%	259,250	(87,470)	-	171,780	109.878%	188,748	94,374	(340)	(9,403)	84,631	235,813	1.5	2019	08/01/19
							94,374	(340)	(9,403)	84,631	310,614	2	2019	02/01/20
100%	259,250	(87,470)	-	171,780	109.878%	188,748	94,374	(340)	(9,403)	84,631	383,591	2.5	2020	08/01/20
							94,374	(340)	(9,403)	84,631	454,789	3	2020	02/01/21
100%	259,250	(87,470)	-	171,780	109.878%	188,748	94,374	(340)	(9,403)	84,631	524,249	3.5	2021	08/01/21
							94,374	(340)	(9,403)	84,631	592,016	4	2021	02/01/22
100%	259,250	(87,470)	19,714	191,494	109.878%	210,410	105,205	(379)	(10,483)	94,343	665,717	4.5	2022	08/01/22
							105,205	(379)	(10,483)	94,343	737,620	5	2022	02/01/23
100%	259,250	(87,470)	19,714	191,494	109.878%	210,410	105,205	(379)	(10,483)	94,343	807,769	5.5	2023	08/01/23
							105,205	(379)	(10,483)	94,343	876,208	6	2023	02/01/24
100%	259,250	(87,470)	19,714	191,494	109.878%	210,410	105,205	(379)	(10,483)	94,343	942,978	6.5	2024	08/01/24
							105,205	(379)	(10,483)	94,343	1,008,118	7	2024	02/01/25
100%	259,250	(87,470)	19,714	191,494	109.878%	210,410	105,205	(379)	(10,483)	94,343	1,071,670	7.5	2025	08/01/25
							105,205	(379)	(10,483)	94,343	1,133,673	8	2025	02/01/26
100%	259,250	(87,470)	19,714	191,494	109.878%	210,410	105,205	(379)	(10,483)	94,343	1,194,162	8.5	2026	08/01/26
							105,205	(379)	(10,483)	94,343	1,253,177	9	2026	02/01/27
100%	259,250	(87,470)	19,714	191,494	109.878%	210,410	105,205	(379)	(10,483)	94,343	1,310,752	9.5	2027	08/01/27
							105,205	(379)	(10,483)	94,343	1,366,923	10	2027	02/01/28
100%	259,250	(87,470)	19,714	191,494	109.878%	210,410	105,205	(379)	(10,483)	94,343	1,421,723	10.5	2028	08/01/28
							105,205	(379)	(10,483)	94,343	1,475,187	11	2028	02/01/29
100%	259,250	(87,470)	19,714	191,494	109.878%	210,410	105,205	(379)	(10,483)	94,343	1,527,348	11.5	2029	08/01/29
							105,205	(379)	(10,483)	94,343	1,578,236	12	2029	02/01/30
100%	259,250	(87,470)	19,714	191,494	109.878%	210,410	105,205	(379)	(10,483)	94,343	1,627,882	12.5	2030	08/01/30
							105,205	(379)	(10,483)	94,343	1,676,318	13	2030	02/01/31
100%	259,250	(87,470)	19,714	191,494	109.878%	210,410	105,205	(379)	(10,483)	94,343	1,723,573	13.5	2031	08/01/31
							105,205	(379)	(10,483)	94,343	1,769,675	14	2031	02/01/32
100%	259,250	(87,470)	19,714	191,494	109.878%	210,410	105,205	(379)	(10,483)	94,343	1,814,652	14.5	2032	08/01/32
							105,205	(379)	(10,483)	94,343	1,858,533	15	2032	02/01/33
100%	259,250	(87,470)	19,714	191,494	109.878%	210,410	105,205	(379)	(10,483)	94,343	1,901,343	15.5	2033	08/01/33
							105,205	(379)	(10,483)	94,343	1,943,109	16	2033	02/01/34
100%	259,250	(87,470)	19,714	191,494	109.878%	210,410	105,205	(379)	(10,483)	94,343	1,983,857	16.5	2034	08/01/34
							105,205	(379)	(10,483)	94,343	2,023,610	17	2034	02/01/35
100%	259,250	(87,470)	19,714	191,494	109.878%	210,410	105,205	(379)	(10,483)	94,343	2,062,394	17.5	2035	08/01/35
							105,205	(379)	(10,483)	94,343	2,100,232	18	2035	02/01/36
100%	259,250	(87,470)	19,714	191,494	109.878%	210,410	105,205	(379)	(10,483)	94,343	2,137,147	18.5	2036	08/01/36
							105,205	(379)	(10,483)	94,343	2,173,162	19	2036	02/01/37
100%	259,250	(87,470)	19,714	191,494	109.878%	210,410	105,205	(379)	(10,483)	94,343	2,208,298	19.5	2037	08/01/37
							105,205	(379)	(10,483)	94,343	2,242,578	20	2037	02/01/38
100%	259,250	(87,470)	19,714	191,494	109.878%	210,410	105,205	(379)	(10,483)	94,343	2,276,021	20.5	2038	08/01/38
							105,205	(379)	(10,483)	94,343	2,308,649	21	2038	02/01/39
100%	259,250	(87,470)	19,714	191,494	109.878%	210,410	105,205	(379)	(10,483)	94,343	2,340,481	21.5	2039	08/01/39
							105,205	(379)	(10,483)	94,343	2,371,536	22	2039	02/01/40
100%	259,250	(87,470)	19,714	191,494	109.878%	210,410	105,205	(379)	(10,483)	94,343	2,401,834	22.5	2040	08/01/40
							105,205	(379)	(10,483)	94,343	2,431,393	23	2040	02/01/41
100%	259,250	(87,470)	19,714	191,494	109.878%	210,410	105,205	(379)	(10,483)	94,343	2,460,231	23.5	2041	08/01/41
							105,205	(379)	(10,483)	94,343	2,488,366	24	2041	02/01/42
100%	259,250	(87,470)	19,714	191,494	109.878%	210,410	105,205	(379)	(10,483)	94,343	2,515,814	24.5	2042	08/01/42
							105,205	(379)	(10,483)	94,343	2,542,593	25	2042	02/01/43
100%	259,250	(87,470)	19,714	191,494	109.878%	210,410	105,205	(379)	(10,483)	94,343	2,568,719	25.5	2043	08/01/43
							105,205	(379)	(10,483)	94,343	2,594,208	26	2043	02/01/44
	Total						**5,384,003**	**(19,382)**	**(536,462)**	**4,828,158**				
	Present Value From	**08/01/2017**		**Present Value Rate**	**5.00%**		**2,892,867**	**(10,414)**	**(288,245)**	**2,594,208**				

EHLERS
LEADERS IN PUBLIC FINANCE

239, 253 & 259 Lake Street

City of Wayzata

90 Apartment Units and 7,000 Sq. Ft. Retail

ASSUMPTIONS AND RATES

DistrictType:	**Redevelopment**	
District Name/Number:		
County District #:		
First Year Construction or Inflation on Value	**2016**	
Existing District - Specify No. Years Remaining		
Inflation Rate - Every Year:	**0.00%**	
Interest Rate:	**5.00%**	
Present Value Date:	**1-Aug-17**	
First Period Ending	1-Feb-18	
Tax Year District was Certified:	**Pay 2016**	
Cashflow Assumes First Tax Increment For Development:	2018	
Years of Tax Increment	26	
Assumes Last Year of Tax Increment	2043	
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	**Inside(B)**	
Incremental or Total Fiscal Disparities	**Incremental**	
Fiscal Disparities Contribution Ratio	37.0420%	Pay 2015
Fiscal Disparities Metro-Wide Tax Rate	161.6250%	Pay 2015
Maximum/Frozen Local Tax Rate:	109.878%	Pay 2015
Current Local Tax Rate: (Use lesser of Current or Max.)	109.878%	Pay 2015
State-wide Tax Rate (Comm./Ind. only used for total taxes)	50.8400%	Pay 2015
Market Value Tax Rate (Used for total taxes)	0.23943%	Pay 2015

Tax Rates

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

BASE VALUE INFORMATION (Original Tax Capacity)

Map #	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Original Market Value	Tax Year Original Market Value	Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion Orig. Tax Cap.	Area/ Phase
	06-117-22-23-0005			2,205,000	1,000	2,206,000	100%	2,206,000	Pay 2016	C/I Pref.	43,370	C/I Pref.	43,370	
	06-117-22-23-0013			1,300,000	185,000	1,485,000	100%	1,485,000	Pay 2016	C/I Pref.	28,950	C/I Pref.	28,950	
	06-117-22-23-0014			795,000	0	795,000	100%	795,000	Pay 2016	C/I	15,900	C/I Pref.	15,150	
				4,300,000	186,000	4,486,000		**4,486,000**			**88,220**		**87,470**	

Note:

1. **Base values are for pay 2016 based upon review of County website on 5-29-15.**

EHLERS
LEADERS IN PUBLIC FINANCE

239, 253 & 259 Lake Street

City of Wayzata

90 Apartment Units and 7,000 Sq. Ft. Retail

PROJECT INFORMATION (Project Tax Capacity)

Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Total Taxable Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2016	Percentage Completed 2017	Percentage Completed 2018	Percentage Completed 2019	First Year Full Taxes Payable
	Retail	250	250	7,000	1,750,000	C/I Pref.	34,250	5	100%	100%	100%	100%	2018
	Apartments	250,000	250,000	90	22,500,000	Rental	281,250	3,125	100%	100%	100%	100%	2018
TOTAL					**24,250,000**		**315,500**						
Subtotal Residential				**90**	**22,500,000**		**281,250**						
Subtotal Commercial/Ind.				**7,000**	**1,750,000**		**34,250**						

Note:

1. Market values are based upon estimates from comparable projects

TAX CALCULATIONS

New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Retail	**34,250**	**12,687**	**21,563**	**23,693**	**20,505**	**17,413**	**4,190**	**65,801**	**9.40**
Apartments	**281,250**	**0**	**281,250**	**309,032**	**0**	**0**	**53,872**	**362,904**	**4,032.26**
TOTAL	**315,500**	**12,687**	**302,813**	**332,725**	**20,505**	**17,413**	**58,062**	**428,705**	

Note:

1. Taxes and tax increment will vary signficantly from year to year depending upon values, rates, state law, fiscal disparities and other factors which cannot be predicted.

WHAT IS EXCLUDED FROM TIF?	
Total Property Taxes	**428,705**
less State-wide Taxes	**(17,413)**
less Fiscal Disp. Adj.	**(20,505)**
less Market Value Taxes	**(58,062)**
less Base Value Taxes	**(60,509)**
Annual Gross TIF	**272,216**

EHLERS
LEADERS IN PUBLIC FINANCE

239, 253 & 259 Lake Street
City of Wayzata
90 Apartment Units and 7,000 Sq. Ft. Retail

TAX INCREMENT CASH FLOW

% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 10%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
							-	-	-	-				02/01/18
100%	315,500	(87,470)	-	228,030	109.878%	250,555	125,277	(451)	(12,483)	112,344	106,930	0.5	2018	08/01/18
							125,277	(451)	(12,483)	112,344	211,253	1	2018	02/01/19
100%	315,500	(87,470)	-	228,030	109.878%	250,555	125,277	(451)	(12,483)	112,344	313,031	1.5	2019	08/01/19
							125,277	(451)	(12,483)	112,344	412,326	2	2019	02/01/20
100%	315,500	(87,470)	-	228,030	109.878%	250,555	125,277	(451)	(12,483)	112,344	509,200	2.5	2020	08/01/20
							125,277	(451)	(12,483)	112,344	603,711	3	2020	02/01/21
100%	315,500	(87,470)	-	228,030	109.878%	250,555	125,277	(451)	(12,483)	112,344	695,917	3.5	2021	08/01/21
							125,277	(451)	(12,483)	112,344	785,873	4	2021	02/01/22
100%	315,500	(87,470)	19,714	247,744	109.878%	272,216	136,108	(490)	(13,562)	122,056	881,223	4.5	2022	08/01/22
							136,108	(490)	(13,562)	122,056	974,248	5	2022	02/01/23
100%	315,500	(87,470)	19,714	247,744	109.878%	272,216	136,108	(490)	(13,562)	122,056	1,065,003	5.5	2023	08/01/23
							136,108	(490)	(13,562)	122,056	1,153,545	6	2023	02/01/24
100%	315,500	(87,470)	19,714	247,744	109.878%	272,216	136,108	(490)	(13,562)	122,056	1,239,928	6.5	2024	08/01/24
							136,108	(490)	(13,562)	122,056	1,324,204	7	2024	02/01/25
100%	315,500	(87,470)	19,714	247,744	109.878%	272,216	136,108	(490)	(13,562)	122,056	1,406,424	7.5	2025	08/01/25
							136,108	(490)	(13,562)	122,056	1,486,638	8	2025	02/01/26
100%	315,500	(87,470)	19,714	247,744	109.878%	272,216	136,108	(490)	(13,562)	122,056	1,564,897	8.5	2026	08/01/26
							136,108	(490)	(13,562)	122,056	1,641,246	9	2026	02/01/27
100%	315,500	(87,470)	19,714	247,744	109.878%	272,216	136,108	(490)	(13,562)	122,056	1,715,733	9.5	2027	08/01/27
							136,108	(490)	(13,562)	122,056	1,788,404	10	2027	02/01/28
100%	315,500	(87,470)	19,714	247,744	109.878%	272,216	136,108	(490)	(13,562)	122,056	1,859,302	10.5	2028	08/01/28
							136,108	(490)	(13,562)	122,056	1,928,471	11	2028	02/01/29
100%	315,500	(87,470)	19,714	247,744	109.878%	272,216	136,108	(490)	(13,562)	122,056	1,995,953	11.5	2029	08/01/29
							136,108	(490)	(13,562)	122,056	2,061,789	12	2029	02/01/30
100%	315,500	(87,470)	19,714	247,744	109.878%	272,216	136,108	(490)	(13,562)	122,056	2,126,019	12.5	2030	08/01/30
							136,108	(490)	(13,562)	122,056	2,188,683	13	2030	02/01/31
100%	315,500	(87,470)	19,714	247,744	109.878%	272,216	136,108	(490)	(13,562)	122,056	2,249,818	13.5	2031	08/01/31
							136,108	(490)	(13,562)	122,056	2,309,462	14	2031	02/01/32
100%	315,500	(87,470)	19,714	247,744	109.878%	272,216	136,108	(490)	(13,562)	122,056	2,367,651	14.5	2032	08/01/32
							136,108	(490)	(13,562)	122,056	2,424,421	15	2032	02/01/33
100%	315,500	(87,470)	19,714	247,744	109.878%	272,216	136,108	(490)	(13,562)	122,056	2,479,807	15.5	2033	08/01/33
							136,108	(490)	(13,562)	122,056	2,533,841	16	2033	02/01/34
100%	315,500	(87,470)	19,714	247,744	109.878%	272,216	136,108	(490)	(13,562)	122,056	2,586,558	16.5	2034	08/01/34
							136,108	(490)	(13,562)	122,056	2,637,989	17	2034	02/01/35
100%	315,500	(87,470)	19,714	247,744	109.878%	272,216	136,108	(490)	(13,562)	122,056	2,688,166	17.5	2035	08/01/35
							136,108	(490)	(13,562)	122,056	2,737,118	18	2035	02/01/36
100%	315,500	(87,470)	19,714	247,744	109.878%	272,216	136,108	(490)	(13,562)	122,056	2,784,877	18.5	2036	08/01/36
							136,108	(490)	(13,562)	122,056	2,831,471	19	2036	02/01/37
100%	315,500	(87,470)	19,714	247,744	109.878%	272,216	136,108	(490)	(13,562)	122,056	2,876,928	19.5	2037	08/01/37
							136,108	(490)	(13,562)	122,056	2,921,277	20	2037	02/01/38
100%	315,500	(87,470)	19,714	247,744	109.878%	272,216	136,108	(490)	(13,562)	122,056	2,964,544	20.5	2038	08/01/38
							136,108	(490)	(13,562)	122,056	3,006,756	21	2038	02/01/39
100%	315,500	(87,470)	19,714	247,744	109.878%	272,216	136,108	(490)	(13,562)	122,056	3,047,938	21.5	2039	08/01/39
							136,108	(490)	(13,562)	122,056	3,088,116	22	2039	02/01/40
100%	315,500	(87,470)	19,714	247,744	109.878%	272,216	136,108	(490)	(13,562)	122,056	3,127,314	22.5	2040	08/01/40
							136,108	(490)	(13,562)	122,056	3,165,555	23	2040	02/01/41
100%	315,500	(87,470)	19,714	247,744	109.878%	272,216	136,108	(490)	(13,562)	122,056	3,202,865	23.5	2041	08/01/41
							136,108	(490)	(13,562)	122,056	3,239,264	24	2041	02/01/42
100%	315,500	(87,470)	19,714	247,744	109.878%	272,216	136,108	(490)	(13,562)	122,056	3,274,775	24.5	2042	08/01/42
							136,108	(490)	(13,562)	122,056	3,309,420	25	2042	02/01/43
100%	315,500	(87,470)	19,714	247,744	109.878%	272,216	136,108	(490)	(13,562)	122,056	3,343,220	25.5	2043	08/01/43
							136,108	(490)	(13,562)	122,056	3,376,196	26	2043	02/01/44
	Total						**6,990,969**	**(25,167)**	**(696,580)**	**6,269,221**				
	Present Value From 08/01/2017			**Present Value Rate**	**5.00%**		**3,764,882**	**(13,554)**	**(375,133)**	**3,376,196**				

EHLERS
LEADERS IN PUBLIC FINANCE

239, 235, 253 & 259 Lake Street

City of Wayzata

80,000 Sq. Ft. Office

ASSUMPTIONS AND RATES

DistrictType:	**Redevelopment**	
District Name/Number:		
County District #:		
First Year Construction or Inflation on Value	**2016**	
Existing District - Specify No. Years Remaining		
Inflation Rate - Every Year:	**0.00%**	
Interest Rate:	**5.00%**	
Present Value Date:	**1-Aug-17**	
First Period Ending	1-Feb-18	
Tax Year District was Certified:	**Pay 2016**	
Cashflow Assumes First Tax Increment For Development:	2018	
Years of Tax Increment	26	
Assumes Last Year of Tax Increment	2043	
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	**Inside(B)**	
Incremental or Total Fiscal Disparities	**Incremental**	
Fiscal Disparities Contribution Ratio	37.0420%	Pay 2015
Fiscal Disparities Metro-Wide Tax Rate	161.6250%	Pay 2015
Maximum/Frozen Local Tax Rate:	109.878%	Pay 2015
Current Local Tax Rate: (Use lesser of Current or Max.)	109.878%	Pay 2015
State-wide Tax Rate (Comm./Ind. only used for total taxes)	50.8400%	Pay 2015
Market Value Tax Rate (Used for total taxes)	0.23943%	Pay 2015

Tax Rates

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

BASE VALUE INFORMATION (Original Tax Capacity)

Map #	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Original Market Value	Tax Year Original Market Value	Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion Orig. Tax Cap.	Area/ Phase
	06-117-22-23-0005		259 Lake St. E.	2,205,000	1,000	2,206,000	100%	2,206,000	Pay 2016	C/I Pref.	43,370	C/I Pref.	43,370	
	06-117-22-23-0013		253 Lake St. E.	1,300,000	185,000	1,485,000	100%	1,485,000	Pay 2016	C/I Pref.	28,950	C/I Pref.	28,950	
	06-117-22-23-0014		239 Lake St. E	795,000	0	795,000	100%	795,000	Pay 2016	C/I	15,900	C/I Pref.	15,150	
	06-117-22-32-0003		235 Lake St. E.	197,000	122,000	319,000	100%	319,000	Pay 2016	C/I Pref.	5,630	C/I Pref.	5,630	
	06-117-22-23-0007		235 Lake St. E.	536,000	0	536,000	100%	536,000	Pay 2016	C/I	10,720	C/I Pref.	9,970	
				5,033,000	308,000	5,341,000		**5,341,000**			**104,570**		**103,070**	

Note:

1. Base values are for pay 2016 based upon review of County website on 6-18-15.

EHLERS
LEADERS IN PUBLIC FINANCE

239, 235, 253 & 259 Lake Street

City of Wayzata
80,000 Sq. Ft. Office

PROJECT INFORMATION (Project Tax Capacity)

Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Total Taxable Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2016	Percentage Completed 2017	Percentage Completed 2018	Percentage Completed 2019	First Year Full Taxes Payable
	Office	275	275	80,000	22,000,000	C/I Pref.	439,250	5	100%	100%	100%	100%	2018
TOTAL					22,000,000		439,250						
Subtotal Residential				0	0		0						
Subtotal Commercial/Ind.				80,000	22,000,000		439,250						

Note:

1. Market values are based upon estimates from comparable projects

TAX CALCULATIONS

New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Office	439,250	162,707	276,543	303,860	262,975	223,315	52,675	842,824	10.54
TOTAL	439,250	162,707	276,543	303,860	262,975	223,315	52,675	842,824	

Note:

1. Taxes and tax increment will vary signficantly from year to year depending upon values, rates, state law, fiscal disparities and other factors which cannot be predicted.

WHAT IS EXCLUDED FROM TIF?

Total Property Taxes	842,824
less State-wide Taxes	(223,315)
less Fiscal Disp. Adj.	(262,975)
less Market Value Taxes	(52,675)
less Base Value Taxes	(71,301)
Annual Gross TIF	232,559

EHLERS
LEADERS IN PUBLIC FINANCE

239, 235, 253 & 259 Lake Street
City of Wayzata
80,000 Sq. Ft. Office

TAX INCREMENT CASH FLOW

% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 10%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
							-	-	-	-				02/01/18
100%	439,250	(103,070)	(124,528)	211,652	109.878%	232,559	116,280	(419)	(11,586)	104,275	99,250	0.5	2018	08/01/18
							116,280	(419)	(11,586)	104,275	196,080	1	2018	02/01/19
100%	439,250	(103,070)	(124,528)	211,652	109.878%	232,559	116,280	(419)	(11,586)	104,275	290,548	1.5	2019	08/01/19
							116,280	(419)	(11,586)	104,275	382,712	2	2019	02/01/20
100%	439,250	(103,070)	(124,528)	211,652	109.878%	232,559	116,280	(419)	(11,586)	104,275	472,628	2.5	2020	08/01/20
							116,280	(419)	(11,586)	104,275	560,350	3	2020	02/01/21
100%	439,250	(103,070)	(124,528)	211,652	109.878%	232,559	116,280	(419)	(11,586)	104,275	645,934	3.5	2021	08/01/21
							116,280	(419)	(11,586)	104,275	729,430	4	2021	02/01/22
100%	439,250	(103,070)	(124,528)	211,652	109.878%	232,559	116,280	(419)	(11,586)	104,275	810,889	4.5	2022	08/01/22
							116,280	(419)	(11,586)	104,275	890,362	5	2022	02/01/23
100%	439,250	(103,070)	(124,528)	211,652	109.878%	232,559	116,280	(419)	(11,586)	104,275	967,896	5.5	2023	08/01/23
							116,280	(419)	(11,586)	104,275	1,043,539	6	2023	02/01/24
100%	439,250	(103,070)	(124,528)	211,652	109.878%	232,559	116,280	(419)	(11,586)	104,275	1,117,337	6.5	2024	08/01/24
							116,280	(419)	(11,586)	104,275	1,189,335	7	2024	02/01/25
100%	439,250	(103,070)	(124,528)	211,652	109.878%	232,559	116,280	(419)	(11,586)	104,275	1,259,577	7.5	2025	08/01/25
							116,280	(419)	(11,586)	104,275	1,328,106	8	2025	02/01/26
100%	439,250	(103,070)	(124,528)	211,652	109.878%	232,559	116,280	(419)	(11,586)	104,275	1,394,964	8.5	2026	08/01/26
							116,280	(419)	(11,586)	104,275	1,460,191	9	2026	02/01/27
100%	439,250	(103,070)	(124,528)	211,652	109.878%	232,559	116,280	(419)	(11,586)	104,275	1,523,827	9.5	2027	08/01/27
							116,280	(419)	(11,586)	104,275	1,585,911	10	2027	02/01/28
100%	439,250	(103,070)	(124,528)	211,652	109.878%	232,559	116,280	(419)	(11,586)	104,275	1,646,480	10.5	2028	08/01/28
							116,280	(419)	(11,586)	104,275	1,705,572	11	2028	02/01/29
100%	439,250	(103,070)	(124,528)	211,652	109.878%	232,559	116,280	(419)	(11,586)	104,275	1,763,223	11.5	2029	08/01/29
							116,280	(419)	(11,586)	104,275	1,819,468	12	2029	02/01/30
100%	439,250	(103,070)	(124,528)	211,652	109.878%	232,559	116,280	(419)	(11,586)	104,275	1,874,341	12.5	2030	08/01/30
							116,280	(419)	(11,586)	104,275	1,927,876	13	2030	02/01/31
100%	439,250	(103,070)	(124,528)	211,652	109.878%	232,559	116,280	(419)	(11,586)	104,275	1,980,105	13.5	2031	08/01/31
							116,280	(419)	(11,586)	104,275	2,031,060	14	2031	02/01/32
100%	439,250	(103,070)	(124,528)	211,652	109.878%	232,559	116,280	(419)	(11,586)	104,275	2,080,773	14.5	2032	08/01/32
							116,280	(419)	(11,586)	104,275	2,129,272	15	2032	02/01/33
100%	439,250	(103,070)	(124,528)	211,652	109.878%	232,559	116,280	(419)	(11,586)	104,275	2,176,589	15.5	2033	08/01/33
							116,280	(419)	(11,586)	104,275	2,222,752	16	2033	02/01/34
100%	439,250	(103,070)	(124,528)	211,652	109.878%	232,559	116,280	(419)	(11,586)	104,275	2,267,789	16.5	2034	08/01/34
							116,280	(419)	(11,586)	104,275	2,311,727	17	2034	02/01/35
100%	439,250	(103,070)	(124,528)	211,652	109.878%	232,559	116,280	(419)	(11,586)	104,275	2,354,594	17.5	2035	08/01/35
							116,280	(419)	(11,586)	104,275	2,396,415	18	2035	02/01/36
100%	439,250	(103,070)	(124,528)	211,652	109.878%	232,559	116,280	(419)	(11,586)	104,275	2,437,216	18.5	2036	08/01/36
							116,280	(419)	(11,586)	104,275	2,477,023	19	2036	02/01/37
100%	439,250	(103,070)	(124,528)	211,652	109.878%	232,559	116,280	(419)	(11,586)	104,275	2,515,858	19.5	2037	08/01/37
							116,280	(419)	(11,586)	104,275	2,553,746	20	2037	02/01/38
100%	439,250	(103,070)	(124,528)	211,652	109.878%	232,559	116,280	(419)	(11,586)	104,275	2,590,710	20.5	2038	08/01/38
							116,280	(419)	(11,586)	104,275	2,626,772	21	2038	02/01/39
100%	439,250	(103,070)	(124,528)	211,652	109.878%	232,559	116,280	(419)	(11,586)	104,275	2,661,955	21.5	2039	08/01/39
							116,280	(419)	(11,586)	104,275	2,696,279	22	2039	02/01/40
100%	439,250	(103,070)	(124,528)	211,652	109.878%	232,559	116,280	(419)	(11,586)	104,275	2,729,767	22.5	2040	08/01/40
							116,280	(419)	(11,586)	104,275	2,762,437	23	2040	02/01/41
100%	439,250	(103,070)	(124,528)	211,652	109.878%	232,559	116,280	(419)	(11,586)	104,275	2,794,311	23.5	2041	08/01/41
							116,280	(419)	(11,586)	104,275	2,825,408	24	2041	02/01/42
100%	439,250	(103,070)	(124,528)	211,652	109.878%	232,559	116,280	(419)	(11,586)	104,275	2,855,746	24.5	2042	08/01/42
							116,280	(419)	(11,586)	104,275	2,885,344	25	2042	02/01/43
100%	439,250	(103,070)	(124,528)	211,652	109.878%	232,559	116,280	(419)	(11,586)	104,275	2,914,220	25.5	2043	08/01/43
							116,280	(419)	(11,586)	104,275	2,942,392	26	2043	02/01/44
	Total						**6,046,539**	**(21,768)**	**(602,477)**	**5,422,295**				
	Present Value From		**08/01/2017**	**Present Value Rate**		**5.00%**	**3,281,136**	**(11,812)**	**(326,932)**	**2,942,392**				

EHLERS
LEADERS IN PUBLIC FINANCE

239, 235, 253 & 259 Lake Street

City of Wayzata

89,964 Sq. Ft. Office

ASSUMPTIONS AND RATES

DistrictType:	**Redevelopment**	
District Name/Number:		
County District #:		
First Year Construction or Inflation on Value	**2016**	
Existing District - Specify No. Years Remaining		
Inflation Rate - Every Year:	**0.00%**	
Interest Rate:	**5.00%**	
Present Value Date:	**1-Aug-17**	
First Period Ending	1-Feb-18	
Tax Year District was Certified:	**Pay 2016**	
Cashflow Assumes First Tax Increment For Development:	2018	
Years of Tax Increment	26	
Assumes Last Year of Tax Increment	2043	
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	**Inside(B)**	
Incremental or Total Fiscal Disparities	**Incremental**	
Fiscal Disparities Contribution Ratio	37.0420%	Pay 2015
Fiscal Disparities Metro-Wide Tax Rate	161.6250%	Pay 2015
Maximum/Frozen Local Tax Rate:	109.878%	Pay 2015
Current Local Tax Rate: (Use lesser of Current or Max.)	109.878%	Pay 2015
State-wide Tax Rate (Comm./Ind. only used for total taxes)	50.8400%	Pay 2015
Market Value Tax Rate (Used for total taxes)	0.23943%	Pay 2015

Tax Rates

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

BASE VALUE INFORMATION (Original Tax Capacity)

Map #	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Original Market Value	Tax Year Original Market Value	Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion Orig. Tax Cap.	Area/ Phase
	06-117-22-23-0005		259 Lake St. E.	2,205,000	1,000	2,206,000	100%	2,206,000	Pay 2016	C/I Pref.	43,370	C/I Pref.	43,370	
	06-117-22-23-0013		253 Lake St. E.	1,300,000	185,000	1,485,000	100%	1,485,000	Pay 2016	C/I Pref.	28,950	C/I Pref.	28,950	
	06-117-22-23-0014		239 Lake St. E	795,000	0	795,000	100%	795,000	Pay 2016	C/I	15,900	C/I Pref.	15,150	
	06-117-22-32-0003		235 Lake St. E.	197,000	122,000	319,000	100%	319,000	Pay 2016	C/I Pref.	5,630	C/I Pref.	5,630	
	06-117-22-23-0007		235 Lake St. E.	536,000	0	536,000	100%	536,000	Pay 2016	C/I	10,720	C/I Pref.	9,970	
	06-117-22-23-0010		235 Lake St. E.	165,000	0	165,000	100%	165,000	Pay 2016	C/I	3,300	C/I Pref.	2,550	
				5,198,000	308,000	5,506,000		**5,506,000**			**107,870**		**105,620**	

Note:

1. Base values are for pay 2016 based upon review of County website on 7-23-15.

239, 235, 253 & 259 Lake Street

City of Wayzata
89,964 Sq. Ft. Office

PROJECT INFORMATION (Project Tax Capacity)													
Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Total Taxable Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2016	Percentage Completed 2017	Percentage Completed 2018	Percentage Completed 2019	First Year Full Taxes Payable
1	Hoyt Office	275	275	40,200	11,055,000	C/I Pref.	220,350	5	100%	100%	100%	100%	2018
2	Flagship Office	275	275	28,200	7,755,000	C/I Pref.	154,350	5	50%	100%	100%	100%	2019
3	Hughes Office	275	275	21,564	5,930,100	C/I Pref.	117,852	5	0%	50%	100%	100%	2020
TOTAL					**24,740,100**		**492,552**						
Subtotal Residential				**0**	**0**		**0**						
Subtotal Commercial/Ind.				**89,964**	**24,740,100**		**492,552**						

Note:

1. Market values are based upon estimates from the county assessor

TAX CALCULATIONS									
New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Hoyt Office	**220,350**	**81,622**	**138,728**	**152,432**	**131,922**	**112,026**	**26,469**	**422,848**	**10.52**
Flagship Office	**154,350**	**57,174**	**97,176**	**106,775**	**92,408**	**78,472**	**18,568**	**296,222**	**10.50**
Hughes Office	**117,852**	**43,655**	**74,197**	**81,526**	**70,557**	**59,916**	**14,198**	**226,198**	**10.49**
TOTAL	**492,552**	**182,451**	**310,101**	**340,733**	**294,887**	**250,413**	**59,235**	**945,268**	

Note:

1. Taxes and tax increment will vary signficantly from year to year depending upon values, rates, state law, fiscal disparities and other factors which cannot be predicted.

WHAT IS EXCLUDED FROM TIF?	
Total Property Taxes	**945,268**
less State-wide Taxes	**(250,413)**
less Fiscal Disp. Adj.	**(294,887)**
less Market Value Taxes	**(59,235)**
less Base Value Taxes	**(73,065)**
Annual Gross TIF	**267,668**

EHLERS
LEADERS IN PUBLIC FINANCE

239, 235, 253 & 259 Lake Street
City of Wayzata
89,964 Sq. Ft. Office

TAX INCREMENT CASH FLOW

% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 10%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
							-	-	-	-				02/01/18
100%	297,525	(105,620)	(71,085)	120,820	109.878%	132,754	66,377	(239)	(6,614)	59,524	56,656	0.5	2018	08/01/18
							66,377	(239)	(6,614)	59,524	111,930	1	2018	02/01/19
100%	433,626	(105,620)	(121,500)	206,506	109.878%	226,905	113,452	(408)	(11,304)	101,740	204,101	1.5	2019	08/01/19
							113,452	(408)	(11,304)	101,740	294,024	2	2019	02/01/20
100%	492,552	(105,620)	(143,327)	243,605	109.878%	267,668	133,834	(482)	(13,335)	120,017	397,514	2.5	2020	08/01/20
							133,834	(482)	(13,335)	120,017	498,480	3	2020	02/01/21
100%	492,552	(105,620)	(143,327)	243,605	109.878%	267,668	133,834	(482)	(13,335)	120,017	596,984	3.5	2021	08/01/21
							133,834	(482)	(13,335)	120,017	693,085	4	2021	02/01/22
100%	492,552	(105,620)	(143,327)	243,605	109.878%	267,668	133,834	(482)	(13,335)	120,017	786,842	4.5	2022	08/01/22
							133,834	(482)	(13,335)	120,017	878,312	5	2022	02/01/23
100%	492,552	(105,620)	(143,327)	243,605	109.878%	267,668	133,834	(482)	(13,335)	120,017	967,552	5.5	2023	08/01/23
							133,834	(482)	(13,335)	120,017	1,054,614	6	2023	02/01/24
100%	492,552	(105,620)	(143,327)	243,605	109.878%	267,668	133,834	(482)	(13,335)	120,017	1,139,554	6.5	2024	08/01/24
							133,834	(482)	(13,335)	120,017	1,222,421	7	2024	02/01/25
100%	492,552	(105,620)	(143,327)	243,605	109.878%	267,668	133,834	(482)	(13,335)	120,017	1,303,268	7.5	2025	08/01/25
							133,834	(482)	(13,335)	120,017	1,382,142	8	2025	02/01/26
100%	492,552	(105,620)	(143,327)	243,605	109.878%	267,668	133,834	(482)	(13,335)	120,017	1,459,093	8.5	2026	08/01/26
							133,834	(482)	(13,335)	120,017	1,534,167	9	2026	02/01/27
100%	492,552	(105,620)	(143,327)	243,605	109.878%	267,668	133,834	(482)	(13,335)	120,017	1,607,410	9.5	2027	08/01/27
							133,834	(482)	(13,335)	120,017	1,678,866	10	2027	02/01/28
100%	492,552	(105,620)	(143,327)	243,605	109.878%	267,668	133,834	(482)	(13,335)	120,017	1,748,580	10.5	2028	08/01/28
							133,834	(482)	(13,335)	120,017	1,816,593	11	2028	02/01/29
100%	492,552	(105,620)	(143,327)	243,605	109.878%	267,668	133,834	(482)	(13,335)	120,017	1,882,947	11.5	2029	08/01/29
							133,834	(482)	(13,335)	120,017	1,947,683	12	2029	02/01/30
100%	492,552	(105,620)	(143,327)	243,605	109.878%	267,668	133,834	(482)	(13,335)	120,017	2,010,840	12.5	2030	08/01/30
							133,834	(482)	(13,335)	120,017	2,072,457	13	2030	02/01/31
100%	492,552	(105,620)	(143,327)	243,605	109.878%	267,668	133,834	(482)	(13,335)	120,017	2,132,571	13.5	2031	08/01/31
							133,834	(482)	(13,335)	120,017	2,191,219	14	2031	02/01/32
100%	492,552	(105,620)	(143,327)	243,605	109.878%	267,668	133,834	(482)	(13,335)	120,017	2,248,436	14.5	2032	08/01/32
							133,834	(482)	(13,335)	120,017	2,304,257	15	2032	02/01/33
100%	492,552	(105,620)	(143,327)	243,605	109.878%	267,668	133,834	(482)	(13,335)	120,017	2,358,718	15.5	2033	08/01/33
							133,834	(482)	(13,335)	120,017	2,411,849	16	2033	02/01/34
100%	492,552	(105,620)	(143,327)	243,605	109.878%	267,668	133,834	(482)	(13,335)	120,017	2,463,685	16.5	2034	08/01/34
							133,834	(482)	(13,335)	120,017	2,514,257	17	2034	02/01/35
100%	492,552	(105,620)	(143,327)	243,605	109.878%	267,668	133,834	(482)	(13,335)	120,017	2,563,595	17.5	2035	08/01/35
							133,834	(482)	(13,335)	120,017	2,611,730	18	2035	02/01/36
100%	492,552	(105,620)	(143,327)	243,605	109.878%	267,668	133,834	(482)	(13,335)	120,017	2,658,691	18.5	2036	08/01/36
							133,834	(482)	(13,335)	120,017	2,704,506	19	2036	02/01/37
100%	492,552	(105,620)	(143,327)	243,605	109.878%	267,668	133,834	(482)	(13,335)	120,017	2,749,204	19.5	2037	08/01/37
							133,834	(482)	(13,335)	120,017	2,792,812	20	2037	02/01/38
100%	492,552	(105,620)	(143,327)	243,605	109.878%	267,668	133,834	(482)	(13,335)	120,017	2,835,356	20.5	2038	08/01/38
							133,834	(482)	(13,335)	120,017	2,876,863	21	2038	02/01/39
100%	492,552	(105,620)	(143,327)	243,605	109.878%	267,668	133,834	(482)	(13,335)	120,017	2,917,357	21.5	2039	08/01/39
							133,834	(482)	(13,335)	120,017	2,956,863	22	2039	02/01/40
100%	492,552	(105,620)	(143,327)	243,605	109.878%	267,668	133,834	(482)	(13,335)	120,017	2,995,406	22.5	2040	08/01/40
							133,834	(482)	(13,335)	120,017	3,033,009	23	2040	02/01/41
100%	492,552	(105,620)	(143,327)	243,605	109.878%	267,668	133,834	(482)	(13,335)	120,017	3,069,695	23.5	2041	08/01/41
							133,834	(482)	(13,335)	120,017	3,105,486	24	2041	02/01/42
100%	492,552	(105,620)	(143,327)	243,605	109.878%	267,668	133,834	(482)	(13,335)	120,017	3,140,404	24.5	2042	08/01/42
							133,834	(482)	(13,335)	120,017	3,174,470	25	2042	02/01/43
100%	492,552	(105,620)	(143,327)	243,605	109.878%	267,668	133,834	(482)	(13,335)	120,017	3,207,706	25.5	2043	08/01/43
							133,834	(482)	(13,335)	120,017	3,240,131	26	2043	02/01/44
	Total						**6,783,689**	**(24,421)**	**(675,927)**	**6,083,341**				
	Present Value From		**08/01/2017**	**Present Value Rate**		**5.00%**	**3,613,152**	**(13,007)**	**(360,015)**	**3,240,131**				

City of Wayzata
Business Subsidy Criteria and Public Financing Policy
October 7, 2014

INTRODUCTION:

This Policy is adopted for purposes of the business subsidies act, which is Minnesota Statutes, Sections 116J.993 through 116J.995 (the "Statutes"). Terms used in this Policy are intended to have the same meanings as used in Statutes. Subdivision 3 of the Statutes specifies forms of financial assistance that are not considered a business subsidy. This list contains exceptions for several activities, including redevelopment, pollution clean-up, and housing, among others. By providing a business subsidy, the city commits to holding a public hearing, as applicable, and reporting annually to the Department of Employment and Economic Development on job and wage goal progress.

1. PURPOSE AND AUTHORITY

A. The purpose of this document is to establish criteria for the City of Wayzata for granting of business subsidies and City public financing for private development within the City. These criteria shall be used as a guide in processing and reviewing applications requesting business subsidies and/or City public financing.

B. The City's ability to grant business subsidies is governed by the limitations established in the Statutes. The City may choose to apply its Business Subsidy Criteria to other development activities not covered under this statute. City public financing may or may not be considered a business subsidy as defined by the Statutes.

C. Unless specifically excluded by the Statutes, business subsidies include grants by state or local government agencies, contributions of personal property, real property, infrastructure, the principal amount of a loan at rates below those commercially available to the recipient of the subsidy, any reduction or deferral of any tax or any fee, tax increment financing (TIF), abatement of property taxes, loans made from City funds, any guarantee of any payment under any loan, lease, or other obligation, or any preferential use of government facilities given to a business.

D. These criteria are to be used in conjunction with other relevant policies of the City. Compliance with the Business Subsidy Criteria and City Public Financing Guidelines shall not automatically mean compliance with such separate policies.

E. The City may deviate from these criteria by documenting in writing the reason(s) for the deviation. The documentation shall be submitted to the Department of Employment and Economic Development with the next annual report.

F. The City may amend this document at any time. Amendments to these criteria are subject to public hearing requirements contained in the Statutes.

2. BUSINESS SUBSIDY PUBLIC PURPOSE REQUIREMENT

A. All business subsidies must meet a public purpose with measurable benefit to the City as a whole. Public purpose may include, but not be limited to: diversification of the local economy, creating needed services or facilities not currently available, redeveloping and removing blight and encouraging redevelopment in the commercial areas of the City in order to encourage high levels of property maintenance and private reinvestment in those areas, retaining local jobs, increasing the job base, and providing diversity in that job base, enhancing existing jobs through increased wages, encouraging additional unsubsidized private development in the area, either directly, or through secondary "spin off" development, offsetting increased costs of redevelopment over and above those costs that a developer would incur in normal urban and suburban development, and meeting other uses of public policy, as adopted by the Council from time to time including the promotion of quality urban design, quality architectural design, energy conservation, decreasing the capital and operating costs of local government, etc.

B. Job retention may only be used as a public purpose in cases where job loss is specific and demonstrable. The City shall document the information used to determine the nature of the job loss.

C. The creation of tax base shall not be the sole public purpose of a subsidy.

D. Unless the creation of jobs is removed from a particular project pursuant to the requirements of the Statutes, the creation of jobs is a public purpose for granting a subsidy. Creation of at least one Full Time Equivalent (FTE) job is a minimum requirement for consideration of assistance.

E. The wage floor for wages to be paid for the jobs created shall be not less than 150% of the State of MN Minimum Wage. The City will seek to create jobs with higher wages as appropriate for the overall public purpose of the subsidy. Wage goals may also be set to enhance existing jobs through increased wages, which increase must result in wages higher than the minimum under this Section.

F. After a public hearing, if the creation or retention of jobs is determined not to be a goal, the wage and job goals may be set at zero.

3. SUBSIDY AGREEMENT

A. In granting a business subsidy, the City shall enter into a subsidy agreement with the recipient that provides the following information: wage and job goals (if applicable), commitments to provide necessary reporting data, and recourse for failure to meet goals required by the Statutes.

B. The subsidy agreement may be incorporated into a broader development agreement for a project.

C. The subsidy agreement will commit the recipient to providing the reporting information required by the Statutes.

4. CITY'S OBJECTIVE FOR THE USE OF PUBLIC FINANCING

A. As a matter of adopted policy, the City may consider using public financing which may include tax increment financing (TIF), tax abatement, bonds, and other forms of public financing as appropriate, to assist private development projects when such assistance complies with all applicable statutory requirements to:

1. Remove blight and/or encourage redevelopment in designated redevelopment/development area(s) per the goals and visions established by the HRA and City Council.

2. Diversify the local economy and tax base.

3. Encourage additional unsubsidized private development in the area, either directly or through secondary "spin-off" development.

4. Offset increased costs for redevelopment over and above the costs that a developer would incur in normal urban and suburban development (determined as part of the But-For analysis).

5. Facilitate the development process and promote development on sites that could not be developed without this assistance.

6. Retain local jobs and/or increase the number and diversity of quality jobs

7. Meet other uses of public policy, as adopted by the City Council from time to time, including but not limited to promotion of quality urban design, quality architectural design, energy conservation, sustainable building practices, and decreasing the capital and operating costs of local government.

5. PUBLIC FINANCING PRINCIPLES

A. The guidelines and principles set forth in this document pertain to all applications for City public financing regardless of whether they are considered a Business Subsidy as defined by the Statutes. The following general assumptions of development/redevelopment shall serve as a guide for City public financing:

1. All viable requests for City public financing assistance shall be reviewed by staff, and, if staff designates so, a third party financial advisor who will inform the City of its findings and recommendations.

2. The City shall establish mechanisms within the development agreement to ensure that adequate checks and balances are incorporated in the distribution of financial assistance where feasible and appropriate, including but not limited to:

   a. Third party review of the "but for" analysis

   b. Establishment of "look back provisions"

   c. Establishment of minimum assessment agreements

3. TIF and abatement will be provided on a pay-as-you-go-basis. Any request for upfront assistance will be evaluated on its own merits and may require security to cover any risks assumed by the City.

4. The City will set up TIF districts in accordance with the maximum number of statutory years allowable. However, this does not mean that the developer will be granted assistance for the full term of the district.

5. The City will elect the fiscal disparities contribution to come from inside applicable TIF district(s) to eliminate any impact to the existing tax payers of the community.

6. Public financing will not be used to support speculative commercial, office or housing projects. In general the developer should be able to provide market data, tenant letters of commitment or finance statements which support the market potential/demand for the proposed project.

7. Public financing will not be used in projects that would give a significant competitive financial advantage over similar projects in the area due to the use of public subsidies. Developers should provide information to support that assistance will not create such a competitive advantage. Priority consideration will be given to projects that fill an unmet market need.

8. Public financing will not be used in a project that involves a land and/or property acquisition price in excess of fair market value.

9. In most cases, public financing will not be generally utilized exclusively for the construction of new rental housing units. The City may consider public financing for the preservation and reinvestment in the existing housing stock. The goal of such financing would be to preserve and promote affordability and/or alleviate blight conditions.

10. The developer will pay all applicable application fees and pay for the City and HRA's fiscal and legal advisor time as stated in the City's Public Assistance Application.

11. The developer shall proactively attempt to minimize the amount of public assistance needed through the pursuit of grants, innovative solutions in structuring the deal, and other funding mechanisms.

6. PROJECTS WHICH MAY QUALIFY FOR PUBLIC FINANCING ASSISTANCE

A. All new applications for assistance considered by the City must meet each of the following minimum qualifications. However, it should **not** be presumed that a project meeting any of the qualifications will automatically be approved for assistance. Meeting the qualifications does not imply or create contractual rights on the part of any potential developer to have its project approved for assistance.

6.1 MINIMUM QUALIFICATIONS:

A. In addition to meeting the applicable requirements of State law, the project shall meet one or more of the Public financing objectives outlined in Section 4; and shall either:

1. Remove blight and/or encourage redevelopment in the City in order to encourage high quality development or redevelopment and private reinvestment in those areas; OR

2. Facilitate the development process to achieve development on sites which would not be developed without this assistance.

B. The developer must demonstrate to the satisfaction of the City that the project is not financially feasible "but for" the use of tax increment or other public financing.

C. The project must be consistent with the City's Comprehensive Plan and Zoning Ordinances, Design Guidelines or any other applicable land use documents.

D. Prior to approval of a financing plan, the developer shall provide any requested market and financial feasibility studies, appraisals, soil boring, private lender commitment, and/or other information the City or its financial consultants may require in order to proceed with an independent evaluation of the proposal.

E. The developer must provide adequate financial guarantees to ensure the repayment of any public financing and completion of the project. These may include, but are not limited to, assessment agreements, letters of credit, personal deficiency guarantees, guaranteed maximum cost contract, etc.

F. Any developer requesting assistance must be able to demonstrate past successful general development capability as well as specific capability in the type and size of development proposed. Public financing will not be used when the developer's credentials, in the sole judgment of the City, are inadequate due to past history relating to completion of projects, general reputation, and/or bankruptcy, or other problems or issues considered relevant to the City.

G. The developer, or its contractual assigns, shall retain ownership of any portion of the project long enough to complete it, to stabilize its occupancy, to establish project management and/or needed mechanisms to ensure successful operation.

6.2 DESIRED QUALIFICATIONS:

A. Projects providing higher than a 3 to 1 ratio of private investment to City public investment will receive priority consideration. Private investment includes developer cash, government and bank loans, conduit bonds, tax credit equity, and land if already owned by the developer.

B. Proposals that significantly increase the amount of property taxes paid after redevelopment will receive priority consideration.

C. Proposals that encourage the following will receive priority consideration:

1. Implementation of the City's values and vision for its lakefront, as detailed in the Lake Effect Design Framework

2. Adding needed road, access and multi-modal improvements

3. Contributes additional public parking

4. Alleviates the need for additional public parking

5. Provides significant improvement to surrounding land uses, the neighborhood, and/or the City

6. Attracts or retains a significant employer within the City

7. Provides significant rehabilitation of an existing apartment complex or significant rehabilitation and/or expansion of existing office or commercial facility

D. Preference will be given to projects that meet good public policy criteria as determined by the City Council, including:

1. High project quality (e.g. sound architectural design, quality construction and materials, sustainable building practices)

2. Projects that meet financial feasibility criteria established by the City

3. Projects that provide the highest and best desired use for the property

7. PUBLIC FINANCING PROJECT EVALUATION PROCESS

A. The following methods of analysis for all public financing proposals will be used:

1. Consideration of project meeting minimum qualifications

2. Consideration of project meeting desired qualifications

3. Project meets "but-for" analysis and/or statutory qualifications

4. Project is deemed consistent with City's Goals and Objectives

Please note that the evaluation methodology is intended to provide a balanced review. Each area will be evaluated individually and collectively and in no case should one area outweigh another in terms of importance to determining the level of assistance.

Adopted by the Wayzata HRA August 8, 2014

Adopted by the Wayzata City Council October 7, 2014

City of Wayzata

Redevelopment Plan

May 2013

Prepared by: EHLERS & ASSOCIATES, INC.
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(651) 697-8500 fax: (651) 697-8555 www.ehlers-inc.com

Introduction

The City undertook a strategic planning session in 2012 and produced a document titled "A Blueprint for the Future," which is a five-year vision for the Community. Within that document, one of the goals was to identify economic development opportunities with a consistent strategy. To develop this strategy, the City Council and HRA conducted a strategic planning/goal setting work session on April 4, 2013. The purpose was to talk about economic development/redevelopment and to set the stage for the City's future role. Participants included the City Council, HRA, City Manager, Finance Manager, Communications Specialist and Financial Consultant/Facilitator from Ehlers.

Work Session Goals and Expectations

- Define what economic development means for the City of Wayzata
- Determine role the City and HRA in economic development and redevelopment
- Define level of risk the City and HRA are willing to assume
- Review existing programs and policies
- Identify top development, infrastructure and redevelopment priorities and reuse and timing of projects
- Provide direction to staff on where to spend their time and efforts
- Determine level of risk the City is willing to undertake
- Create a futuristic mindset
- Provide staff direction to prepare appropriate polices, new and/or refine existing financing programs that are available; and develop work plan as appropriate

Cornerstone of Effective Communities

A vision without a plan is just a dream….
A plan without a vision is a nightmare

Strategic Plan

A strategic plan outlines goals (and strategies required to achieve goals) necessary to progress toward achieving the shared community vision. To be effective, the Plan must include a manageable and measurable set of goals with clearly defined strategies. The strategies should include timetables and the resource requirements (time and money) required to achieve goals. The commitment of elected officials to monitor, adjust, and guide the Strategic Planning process is critical to achieving goals.

Operating System

The operating system refers to the structure that accomplishes governance (including advisory boards and commissions), provides day-to-day service delivery, and implements the Strategic Plan. It encompasses personnel and budget systems, departmental operating procedures, personnel policies, public policy development, financial plan, public participation and communication, customer service systems, and service evaluations. It is the methods and tools used to get things done (and done right) within the community.

Discipline of Effective Communities

1. **Strategic discipline** – maintaining clear vision, values and strategy to achieve vision

2. **Financial discipline** – developing and maintaining a long-term financial plan that serves as a framework for financial decisions (including annual budget decisions)

3. **Decision-making discipline** – adhering to a structured decision-making process that provides clear and differentiated roles for elected officials and staff

4. **Communications and marketing** – developing a communications plan that provides timely information to enhance public participation in critical community decisions and markets the value of city services and amenities

Defining Economic Development

Economic development may mean different things to people. Simply stated, economic development is a series of policies, programs and processes that individual agencies adopt to promote certain ends such as:

1. Increase tax base
2. Provide new or enhanced businesses or services
3. Job creation/retention
4. Investment in infrastructure
5. Encourage community reinvestment
6. Enhance quality of life

Participants were asked to define what economic development means to them to set a baseline for the discussions. Following are some of the comments:

- Being able to create positive development and redevelopment in a community
- Proactive involvement in development/redevelopment
- Help enhance and market Wayzata as a destination point and help facilitate desired developments that mesh with city priorities
- The ability to be involved early in a project so we can help guide/encourage the outcome in order to create a consistent result
- The development of steps for a long-term, strategic, positive, paced, proactive plan for the economic revitalization, historic preservation, environmental conservation and recreational creation for Wayzata with economic sustainability as the guiding principle
- Providing a platform and tools to allow for a city to respond to its dynamic needs of its community
- Proactive approach which involves some "skin in the game"
- Consciously shaping public policies to encourage desired outcomes and providing specific assistance when needed to reach desired outcomes

Overall, comments reflected a view that economic development is a proactive endeavor that entails policies, financing and marketing to meet changing community needs. Since Wayzata is a fully built community, its opportunities for future growth in tax base, services and housing options lie in redeveloping existing sites. End land uses have an impact on the City's overall tax base, thus taxes paid by residents and businesses. Having knowledge that end land use/development is an operational cost assists cities in determining what may **NEED** to be developed versus what they **WANT** to be developed.

Current housing, retail and office market conditions

Housing:

Currently the City has a total of 2,058 housing units (does not include the Promenade). Of these, 1,354 are owner-occupied and the remaining 704 are rental units (84% in multi-family). The tenure of the housing is split with 66% being owner occupied and 34% being rental. When The Promenade opens and those 413 units are taken into consideration (350 senior rental and 63 condos), this split changes to 57% owner and 43% rental

According to 2009 data (which is likely significantly unchanged), approximately 582 units or 28% of the housing stock is affordable to persons at or below 60% of the Area Median Income (AMI), which for 2012 is $73,900 (2013 data not yet available). To put it in perspective, the AMI for a family of 4 is approximately $50,000.

Of the 1,354 owner occupied housing, units, 87 or 15% is considered to be affordable and the remainder of affordable housing units is located within various apartment communities. There was an acknowledgement by the group that there was not too much that they could do to change lack of affordability in owner-occupied housing since land prices were market driven. Any future affordable housing units would likely be apartments.

Office:

Currently the City has approximately 285,500 sq/ft of office space as follows:

WAYZATA OFFICE BUILDINGS				
Building Name	**Class**	**NRA**	**SF Vacant**	**Vacancy Rate**
109 Bushway Rd	C	7,114	1,996	28.06%
15600 Wayzata Blvd	A	19,962	3,902	19.55%
201 Building	A	33,220	0	0.00%
217 Minnetonka Ave	C	2,800	1,000	35.71%
301 Broadway Ave S.	C	3,426	3,426	100.00%
305 Minnetonka Ave	B	7,520	3,760	50.00%
315 Lake St E.	A	28,000	1,300	4.64%
328 Barry Ave S.	A	11,000	4,426	40.24%
407 Lake St E.	B	4,000	1,333	33.33%
Anchor Bank Building	B	33,000	0	0.00%
Boatworks Building	A	70,975	35,795	50.43%
Executive Suites Wayzata	A	13,333	5,716	42.87%
Steiner Office Building	A	10,278	0	0.00%
641-681 Lake Street	B	40,865	2,043	5.00%
		285,493	**64,697**	
			Vacancy Rate	22.66%

The 4th quarter vacancy rate within the I-394 corridor according to CBRE MarketView, is approximately 14.5%. Although the City's vacancy rate is higher than this, if you look at the properties highlighted in the chart above with more than a 40% vacancy factor, several of them are small unique office space that would typically accommodate a single user. If you took these into consideration, the City's vacancy rate would be less skewed. In addition, Boatworks is a building in transition of ownership and will likely see a significant decrease in the vacancy in 2013.

Retail:

Currently the City has approximately 364,000 sq/ft of retail space as follows:

Market Total	Total SF	Vacant SF	Vacant %	Total Count	Vacant Count
Anchored Shopping Centers	91,323	2,138	2.34%	17	1
Unanchored Shopping Centers	173,786	5,099	2.93%	79	4
Single-Tenant Shopping Centers	98,690	5,238	5.31%	20	1
TOTAL	**363,799**	**12,475**	**3.43%**	**117**	**7**

Source: Cushman Wakefield, June 2012

As noted, there is a very low vacancy within the retail market and that the City's retail base remains strong. This shows there is likely a very strong demand for additional retail space within the City.

With continued development of The Promenade, there is approximately 130,000 sq/ft of retail proposed to be constructed over the next couple of years. By 2013, it is anticipated that approximately 31,500 sq/ft of this retail will come on line and that by 2014 an additional 40,000 sq/ft will come on line. Currently 70 percent of the first phase is leased and they anticipate fully leasing that phase within the next 12 to 18 months. They are currently marketing the second phase and have a few letters of intent signed. They anticipate it will also take approximately 18 months to fully lease this phase. They will begin construction on the third phase this summer (approximately 59,000 sq/ft) and anticipate an 18-month lease up period after construction is completed.

Role of the City in Economic Development and Redevelopment.....

Participants were asked to respond the role the City should take in economic development and redevelopment – Do Nothing, Reactive or Proactive.

Overwhelmingly the participants determined that the City should be proactive and that any of the following roles would be appropriate for the City:

Role	Activity
Master Developer	Actively go out and seek developers to develop City's vision for area
Financing	Assist and/or actively pursue grants
	Provide public assistance and determine risk level willing to undertake, if any (pay-as-you-go and/or up front funding)
Land Acquisition	Assemble parcels as they become available
	Actively pursue key or difficult acquisitions
Facilitation	Act as a facilitator between developers and land owners
Planning	Set goals/vision for City redevelopment sites

Currently the City has "played" some of the roles listed above in recent redevelopment projects, in limited fashion. If the City were to take a more active role in land acquisition or becoming a master developer, it is understood that either one or both of the governing bodies of the City would have final approval of any land

acquisitions and or financial assistance provided to developers. Staff would be charged with bringing forth the project and outlining the risks and benefits of undertaking the particular issue at hand.

The Future of Wayzata – Legacy

Cities across the metro and out state are challenged with making difficult decisions that can have long-term impacts on their respective communities. These vary from need and quality of public facilities, construction and financing of roads and utility systems to draw desired development, development of publicly owned facilities to change markets, providing public subsidies to obtain certain end users or to create a market that doesn't currently exist. The group reviewed several communities that took significant risks and made difficult public policy decisions to change their communities. These types of goals and decisions will vary from community to community due to their individual circumstances. Although the City may not be faced with the same circumstances, these sample projects illustrated the need for policy makers to balance short term, tangible results with long-term visions/gains.

Participants were asked to think about what Wayzata would look like in 25 years and to articulate their vision in one to two sentences. Following is a listing their vision for Wayzata:

- Maintain the City's small charm and character through positive development and redevelopment. This will make Wayzata a destination from not just those in the seven county metro area but from all over the country as being a progressive city.
- Robust public space on lake edge.
- Thriving downtown and healthy single family neighborhoods. Superior walking accommodations and attractions with ample, convenient parking to access lakefront activities and vibrant commercial sector.
- A small community that has discovered a new identity that the key to its future is in its past, where remembering what made it great is its historical elements, small town atmosphere and established small town main street(s), with neighborhoods and not developments and everything is within walking distance so there are not massive seas of parking lots. Where the lake is viewable, clean and can be accessed by putting your hand in the water for all and its urban forest has been respected, maintained and allowed to flourish. A community that embraces the balance of all ages of its community by restoring itself as a lake community while seeing that modern amenities for families and visitors is a must for its vitality YEAR ROUND. Where quality of its buildings and materials used along with design matters. Where visitors who come see that the town has taken the time to remember itself and is proud based on what it has maintained. The community needs to set the expectation. It should be the poster child for a 21st century HAMLET.
- More sail boat and motorized boat access to downtown. The Yacht Club could drive more visitors in the summer and create more of a nautical culture for the town.
- A strong small town lakefront community with a balance of residences and commercial areas.
- A well-balanced residential community supported by a vibrant retail/service base of healthy commerce.
- Vibrant "small town" with a broad socio-economic range of residents. Beautiful parks and quiet, wooded spaces. Easy access to the Lake (passive and active). Active downtown businesses.

Common elements that arose from the long-term visions for the City were:

- **Retain "small town" lake community character/feel**
  - Walkability
  - Quality buildings, scale, design and architecture
  - Parks, sidewalks, trail accommodations
- **Strong, vibrant downtown**
  - Active businesses
  - Allow boat access to attain more visitors
  - Convenient parking
  - Destination oriented year round
- **Accessibility to lake and lake quality**
  - Public space
  - Viewable and clean
  - Easy to get to
- **Well balanced residential**
  - Healthy single-family neighborhoods
  - Modern amenities for all ages
  - Broad range of residents (age, race, income)

How the City undertakes planning, decision making, and providing staff and financial resources will determine if the City can achieve the common elements listed above. The participants did a quick brainstorming on what the City could do to achieve them:

- **Small Town Charm**
  - Building scale and design
  - Balance existing buildings with new and provide a variety
- **Assure Downtown remains relevant**
  - Provide retail options lost over the years
  - Rework retail concepts into the 21st Century
  - Provide adequate parking
- **Branding/Marketing**
  - Easy access and signage from freeway to downtown
  - More boat activity
  - Implement Lakefront vision
  - Create economic development/housing programs and market them
  - Scenic byway
  - Come up with twist/angle on remarketing a small historic town
- **Lake quality**
  - Maintain urban forest
  - Work with conservation/watershed districts
  - Storm water management
- **Public/Open Space and Lake Access**
  - Docks/boat access and launch facility
  - Parking
  - Signage
  - Walking access/view/ public space

Key Decisions

We asked participants to state what legacy decision they could make today that a resident or City Council member would complement them on. Key decision or projects revolved around:

1. Redeveloping of various vacant and/or obsolete buildings
2. Assuring the Lake Front vision is implemented and provides for a desirable waterfront
3. Providing adequate public parking
4. Creating a new City identity and positive branding image
5. Establishing sustainability policies (financial, environmental, planning, etc.)
6. Engaging community involvement
7. Assuring variety of commercial shops that will bring people to town
8. Improving roads, access and public transportation

Economic Development/Redevelopment Priorities

Limits on time and resources constrain the amount and types of economic development and redevelopment activity in which the City can engage. To accomplish redevelopment objectives, the City must make a commitment to follow through with identified projects and identify and establish policies and programs to assure their end. Central to this commitment must be the development of a strong financial partnership between the City and the Housing and Redevelopment Authority.

Faced with these resource limitations, the City is forced to make choices with respect to redevelopment projects. Prioritizing redevelopment projects in the City began with the group submitting their top three (3) priorities for redevelopment. This generated many ideas as noted below:

1. Meyer Brothers Dairy
2. Legion Site
3. City lot at superior and lake
4. West End of Lake Street
5. Properties on north side of lake west of Barry Avenue
6. Boatworks – both sides of street stated
7. Sunsets lot
8. Village Shops
9. Water tower/cellular tower w/ ground equipment
10. The Nature Center & areas that back up to it
11. Lakefront
12. Mill Street and parking
13. Koch East Lake LLC
14. Wayzata Bay Carwash (by Meyers)

Many of these ideas were combined or condensed and then each member was given 5 dots to place by their top five (5) priorities. Based upon that process and significant discussion, following are the top seven (7) redevelopment priorities

Redevelopment Priorities

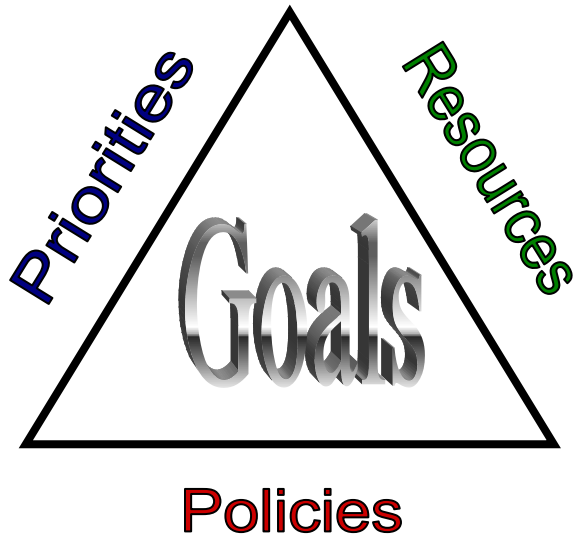
1. Meyers Dairy (9)
2. Lakefront Initiative (8)
3. Boatworks (6)
4. Mill Street and Parking(6)
5. Village Shops (5)
6. City Lot at Lake and Superior Street (4)
7. Development plan for west end of Lake Street**

***** Note: Item # 7 was discussed by the group after the prioratization as to the need for a comprehensive redevelopment plan/vision for this area. Although it initally received only 3 votes, staff has added it as a redevelopment priority for consideration.***

Economic Development/Redevelopment Strategic Plan

Through prioritization of these many projects, staff has attempted to balance the need for economic development and redevelopment with the need for other related policies and resources to assure their success. The interdependency of these economic development and redevelopment elements necessitates the need for a balanced allocation of resources.

Elected and appointed officials and the residents of the community must understand that the goals can change, but that the City has to consider, balance and change the same factors – priorities, resources, and policies – to understand the effect of making those change(s) and how to mitigate and negative or offsetting issues.



Based upon the information obtained from the group through written questionnaire and participation and the retreat, staff has identified four (4) areas of priority and corresponding goals to prepare the City for economic development and redevelopment to meet their future vision for the City as follows:

Redevelopment/Development

1. Prepare redevelopment plan for top redevelopment priorities and corresponding financing plan
2. Identify key aspects of Lakefront initiative and develop plan to finance and implement
3. Develop plan for construction and financing of a City-owned parking ramp on Mill Street
4. Define needed road, access, and multi-modal improvements

Policies

1. Prepare redevelopment policy and framework
2. Update Business Subsidy policy
3. Prepare conduit financing policy
4. Update Tax Increment Financing policy
5. Define sustainability and prepare policies as appropriate

Public Relations/Marketing

1. Consider City brand and develop branding/marketing campaign
2. Update the City's website
3. Prepare communications plan for various City projects/initiatives
4. Develop plan for way finding signage for downtown

A strategic plan is central to the commitment to undertake economic development and redevelopment. The strategic plan will help guide the decision-making process and allocation of time and resources as the City engages in ongoing development and redevelopment activity.

On the following page is a listing of the goals, actions, responsible party and timing to begin undertaking the necessary steps to implement these goals and assist the City in being successful in its economic development/redevelopment efforts.

Number	Goal	A/P/I A=Assess P= Plan I=Implement	Action	Responsible Party	Timing
Redevelopment					
1	Prepare redevelopment plan for top redevelopment priorities and corresponding financing plan	P/I	Prepare Strategic Plan	Heidi/Bryan/Ehlers	3rd Q 2013
2	Identify key aspects of Lakefront initiative and develop plan to finance and implement	A	Review of final plan from task force and bring back to Council for discussion on priorties and direction	Heidi/Brian/SPRC	4th Q 2013
3	Develop plan for construction and financing of a City-owned parking ramp on Mill Street	P/I	Develop financing and annual maintenance costs and identify bennefitting property owners and bring back to Council for further discussion and direction	Heidi/Bryan/Ehlers	3rd Q 2013
4	Define needed road, access, and multi-modal improvements	A	Review of all City plans and determine level of improvements required and bring back to Council for discussion and further direction	Bryan, Mike, Dave	1st Q 2014
Policies					
5	Prepare redevelopment policy and framework	A/I	Prepare policy for Council approval	Heidi/Ehlers	3rd Q 2013
6	Update Business Subsidy policy	A/I	Prepare policy for Council approval	Heidi/Ehlers	3rd Q 2013
7	Prepare conduit financing policy	A/I	Prepare policy for Council approval	Heidi/Ehlers	3rd Q 2013
8	Update Tax Increment Financing policy	A/I	Prepare policy for Council approval	Heidi/Ehlers	3rd Q 2013
9	Define sustainability and prepare policies as appropriate	A	Have further discussions with Council and HRA to better define sustainability	Heidi/Bryan	4th Q 2013
Policies					
10	Consider a new City brand and develop branding/marketing campaign	A/P	Preparelevel branding optionsavailable and cost analysis to undertake them with 3rd party assistance and bring back to Council for discussion	Heidi/Communications Specialist	1st Q 2014
11	Update the City's website	A/I	Determine what needs to be updated and prepare plan to implement updates	Communications Specialist	On-going
12	Prepare communications plan for various City projects/initiatives	P	Determine what types of projects need to be communciated and to whom and prepare plan for implementation as projects commence	Heidi/Communications Specialist	1st Q 2014
13	Develop plan for way finding signage for downtown	A/P	Determine signage needs and prepare cost analysis for Council review	Bryan, Mike, Dave	4th Q 2013

Goals No. 2, 3, 10 and 13 have been identified as part of the City's Blueprint for the Future. These goals have already been actively undertaken and specific action steps, responsible party and timing has been identified. Goals No. 11 and 12 are very important to any projects the City undertakes and will be on-going as projects commence over time within the community and appropriate levels of communication are identified.

Staff will prepare more detailed information on process and timing for Goals No. 1 and 4. Goals listed under policies (No. 5-8) will be reviewed and developed by staff as appropriate and brought back the HRA and City Council for discussion and formal approval within the next six (6) months. In addition, staff will work with Council on goal No. 9 to better define what sustainability means so appropriate policies can be developed.

Overall, these goals will set the framework for redevelopment within the community for the next several years and should be reviewed annually and changes made as appropriate. Many of the goals will be implemented within the next twelve (12) to eighteen (18) months. However, it should be noted, that implementation of the redevelopment of the seven (7) areas identified (Goal No. 1), and implementation of Goal No. 2 will take many years due to their complexity of issues and timing of available resources and financing for the projects.

WEST END

The west end of Lake Street is primed for redevelopment. In particular, the community would like to see retail activity continue along Lake Street past Minnetonka Avenue

MEYER BROTHERS DAIRY REDEVELOPMENT

The Meyer Brothers Dairy facility and adjacent properties would be developed by private sector agents to meet market demands. The city's role in these projects would be to facilitate development that fulfills the community's vision as expressed through this framework document. Community suggestions ranged from a brew-pub to artist lofts to a movie theater.

MUNICIPAL PARKING RAMP

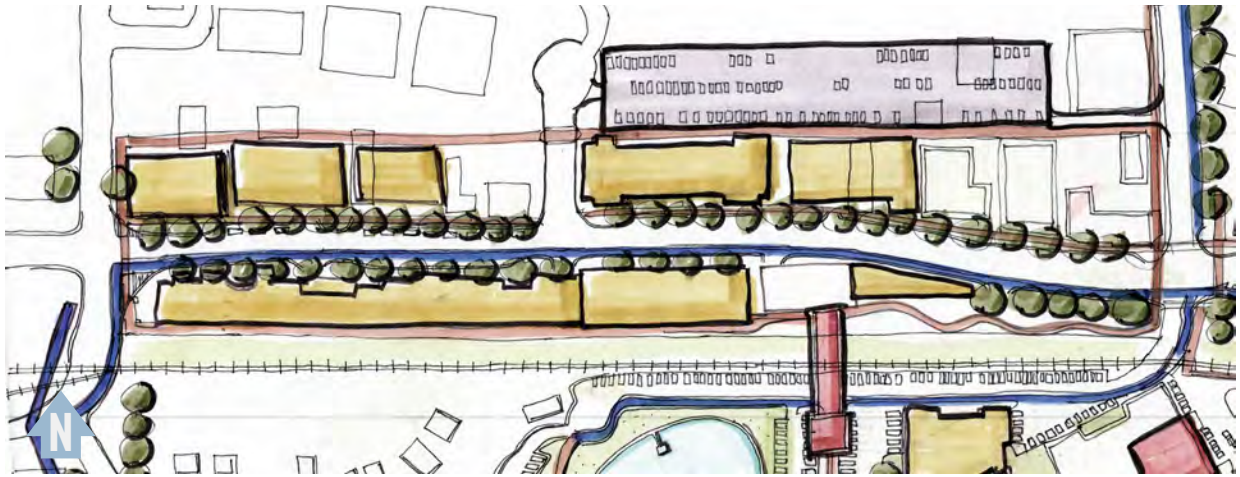
As development occurs in this area, the city could exercise the option to build another parking structure in this area to accommodate additional vehicular traffic.

TCF REDEVELOPMENT RELATED TO BOATWORKS

Surface parking lots adjacent to the TCF building are opportunities to develop a denser, more walkable retail and commercial district in the West End. Part of this development would include structured parking to ensure that there is no net loss of parking in the area.

INTEGRATED PEDESTRIAN BRIDGE TO SHAVER PARK AND RAND BEACH

This bridge would take pedestrians safely over the railroad tracks, strengthening walkability and improving lake access for recreational users and weekend visitors.



City of Wayzata
600 Rice Street
Wayzata, MN 55391-1734

Mayor:
Ken Willcox

City Council:
Bridget Anderson
Johanna McCarthy
Andrew Mullin
Steven Tyacke

City Manager:
Heidi Nelson

Date: July 23, 2015

To: Chair Shaver and the HRA

From: Heidi Nelson, City Manager
Don Uram, Administrative Services Director

Subject: Over settlement of tax increment from TIF District 2 (CARD)

On July 2, the City received a $76,754.40 invoice from the Hennepin County Property Tax Division for the over settlement of tax increment in TIF District 2 (CARD). This was due to a tax court settlement on the Boatworks building. Since tax increment was received from the county initially, it is appropriate that tax increment be used to pay the invoice. A review of the use of funds from TIF District 2 indicated that $1.965 million was transferred from the district into various capital improvement funds in 2012. Those funds were Lakefront Improvement (233), General Improvement (408), Street Improvement (430), and Water CIP (405, now 610). Payment of the invoice will be divided equally ($19,188.60) among these four funds. Remaining cash balances in each fund are:

- Lakefront Improvement (233) - $1.026 million
- General Improvement (408) - $1.785 million
- Street Improvement (430) - $2.069 million
- Water (630) - $2.069 million.

TIF District 2 was officially decertified at the end of 2012.