
Meeting Announcement and Agenda of the Cambridge Planning Commission
City Hall Council Chambers
Regular Meeting, Tuesday, November 7, 2017, 7:00 pm

Members of the audience are encouraged to follow the agenda. When addressing the Commission, please state your name and address for the official record.

AGENDA

1. Call to Order and Pledge of Allegiance
2. Approval of Agenda (p. 1)
3. Approval of Minutes
 - A. October 3, 2017 Regular Meeting (p. 3)
4. Public Comment: For items not on the agenda; speakers may not exceed 5 minutes each.
5. New Business
 - A. **PUBLIC HEARING**-Interim Use Permit for Above Ground Storage Tank (Waste Management) (p. 10)
 - B. **PUBLIC HEARING**- Cambridge Opportunity Industrial Park 6th Addition Preliminary Plat (p. 14)
 - C. Cambridge Opportunity Industrial Park 6th Addition Final Plat (p. 18)
 - D. **PUBLIC HEARING**-Auto Dealership Parking ordinance amendment (p. 21)
 - E. Auto dealerships- zoning restrictions and performance based standards (p. 27)
 - F. Annexation of Kelly Property (owner's petitioned annexation) (p. 44)
 - G. Approve Resolution R17-02 Finding that a Modification to Development Program for Development District No. 6 and Tax Increment Financing Plan for Tax Increment Finance District No. 6-19 Conforms to the General Plans for the Development and redevelopment of the City. (p. 48)
6. Other Business/Miscellaneous
 - A. City Council Update
 - B. Parks, Trails, and Recreation Commission (PTRC) Update
7. Adjourn

Notice to the hearing impaired: Upon request to City staff, assisted hearing devices are available for public use.

Accommodations for wheelchair access, Braille, large print, etc. can be made by calling City Hall at 763-689-3211 at least three days prior to the meeting.

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PLANNING COMMISSION MEETING MINUTES

Tuesday, October 3, 2017

Pursuant to due call and notice thereof, a regular meeting of the Cambridge Planning Commission was held at Cambridge City Hall, 300 – 3rd Avenue NE, Cambridge, Minnesota.

Members Present: Mike Stylski, Chad Struss, Kersten Barfknecht-Conley (City Council Representative), Julie Immel, Brandon Grell and Robert Nelson

Members Absent: Bob Erickson (excused)

Staff Present: Marcia Westover, Community Development Director/City Planner

CALL TO ORDER and PLEDGE OF ALLEGIANCE

Stylski called the meeting to order at 7:00 pm and led the Commission in the Pledge of Allegiance.

APPROVAL OF AGENDA

Struss moved, seconded by Grell to approve the agenda as presented. The motion carried 6/0.

APPROVAL OF MINUTES

September 6, 2017 Regular Meeting Minutes

Grell moved, seconded by Conley to approve the September 6, 2017 meeting minutes as presented. Motion carried 6/0.

PUBLIC COMMENT

Stylski opened the public comment period at 7:01 pm and without comments, closed the public comment period at 7:02 pm.

NEW BUSINESS

Public Hearing: Amend Section 156.063 (D) (3) Prohibited Signs, Signs in Easements

Westover stated City staff would like to amend the Zoning Code, Chapter 156.063 Sign Regulation as the City's current Zoning Code prohibits signs in easements. Two recent requests were made by applicants for signs in easement areas. Staff reviewed the requests and noted that many signs throughout the City already exist in easement

areas. Westover stated going forward, staff would like to amend the ordinance to be consistent in the City's review of these signs. If the owner requests to install a sign in an easement, then staff would like to require them to sign an Easement Agreement.

Nelson suggested sending a letter to businesses stating the City has been made aware of an oversight of existing language in our zoning ordinances as it relates to placing signs in easements, being clear the City is not asking them to move present signs but to let them know that if it Public Works needs access to the easement, they may be asked to remove their sign at their cost.

Stylski opened the public hearing period at 7:08 pm

Bob Roby, 237 2nd Avenue SW, Cambridge, MN, agreed with Commissioner Nelson's suggestion of mailing letters to businesses that currently have a sign in an easement informing them the sign may need to be removed, at their own cost, in the event Public Works needs access to that easement.

Stylski closed the public hearing at 7:11 p.m.

Conley moved, seconded by Nelson, to recommend the Council approve the draft ordinance, recommending approval of the amendment and Easement Encroachment Agreement as stated. The Commission recommends an information letter be sent out to owners of existing signs within City easements as staff time allows. Motion carried 6/0.

Auto Dealership Parking Requirements

Westover stated City Council directed staff to bring the auto dealership parking requirements to the Planning Commission for review. This review stems from Kevin and Briana Wengel's Interim Use Permit (IUP) for Automobile Sales in the B-1 District at 140 1st Ave W.

Westover stated this property is required to have 14 parking spaces for customers and employees. The current City code for automobile sales requires eight (8) parking spaces for customer parking plus one (1) additional space for each 800 square feet of ground floor area over 1,000 square feet. Based on the calculations of the building, they are required to have 14 spaces (in addition to the 8 customer spaces).

Westover further explained the property at 140 1st Ave W has 14 spaces they can provide for customers and employees. However, they cannot park their display vehicles for sale in these spaces since they are required for customers and employees. The vehicles for sale must either be on the east or west side of the building, or inside the building. This was the understanding of both the City and the owner/applicant at the time the IUP was approved. Once the business opened, the applicant was parking vehicles for sale up front in spaces required for customers/employees. This is a violation of the IUP.

Westover stated the owner and applicant appeared before City Council on August 7, 2017, to ask permission to park the vehicles for sale in the required customer/employee spaces. That is when Council directed further review with the Planning Commission. The owner and applicant debate that 14 spaces is excessive. They explained that it would be a good day of business if they had two (2) customers at any one time and they would never have a need for 14 spaces with only one employee.

Westover said since this discussion at Council, staff has reached out to other cities, including North Branch, Blaine, Waite Park, Hastings, Zimmerman, Monticello, Forest Lake, and Mora, to see what their requirements are for automobile Dealership parking. As expected, each city varies with their requirements.

With the inception of the Discover Downtown Cambridge Committee after the MN Design Team visit, Westover stated many revitalization efforts have been moving forward. The overall vision for downtown was transformed creating this question on uses including automobile sales located downtown. The Comprehensive Plan identifies elements of a revitalized downtown including sensitive integration of new development with existing buildings, in-fill development, and compatibility with the historic city scale.

Westover stated since Cambridge is in a transition with its revitalization efforts, a good option may be that all automobile sales requests require an IUP. This way, all automobile sales requests can come before the Planning Commission and City Council for review. Parking will also be reviewed with the IUP, i.e. on a case-by-case basis. The City of Blaine reviews auto dealerships and their parking on a case-by-case basis.

Westover stated review on a case-by-case basis may be a good option for Cambridge. In looking at the City's current auto dealerships, each one is unique with regard to its site/location, how they operate the business, and inventory. A small dealership is only going to have one to two customers at any given time. A larger dealership, like Hirsch, might have more customers at any one time. In addition, Hirsch has a showroom and auto repair business. This will have extra demand on building space, employee requirements, and customer parking.

Westover stated at a minimum, some level of parking requirements should be considered and stated in the code. A suggestion might be to require a minimum of one (1) space per employee and (1) space for every 500 square feet of ground floor area. This language could be identified in the code, with a clause stating that other parking requirements may be allowed/required though the issuance of the IUP. Then, if there is more or less need depending upon the site/location and its intended use, the parking requirements can be adjusted.

Westover presented a draft ordinance amendment with the ideas presented above and stated if the Planning Commission agrees with and/or modifies this ordinance, staff can bring the amendment back for public hearing next month.

Westover stated staff is requesting direction from the Commission on how to proceed with any language amendments to the City Code for automobile sales parking requirements.

After some discussion, the Commission agreed that reviewing each auto dealership on a case-by-case basis and requiring an IUP for each would be their recommendation. Westover asked if this meant Wudels would be allowed to come back and discuss their situation with the Commission or would the Commission require them to conform to one space per 500 sq. ft. The consensus from the Commission was to recommend 140 1st Ave W (Wudel's) conform to the amended language, one space per 500 sq. ft and one space for each employee on a major shift.

Nelson and Immel suggested separating out new car dealerships from used car dealerships. Discussion ensued and ultimately the Commission decided to not separate out new versus used car dealerships to keep it simple.

The Commission agreed to approve the amendments to the draft ordinance and directed staff to bring the ordinance back to the Planning Commission for a public hearing at next month's meeting.

B-1 Downtown Parking Requirements

Westover stated the City's current downtown parking and requirements have been a topic of concern. Staff has heard from business owners, home owners, and patrons that there is not enough parking in our downtown area. The Discover Downtown Cambridge Committee-Code Review Sub-Committee has discussed the parking concerns. As a result, staff performed a downtown parking study/exercise. The information provided in the exercise is an approximate tabulation on the parking status of the downtown "ring road".

Westover said based on the information gathered from this exercise, the downtown area has a sufficient amount of parking spaces for the current uses. The exercise did not include any on-street parking. It is estimated that there are likely 200 on-street parking spaces in addition to those shown on the map.

Westover stated the City's current parking requirements exempt existing and new uses in the B-1 Downtown Zoning district, meaning no parking spaces are required. **Except** that any 'parking provided' shall comply with the parking design standards, meaning if there is parking, it needs to meet the code requirements. The code also requires that if parking cannot be provided on site due to any new construction, enlargement of a building or any change of use in a building downtown, that the owner pay the City \$3,500 per space that is not provided.

Westover stated many of the existing buildings were built long ago (even when there were gravel roads), prior to any parking requirements. It is almost impossible to require new parking regulations for these existing buildings, even when the use of the building

changes. The previous use may have required 10 spaces, but the new use requires 20 spaces. The solution the City came up with was to charge new uses, new businesses, or any enlarging of a use to pay \$3,500 per deficient space in an effort to obtain funds to build future parking lots. Based on the attached parking exercise, the number of available parking spaces downtown exceeds the demand. Therefore, the City should not have a need at this time to require the \$3,500 payment in anticipation of any new parking lots.

Westover stated the B-1 Zoning District by definition is intended to offer uses that primarily serve pedestrian traffic (not vehicles). Requiring more parking (and thus congestion) may defeat the intention of this zoning district.

Westover presented a draft ordinance amendment with the ideas presented above and stated if the Planning Commission agrees with and/or modifies this ordinance, staff can bring the amendment back for public hearing next month.

Westover stated staff is requesting direction from the Commission on how to proceed with any language amendments to the City Code for the B-1 Downtown Business District.

After some discussion, the Commission directed staff to research agreements made with private parking lot owners allowing public parking through an assessment reduction and bring findings back to the Commission at a future meeting. Westover will discuss this issue with the City Attorney, City Engineer, and City Administrator.

Potential Future Business Restrictions (Used Auto Dealers, Thrift Stores/Second Hand Stores, Tattoos, Massage) (Continued from May 3, 2016 Meeting)

Westover stated the Planning Commission started discussion on potential business restrictions in 2016. The first meeting was on March 2, 2016 and the discussion was tabled to May 3, 2016. On May 3, the Commission tabled the discussion until after the Comprehensive Plan update was complete.

Westover stated the City staff had started to explore the idea of limiting the number of certain businesses because of the negative feedback from residents regarding the amount of these businesses in Cambridge. Now with the recent feedback from the Planning Commission regarding 140 1st Ave W (Wudel's auto sales request) and the Discover Downtown Cambridge Committee on revitalization efforts, this discussion is being heard again. In addition, the Comprehensive Plan update was completed last spring, therefore the discussion can continue.

Westover stated the biggest concern in Cambridge currently is automobile sales. Staff is requesting the majority of discussion to occur on this topic. Thrift stores can be discussed as well, in addition to tattoo shops and massage parlors. These topics could be brought back to another meeting for more in depth conversation if the Commission wishes. The reason

we are discussing this now is to be proactive in shaping the future of our city. Other cities have had similar discussions after problems arose.

Westover stated she had a discussion with City Attorney Jay Squires on the legalities of such limitations. He explained that there is more ability in State Statutes to limit thrift stores/second hand stores and it is more common for cities to limit these. Used car dealerships are different and the City could look at more performance based standards (stronger standards).

Westover referred to some feedback gathered from other cities regarding auto dealerships. If cities have decided to restrict auto sales they have done as our City Attorney has advised. They have limited the automobile sales in certain zoning districts and/or required a Conditional Use Permit (CUP) or Interim Use Permit (IUP). Some cities have created stronger standards like a minimum lot size of 1, 2 or 4 acres. Woodbury only allows auto sales in a warehouse and industrial zoning district through a CUP and requires all vehicles for sale to be housed indoors (no outdoor storage of any kind allowed). Shakopee has decided not to allow any newly formed used car dealerships to start in their city. Shakopee had a concern with 13-15 used car dealerships and their population is 40,610. For comparison purposes, Cambridge has 10 car dealerships and the population is 8,749.

Westover pointed out the current Cambridge code requires that the lot width for any automobile sales use be 100 foot minimum. It does not specify the requirements for the remaining lot size standards. Therefore, the lot can be a very small triangle with a 100' width at the front. Cambridge currently has an auto dealership with this lot scenario. The property is struggling to come into compliance with the rest of the regulations because the lot is not conducive to an auto dealership. The lot is in the B-2 district and automobile sales is permitted.

Westover stated Cambridge current Zoning Code language is as follows: (1) 100' minimum width at front yard; (2) Permitted by right in the B-2 Highway Business District and BT Business Transitional; and (3) Allowed with an Interim Use Permit (IUP) in the B-1 Downtown Business District and B-1A Downtown Fringe Business District.

Westover stated for discussion purposes, the following are possible code changes to discuss: (1) Lot size (maybe we require a 100 foot minimum lot width and one/two acres of land); (2) Interim Use Permits required for all automobile sales uses in all Business Zoning districts; (3) Remove automobile sales from a certain zoning district (i.e. B-1 Downtown Business District), but keep them in all other Business Districts; (4) Only allow automobile sales in the B-2 General Business District; and (5) Remove automobile sales from all Business Districts, only allow them in Industrial Districts.

The Commission discussed inviting the owners of auto dealerships that are outside of the B-1 District to see what their opinion is on this versus the owners of auto dealerships in the B-1 district. The Commission also discussed inviting the Downtown

Committee to a future meeting. Zoning districts and further zoning review of was also discussed.

The Commission recommended staff table this discussion and invite the appropriate interested parties for a deeper discussion with the Planning Commission.

OTHER BUSINESS / MISCELLANEOUS

City Council Update

Westover and Conley updated the Commission on the previous City Council meeting.

Parks, Trails, and Recreation Commission Update

Westover stated the Parks, Trails and Recreation Commission did not meet last month.

ADJOURNMENT

Grell moved, seconded by Nelson, to adjourn the meeting at 8:15 pm. The motion carried 6/0.

Mike Stylski
Cambridge Planning Commission Chair

ATTEST

Maricia Westover
Community Development Director/City Planner

PUBLIC HEARING...INTERIM USE PERMIT. . . . ABOVE GROUND TANK OVER 400 GALLONS....WASTE MANAGEMENT.

Applicant

A request by Waste Management, 1505 11th Ave NE, Cambridge, MN 55008, for an Above Ground Fuel tank over 400 gallons.

Review

Waste Management has recently moved into the former NRI building at 1505 11th Ave NE. They are in the process of organizing their site to make it useable for their business. They are requesting to add an additional above ground tank. The tank requested will be a 10,000 gallon diesel fuel tank used for refueling the refuse/recycling fleet trucks. I have attached a site plan showing the location of the tank. Previously, the property was approved through a Conditional Use Permit for two 1,000 gallon fuel tanks, one oxygen container, and one aggregate container for sand. These tanks will remain on site and used as-is.

Our engineering consultant group has reviewed the proposed tank's location as this property is within the well head protection plan. Their review indicates no real effect on the well head protection actions. They did recommend the following as the City's due diligence:

1. Obtain all local, state, and federal regulatory permits for the tank installation.
2. Provide confirmation that all local, state, and federal regulatory permits have been obtained.
3. Provide confirmation of all applicable environmental plans have been obtained such as Stormwater Pollution Prevention Plan (SWPPP), Spill Prevention, Containment, and Countermeasure Plan (SPCCPlan), etc.
4. Provide applicable design details including features relating to tank design, secondary containment, spill prevention, emergency shut-offs, etc.

In addition, this is an Interim Use, therefore a time limit needs to be attached to the conditions. Staff would propose a five (5) year Interim Use Permit at this time. The Commission and/or Council may change the length of time if desired. In addition, an Interim Use permit is non transferrable.

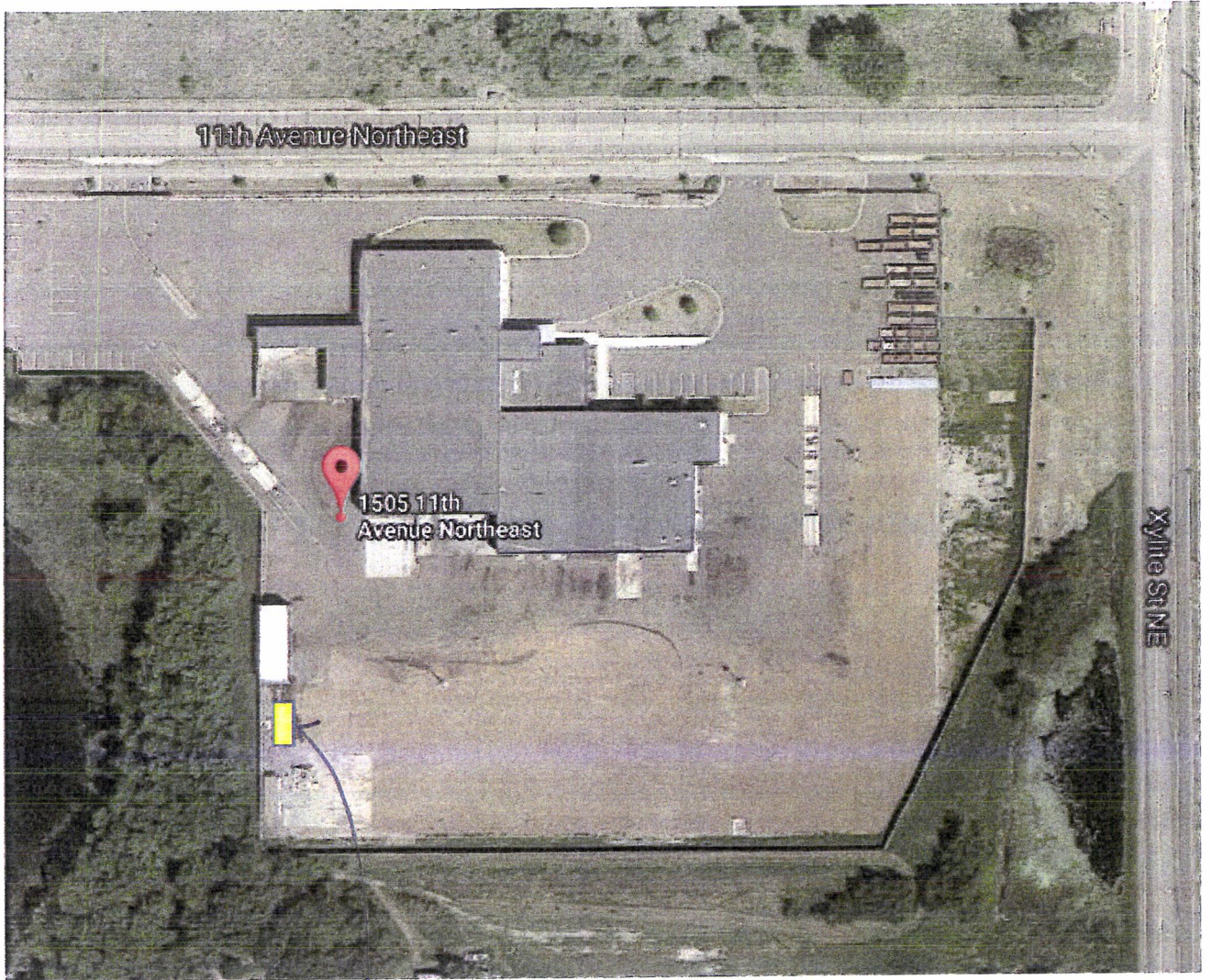
Planning Commission Action

Motion on the attached draft resolution as may be amended by the Commission, recommending approval of the Interim Use Permit for an Above Ground 10,000 gallon fuel tank with the conditions as listed.

Attachments

1. Site Plan
2. Draft Resolution

WMMN-Cambridge
1505 11th Avenue NE
Cambridge, MN 55008



10,000 gallon fuel tank location

KENNEDY ST N

11TH AVE NE

← property line

← 10,000 gallon tank location
8'x27' tank size

↑ property line

Resolution No. R17-0XX

**RESOLUTION APPROVING AN INTERIM USE PERMIT
WASTE MANAGEMENT
TO ALLOW ABOVE GROUND FUEL STORAGE IN EXCESS OF 400 GALLONS**

WHEREAS, Waste Management, 1505 11th Ave NE, Cambridge, MN 55008, a representative of the property located at:

Lot 1, Block 1, Cambridge Opportunity Industrial Park 5th Addition, Isanti County, Minnesota

has applied for an Interim Use Permit to allow above ground bulk liquid/gas fuel storage in excess of 400 gallons; and

WHEREAS, The Planning Agency of the City has completed a review of the application and made a report pertaining to said request, a copy of which has been presented to the City Council; and

WHEREAS, The Planning Commission of the City, on the 7th day of November, 2017, following proper notice, held a public hearing to review the request; and

WHEREAS, the Planning Commission made a recommendation to approve said request and it was brought forward for City Council consideration as long as the following conditions can be met:

1. The Interim Use Permit is valid for five years and shall be void as of November 20, 2022. Applicant may request another Interim Use Permit if desired prior to this date.
2. The Interim Use Permit is not transferrable and is only valid for Waste Management at the location of 1505 11th Ave NE.
3. Obtain all local, state, and federal regulatory permits for the tank installation.
4. Provide confirmation that all local, state, and federal regulatory permits have been obtained.
5. Provide confirmation of all applicable environmental plans have been obtained such as Stormwater Pollution Prevention Plan (SWPPP), Spill Prevention, Containment, and Countermeasure Plan (SPCCPlan), etc.
6. Provide applicable design details including features relating to tank design, secondary containment, spill prevention, emergency shut-offs, etc.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of Cambridge, Minnesota, approves the proposed 10,000 gallon above ground fuel tank as long as the conditions listed above are met.

Adopted by the Cambridge City Council
This 20th day of November, 2017

Marlys A. Palmer, Mayor

ATTEST:

Lynda J. Woulfe, City Administrator

**PUBLIC HEARING...PRELIMINARY PLAT. . . . CAMBRIDGE OPPORTUNITY
INDUSTRIAL PARK 6TH ADDITION.**

Applicant

A request by the City of Cambridge, 300 3rd Ave NE, Cambridge, MN 55008 for a preliminary plat.

Review

The City of Cambridge currently owns the proposed land in the Cambridge Opportunity Industrial Park. The parcel is zoned I-1 Low Impact Business-Industrial District. The City is working with Stars Hollow Corporation and intends to sell a 12.6 acre parcel for their new business. Stars Hollow Corporation is an Aquaculture firm that raises fish and uses a Hydroponics system to grow fresh vegetables for sale.

Staff has reviewed the preliminary plat and there are few items that the applicant and surveyor need to correct. Both the applicant and surveyor are currently working on this however these items have been added as conditions of plat approval.

The items needed to correct include: a 20' drainage and utility easement is required for the existing watermain. The drainage and utility easement should also extend all the way to the pond. The pond does not need to be shown as Outlot B as it is with this first draft of the plat. The applicant needs to work on the site plan to assure it will work with the proposed plat. A Site Plan Review application and review will be required. The conditions are listed on the draft Resolution.

Planning Commission Action

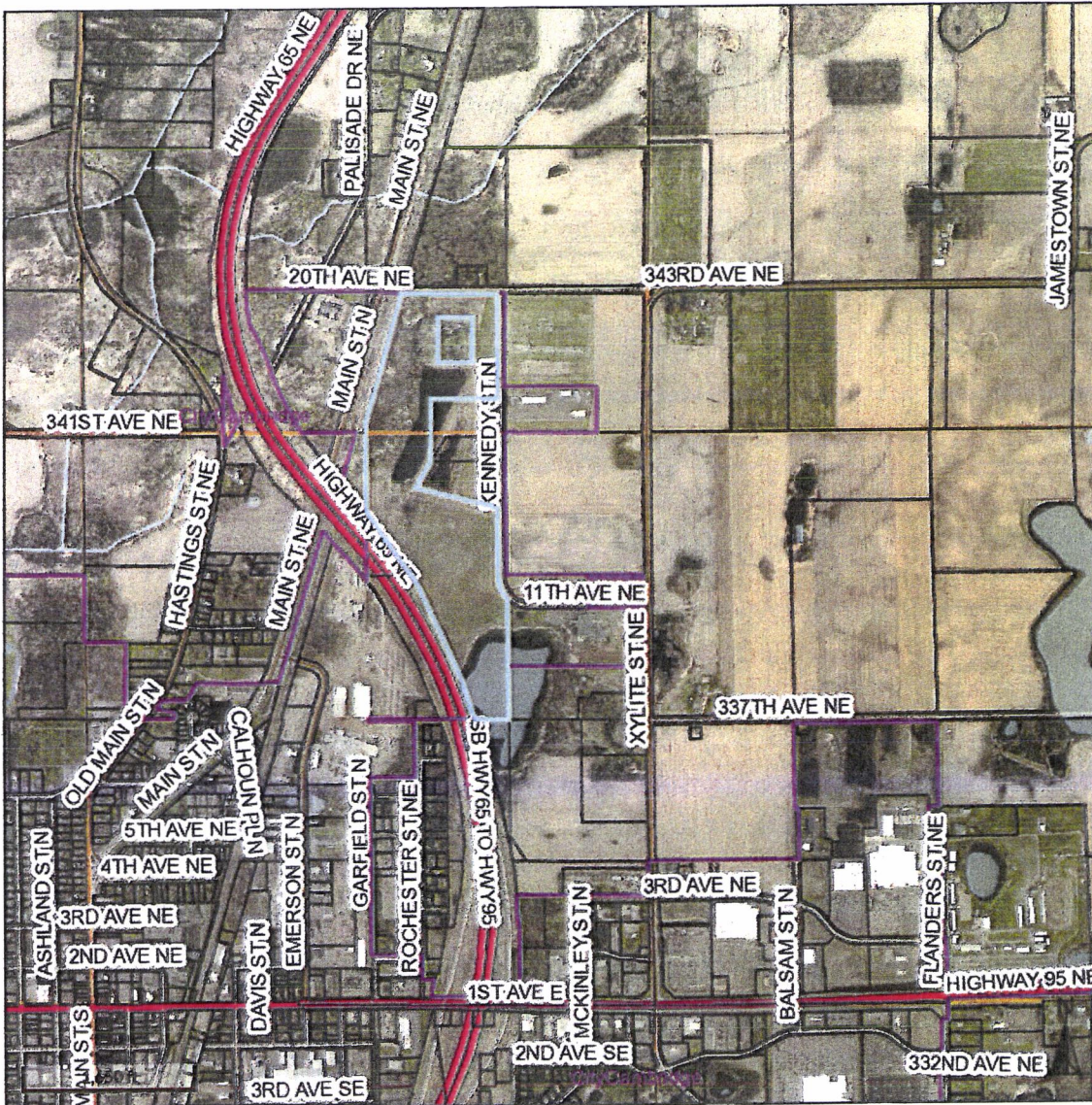
Motion on the attached draft resolution as may be amended by the Commission, recommending approval of the preliminary plat as long as the conditions are met:

Attachments

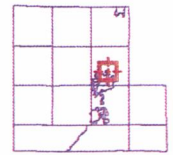
1. General Location Map
2. Preliminary Plat
3. Draft Resolution

Preliminary Plat

Cambridge Opportunity Industrial Park 6th Addition



Overview



Legend

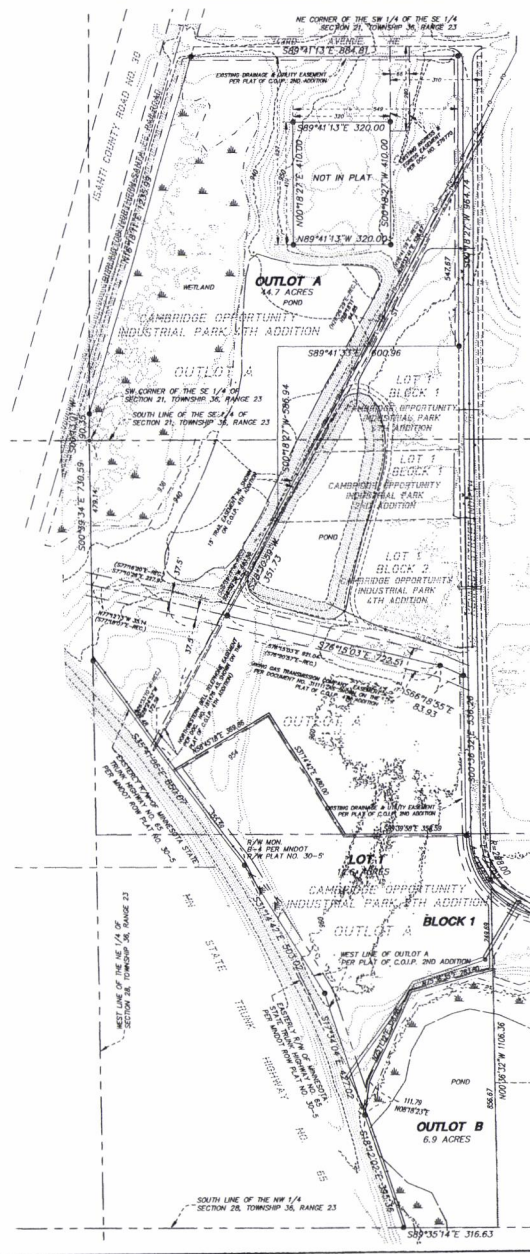
- Corporate Limits
- Survey Townships
- Political Township
- USPLS Sections
- Parcels
- Roads**
- A25
- A30
- A40; A63; A66
- Streams**
- Lakes

Parcel ID	152870020	Alternate ID	n/a	Owner Address	CITY OF CAMBRIDGE
Sec/Twp/Rng	n/a	Class	5E-Exempt Properties		300 3RD AVE NE
Property Address		Acreage	64.24		CAMBRIDGE MN 55008
District	CAMB CITY/911				
Brief Tax Description	Lot 00A of CAMBRIDGE OPPORTUNITY INDUSTRIAL PARK 5TH ADDITION				
	(Note: Not to be used on legal documents)				

Date created: 10/25/2017
 Last Data Uploaded: 10/25/2017 12:20:54 AM

Developed by
 The Schneider Corporation

PRELIMINARY PLAT OF CAMBRIDGE OPPORTUNITY INDUSTRIAL PARK 6TH ADDITION



ZONING DISTRICT
 Low Impact Business-Industrial District (I-1)
 Industrial District (I-2)

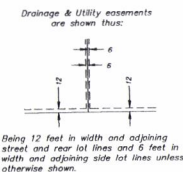
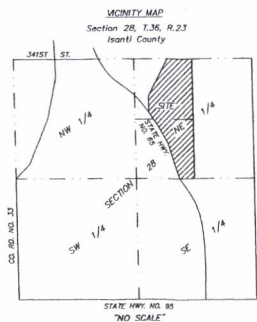
LOT REQUIREMENTS
 Minimum Lot Area = None
 Minimum Lot Width = None
 Minimum Lot Depth = None
 Maximum Lot Coverage by Building = 50%
 Setbacks: Minimum Side Yard Setback = 10'
 Minimum Rear & Side Yard Setback (Adj to Street) = 30'
 Minimum Rear Yard Setback = 10'
 Minimum Front Yard Setback = 30'

LEGAL DESCRIPTION
 OUTLOT A, CAMBRIDGE OPPORTUNITY INDUSTRIAL PARK 6TH ADDITION, according to the plat of record thereof, Isanti County, Minnesota.

OWNER & DEVELOPER
 City of Cambridge
 300 Third Avenue NE
 Cambridge, MN 55008

LOT AREAS
 OUTLOT A - 44.7 ACRES
 LOT 1 - 12.6 ACRES
 OUTLOT B - 6.9 ACRES

- LEGEND**
- ⊙ DENOTES SANITARY MANHOLE
 - ⊞ DENOTES STORM SEWER CATCH BASIN
 - ⊙ DENOTES STORM SEWER MANHOLE
 - ⊞ DENOTES WATER VALVE
 - ⊞ DENOTES POWER POLE AND GUY WIRE
 - ⊙ DENOTES LIGHT POLE
 - ⊙ DENOTES UNDERGROUND UTILITY PEDESTAL
 - X- DENOTES CHAIN LINK FENCE
 - ST- DENOTES UNDERGROUND STORM SEWER
 - S- DENOTES UNDERGROUND SANITARY SEWER
 - W- DENOTES UNDERGROUND WATER MAIN
 - G- DENOTES UNDERGROUND GAS LINE
 - E- DENOTES UNDERGROUND ELECTRIC LINE
 - OH- DENOTES OVERHEAD ELECTRIC, PHONE, CABLE (UNLESS NOTED)



Resolution No. R17-0XX

**RESOLUTION APPROVING A PRELIMINARY PLAT
CAMBRIDGE OPPORTUNITY INDUSTRIAL PARK 6TH ADDITION**

WHEREAS, the City of Cambridge, 300 3rd Ave NE, Cambridge, MN 55008, owner of the property located at:

Outlot A, Cambridge Opportunity Industrial Park 5th Addition, Isanti County, Minnesota
Is requesting a Preliminary Plat; and

WHEREAS, The Planning Agency of the City has completed a review of the application and made a report pertaining to said request, a copy of which has been presented to the City Council; and

WHEREAS, The Planning Commission of the City, on the 7th day of November, 2017, held a public hearing to review the request; and

WHEREAS, the Planning Commission made a recommendation to approve said request and it was brought forward for City Council consideration as long as the following conditions can be met:

1. A Site Plan Review application is required and approval by the City is needed.
2. Provide a 20' drainage and utility easement northwesterly from the watermain. The easement should include the pond to the south. The pond should not be an outlot.
3. Provide total acreage of the lot including the area above the pond and the pond area.
3. Final plat must be recorded with the Isanti County Recorder's office within 120 days of final plat approval.
4. A copy of the recorded final plat must be submitted to the City within 5 days of recording.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of Cambridge, Minnesota, approves the proposed Preliminary Plat as long as the conditions listed above are met.

Adopted by the Cambridge City Council

This 20th day of November, 2017

Mariys A. Palmer, Mayor

ATTEST:

Lynda J. Woulfe, City Administrator

Applicant

A request by the City of Cambridge, 300 3rd Ave NE, Cambridge, MN 55008 for a final plat.

Review

The City of Cambridge currently owns the proposed land in the Cambridge Opportunity Industrial Park. The parcel is zoned I-1 Low Impact Business-Industrial District. The City is working with Stars Hollow Corporation and intends to sell a 12.6 acre parcel for their new business. Stars Hollow Corporation is an Aquaculture firm that raises fish and uses a Hydroponics system to grow fresh vegetables for sale.

Staff has reviewed the plat and there are few items that the applicant and surveyor need to correct. Both the applicant and surveyor are currently working on this however these items have been added as conditions of plat approval. The conditions are listed on the draft Resolution.

Staff finds the preliminary and final plats are consistent as proposed. The preliminary and final plat can be review simultaneously as long as no new infrastructure is required as part of the plat.

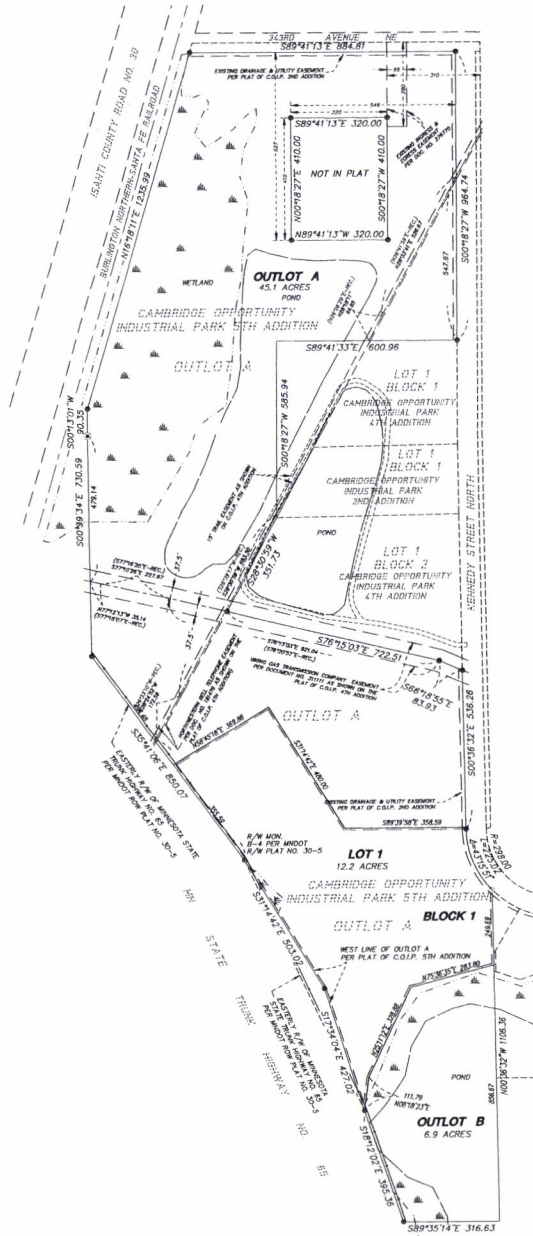
Planning Commission Action

Motion on the attached draft resolution as may be amended by the Commission, recommending approval of the final plat as long as the conditions are met:

Attachments

1. Final Plat
2. Draft Resolution

CAMBRIDGE OPPORTUNITY INDUSTRIAL PARK 6TH ADDITION



KNOW ALL PERSONS BY THESE PRESENTS, that The City of Cambridge, fee owner of the following described property situated in the County of Isanti, State of Minnesota, to-wit:

Outlot A, Cambridge Opportunity Industrial Park 5th Addition.

Has caused the same to be surveyed, platted and known as CAMBRIDGE OPPORTUNITY INDUSTRIAL PARK 6TH ADDITION, and does hereby donate and dedicate to the public for public use forever the easements as shown on this plat for public utility and/or drainage purposes only.

In witness whereof, The City of Cambridge, has caused these presents to be signed by its proper official this _____ day of _____, 20____.

SIGNATURE

PRINTED NAME AND TITLE

STATE OF MINNESOTA
COUNTY OF _____
The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by Proper Official, City of Cambridge.

SIGNATURE (DO NOT USE STAMP)

PRINTED NAME AND TITLE

Notary Public, _____ County, Minnesota
My commission expires _____

I hereby certify that I have surveyed and plotted or directly supervised the surveying and plotting of the land described on this plat, that this plat is a correct representation of the boundary survey, all mathematical data and labels are correctly designated on the plat, all monuments depicted on the plat have been or will be correctly set within one year, all water boundaries and well lands on of this state are shown and labeled, and all public ways are shown and labeled, and that there are no well lands, as defined in MS 505.01, Subd. 3, or public highways to be designated other than as shown.

Kyle J. Roddy
MN Licensed Surveyor No. 42627

STATE OF MINNESOTA
COUNTY OF _____
The foregoing Surveyor's Certificate by Kyle J. Roddy, Minnesota License No. 42627, was acknowledged before me this _____ day of _____, 20____.

SIGNATURE (DO NOT USE STAMP)

PRINTED NAME

Notary Public, _____ County, Minnesota
My commission expires _____

I hereby certify that this plat has been checked and recommended for approval as to compliance with Chapter 505, Minnesota Statutes this _____ day of _____, 20____.

Isanti County Surveyor
Min. License No. _____
This plat was recommended for approval this _____ day of _____, 20____.

Cambridge City Engineer

Approved by the Planning Council, City of Cambridge, Minnesota this _____ day of _____, 20____.

Chairperson

Secretary

Approved by the City Council, City of Cambridge, Minnesota this _____ day of _____, 20____, and is in compliance with the provisions of Chapter 505.03, Subdivision 2, Minnesota Statutes.

Mayor

City Administrator

I hereby certify that the taxes for the year _____ on the property described herein have been paid and that there are no delinquent taxes and transfer entered on this _____ day of _____, 20____.

Isanti County Auditor-Treasurer

By _____ Deputy

I hereby certify that this instrument was filed in the Office of the County Recorder for record on this _____ day of _____, 20____ at _____ o'clock _____ M. and was duly recorded in the Isanti County Records as Document No. _____.

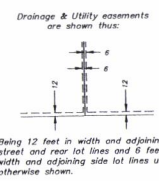
Isanti County Recorder



LEGEND

- DENOTES FOUND IRON PIPE
- DENOTES SET IRON PIPE

BEARING NOTE
FOR THE PURPOSES OF THIS PLAT, THE SOUTH LINE OF NORTHWEST QUARTER OF SECTION 28, IS ASSUMED TO BEAR SOUTH 89 DEGREES 35 MINUTES 14 SECONDS EAST.



Resolution No. R17-XXX

**RESOLUTION APPROVING A FINAL PLAT
CAMBRIDGE OPPORTUNITY INDUSTRIAL PARK 6TH ADDITION**

WHEREAS, the City of Cambridge, 300 3rd Ave NE, Cambridge, MN 55008, owner of the property located at:

Outlot A, Cambridge Opportunity Industrial Park 5th Addition, Isanti County, Minnesota

Is requesting a Final Plat; and

WHEREAS, The Planning Agency of the City has completed a review of the application and made a report pertaining to said request, a copy of which has been presented to the City Council; and

WHEREAS, The Planning Commission of the City, on the 7th day of November, 2017, held a meeting to review the request; and

WHEREAS, the Planning Commission made a recommendation to approve said request and it was brought forward for City Council consideration as long as the following conditions can be met:

1. A Site Plan Review application is required and approval by the City is needed.
2. Provide a 20' drainage and utility easement northwesterly from the watermain. The easement should include the pond to the south. The pond should not be an outlot.
3. Provide total acreage of the lot including the area above the pond and the pond area.
3. Final plat must be recorded with the Isanti County Recorder's office within 120 days of final plat approval.
4. A copy of the recorded final plat must be submitted to the City within 5 days of recording.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of Cambridge, Minnesota, approves the proposed Final Plat as long as the conditions listed above are met.

Adopted by the Cambridge City Council

This 20th day of November, 2017

Marlys A. Palmer, Mayor

ATTEST:

Lynda J. Woulfe, City Administrator

**PUBLIC HEARING...ORDINANCE AMENDMENT...TITLE XV, LAND USAGE, CHAPTER
156 ZONING, SECTION 156.060 OFF STREET PARKING REQUIREMENTS...**

Review

Council directed staff to bring the auto dealership parking requirements to the Planning Commission for review. This review stems from Kevin and Briana Wudel's Interim Use Permit for Automobile Sales in the B-1 District at 140 1st Ave W.

At their meeting on October 3, 2017, the Planning Commission compared other cities and discussed the auto dealership parking requirements. I have attached the materials and staff report from the October 3, 2017 meeting for reference. The minutes are in the packet as well. Ultimately, the Planning Commission recommended bringing back the ordinance amendment as proposed on October 3, 2017.

The language is proposed to be amended to require one space for every 500 GFA (Ground Floor Area) plus one for each employee on a major shift, or as otherwise determined by the Planning Commission and City Council through the Interim Use Permit (IUP). The language currently requires eight (8) parking spaces for employees, plus one additional space for each 800 GFA over 1,000 GFA, plus one per employee.

Planning Commission Action

Motion on the attached draft ordinance, as may be modified by the Commission, recommending approval of the parking amendment.

Attachments

1. October 3, 2017 Planning Commission staff report
2. Auto Dealerships Other Cities-Parking Requirements
3. Site Plan for 140 1st Ave W.
4. Draft Ordinance

Review

Council directed staff to bring the auto dealership parking requirements to the Planning Commission for review. This review stems from Kevin and Briana Wudel's Interim Use Permit for Automobile Sales in the B-1 District at 140 1st Ave W.

The property at 140 1st Ave W is required to have 14 parking spaces for customers and employees. The current city code for automobile sales requires eight (8) parking spaces for customer parking plus one (1) additional space for each 800 square feet of ground floor area over 1,000 square feet. Based on the calculations of the building, they are required to have 6 spaces (in addition to the 8 customer spaces).

The property at 140 1st Ave W has 14 spaces they can provide for customers and employees. However, they cannot park their display vehicles for sale in these spaces since they are required for customers and employees. The vehicles for sale must either be on the east or west side of the building, or inside the building. This was the understanding of both the City and the owner/applicant at the time the Interim Use Permit was approved. Once the business opened, the applicant was parking vehicles for sale up front in spaces required for customers/employees. This is a violation of the Interim Use Permit.

The owner and applicant appeared before Council on August 7, 2017, to ask permission to park the vehicles for sale in the required customer/employee spaces. That is when Council directed further review with the Planning Commission. The owner and applicant debate that 14 spaces is excessive. They explained that it would be a good day of business if they had two (2) customers at any one time and they would never have a need for 14 spaces with only one employee.

Since this discussion at Council, staff has reached out to other cities to see what their requirements are for automobile sales parking. As expected, each city varies with their requirements. I have attached for your review the Auto Dealership parking requirements for North Branch, Blaine, Waite Park, Hastings, Zimmerman, Monticello, Forest Lake, and Mora.

With the inception of the Discover Downtown Cambridge Committee after the MN Design Team visit, many revitalization efforts have been moving forward. The overall vision for downtown has transformed creating this question on uses including automobile sales located downtown. The Comprehensive Plan identifies elements of a revitalized downtown including sensitive integration of new development with existing buildings, in-fill development, and compatibility with the historic city scale.

Since Cambridge is in a transition with its revitalization efforts, a good option may be that all automobile sales requests require an Interim Use Permit. This way, all automobile sales requests can come before the Planning Commission and City Council for review. Parking will also be reviewed with the Interim Use Permit, i.e. on a case-by-case basis. The City of Blaine reviews auto dealerships and their parking on a case-by-case basis.

Review on a case-by-case basis may be a good option for Cambridge. In looking at the City's current auto dealerships, each one is unique with regard to its site/location, how they operate the business, and inventory. A small dealership is only going to have one to two customers at any given time. A larger dealership, like Hirsch, might have more customers at any one time. In addition, Hirsch has a showroom and auto repair business. This will have extra demand on building space, employee requirements, and customer parking.

At a minimum, some level of parking requirements should be considered and stated in the code. A suggestion might be to require a minimum of one (1) space per employee and (1) space for every 500 square feet of ground floor area. This language could be identified in the code, with a clause stating that other parking requirements may be allowed/required though the issuance of the Interim Use Permit. Then, if there is more or less need depending upon the site/location and its intended use, the parking requirements can be adjusted.

I have attached a draft ordinance amendment with the ideas presented above. If the Planning Commission agrees with and/or modifies this, staff can bring the amendment back for public hearing next month.

Planning Commission Action

Discuss the attached draft ordinance and direct staff on how to proceed with any language amendments to the city code for automobile sales parking requirements.

Attachments

1. Auto Dealership-Parking Requirements
2. Site Plan for 140 1st Ave W.
3. Aerial photos of other automobile dealerships in Cambridge
4. Draft Ordinance

Auto Dealership - Parking Requirements

Cambridge	
North Branch	1 space per 250 sq. ft. of floor area
Blaine	CUP required - case by case basis
Waite Park	1 space for every 250 sq. ft. & 1 space each 2 employees on largest shift
Hastings	1 space per 500 sq. ft.
Zimmerman	1 space for each 400 sq. ft. up to 25,000, plus an add'l space for each 600 sq. ft. >25,000 (showroom)
Monticello	8 spaces + 1 per 800 sq. ft. > 1,000 sq. ft.
Forest Lake	2 spaces + 3 spaces for each service stall, + 1 space for each 250 sq. ft
Mora	1 space per 500 sq. ft. usable floor area sales room & 2 spaces service stall. 1 each employee

ORDINANCE NO. XXX

An Ordinance to Amend Cambridge City Code Title XV: Land Usage, Chapter 156 Zoning, Section 156.060 Off-Street Parking Requirements

THE CITY OF CAMBRIDGE, MINNESOTA DOES HEREBY ORDAIN that Section 156.060 is hereby amended as follows:

§ 156.060 Off-Street Parking Requirements

(M) *Parking spaces required.*

(1) Residential uses, public uses and quasi-public uses and business uses.

Business Uses

Automobile Sales, Truck
and Machinery Sales:

~~Customer Parking: Eight off-street parking spaces, plus one additional space for each 800 GFA over 1,000 GFA~~
One space for every 500 GFA plus one for each employee on a major shift, or as otherwise determined by the Planning Commission and City Council through an Interim Use Permit (IUP).

All other sections and subsections of this Chapter shall remain as written and previously adopted by the City Council. This ordinance shall become effective upon publication.

Adopted by the Cambridge City Council this 20th day of November, 2017.

Date of publication: November 29, 2017

Marlys A. Palmer, Mayor

ATTEST:

Lynda J. Woulfe, City Administrator

Review

The Planning Commission has had discussions on potential business restrictions on March 2, 2016, May 3, 2016, and October 3, 2017. I have attached the minutes from these meetings for your reference. At the October 3, 2017 meeting, the Commission requested that all interested parties come to a future meeting to discuss. The interested parties include the Downtown Task Force Committee and Auto Dealership Business Owners. I have invited all parties to this meeting.

Background

City staff had started to explore the idea of limiting the number of certain businesses because of the negative feedback from residents regarding the amount of certain businesses in Cambridge. Now with the recent feedback from the Planning Commission regarding 140 1st Ave W (Wudel's auto sales request) and the Discover Downtown Cambridge Committee on revitalization efforts, this discussion is being heard again. In addition, the Comprehensive Plan update was completed last spring therefore the discussion can continue.

The biggest concern in Cambridge currently is automobile sales. Staff is requesting the majority of discussion to occur on this topic. Thrift stores can be discussed as well, in addition to tattoo shops and massage parlors. These topics should be brought back to another meeting for more in depth conversation if the Commission wishes.

The reason we are discussing this now is to be proactive in shaping the future of our city. Other cities have had similar discussions after problems arose. Please see the attached 2016 article from the Star Tribune.

I had a discussion with City Attorney Jay Squires on the legalities of such limitations. He explained that there is more ability in State Statutes to limit thrift stores/second hand stores and it is more common for cities to limit these. Used car dealerships are different and the city could look at more performance based standards (stronger standards) if we choose. Standards could include: lot size minimums, traffic flow, parking, only one use per lot (no secondary business on a lot), separation (3,000 ft. from another) to reduce blight, etc. Reasons for this can include: building value, aesthetics, and a diverse economy.

Attached please find some feedback gathered from other cities regarding auto dealerships. If cities have decided to restrict auto sales, they have done as our City Attorney has advised. They have limited the automobile sales in certain zoning districts and/or required a Conditional Use Permit or Interim Use Permit. Some cities have created stronger standards like a minimum lot size of 1, 2 or 4 acres. Woodbury only allows auto sales in a warehouse and industrial zoning district through a Conditional Use Permit and requires all vehicles for sale to be housed indoors (no outdoor storage of any kind allowed). Shakopee has decided to not allow any newly formed used car dealerships to start in their city. Shakopee had a concern with 13-15 used car dealerships and their population is 40,610. For comparison purposes, Cambridge has 10 car dealerships and the population is 8,749.

The current Cambridge code requires that the lot width for any automobile sales use be 100 foot minimum. It does not specify the requirements for the remaining lot size standards. Therefore, the lot can be a very small triangle with a 100' width at the front. Cambridge currently has an auto dealership with this lot scenario. The property is struggling to come into compliance with the rest of the regulations because the lot is not conducive to an auto dealership. The lot is in the B-2 district and automobile sales is permitted.

Cambridge current Zoning Code language:

- 100' minimum width at front yard
- Permitted by right in the B-2 Highway Business District and BT Business Transitional
- Allowed with an Interim Use Permit (IUP) in the B-1 Downtown Business District and B-1A Downtown Fringe Business District

For discussion purposes, the following are possible code changes to discuss:

- Lot size (maybe we require a 100 foot minimum lot width and one/two acres of land)
- Interim Use Permits required for all automobile sales uses in all Business Zoning districts
- Remove automobile sales from a certain zoning district (i.e. B-1 Downtown Business District), but keep them in all other Business Districts
- Only allow automobile sales in the B-2 General Business District
- Remove automobile sales from all Business Districts, only allow them in Industrial Districts

Planning Commission Action

Discuss the attached draft ordinance and direct staff on how to proceed with any language amendments to the city code. Also direct staff as to whether or not you would like to bring back thrift stores, tattoo shops, and massage parlors for further discussion.

Attachments

1. 2017 Automobile Sales Research-other cities
2. 2016 Star Tribune Article
3. March 2, 2016, May 3, 2016, October 3, 2017 Planning Commission Minutes
4. Maps (Auto Dealerships, Zoning Map with Auto Dealerships)
5. Draft Ordinance

Auto Dealership - Limitations Within City Limits
9/22/2017

- North Branch** The City of North Branch does not regulate the number of dealers. Car dealers are allowed in the B3 zoning district and allowed by CUP in the CBD and B2 zoning districts
- Blaine** No, we do not restrict the number of auto dealerships. However, they are restricted to the B-3 Zoning District, require a CUP, and need to meet certain requirements:
- (c) Vehicle sales lot, for passenger vehicles only. (Amend 4 3 86. Ord 86 936)
- (a) Vehicle Sales Lot Standards
Each Conditional Use Permit for a vehicle sales lot will be reviewed in conjunction with the following standards:
1. Minimum lot size shall be four (4) acres.
 2. Minimum building size shall be 25,000 square feet.
 3. Site to incorporate extensive berming along street frontages.
 4. Vehicle storage and display areas to have minimum 25-foot setback from all interior property lines and 40-foot setback from any public right-of-way.
- Waite Park** Waite Park does not have any distance requirements or number caps on used car dealerships. However, given that they are only permissible within certain zoning districts, largely within the built-up area of the community, there's essentially a natural limitation on how many available properties there are. We have received lots of pressure over the past 18 months or so to open up additional options for standalone used-car sales (as opposed to used cars associated with new car dealers, those taken in on trade), but after staff review and discussion with City Council we have opted to leave things as-is. I've found it's difficult to codify and differentiate between "nice" used car dealers that deal in either newer or upscale vehicles, and not-so-nice ones that are pretty much bargain/surplus lots that tend to draw more ire.
- Hastings** No limitations;
- Zimmerman** No limitations.
- Monticello** No limitations.
- Hopkins** We do not have a limit for the number of car dealerships within Hopkins. Car dealerships are a conditional use in the B-3 district subject to the conditions outlined in Section 535.03, Subdivision 2.A and also require a license under Section 1115.
- Forest Lake** No limitations.
- Mora** No limitations.
- Columbia Hts.** The City does not limit the number of used auto dealerships specifically. In 2016, the City passed an Ordinance updating how it addresses auto related uses (convenience stores, auto sales used/new, auto repair etc.), and requiring that any new auto related use be located on a lot with a minimum of one acre. So if it is an existing auto related use operating on a lot that is under an acre it cannot be expanded. Also, this means that if a used auto dealership for example, wanted to locate on a lot within the City, it would have to be on a minimum of one acre of land. At the same time, the City also removed Auto Repair (formerly permitted) from the Central Business District.

Bloomington Yes, the City restricts auto sales in two ways.

First, the Comprehensive Plan limits auto sales with inventory on site to sites that are guided Regional Commercial. This is the greatest restriction, as the only sites with this designation have excellent access to Interstate Highways for the most part.

Second, the Zoning Code breaks up auto sales into 4 categories:

1. Motor Vehicle Sales, Class I. The sale and service of new motor vehicles obtained directly from the manufacturer.
2. Motor Vehicle Sales, Class II. The sale of used motor vehicles displayed on the premises, and taken in trade as part of the sale of a new or used motor vehicle or purchased or recovered from another dealer, leasing or rental business, or private individual, and where the primary purpose of the business is the sale of such used motor vehicles.
3. Motor Vehicle Sales, Class III. The sale of used motor vehicles which are stored and displayed on the premises of a business whose primary activity is other than the acquisition of such vehicles for sale, resale, rental or leasing and in a location on the property which does not occupy parking spaces otherwise required to meet the requirements of this code.
4. Motor Vehicle Sales, Class IV. The sale, brokering, lease or rental of new or used motor vehicles where no such vehicles for sale, rental or leasing are stored or displayed on the premises of the business. Class IV Motor Vehicle Sales shall be considered permitted uses in all zoning districts where offices and office uses are permitted.

Used auto sales is considered Class II. Class II auto sales is restricted in many of the zoning districts. The use tables in our zoning code can be found here: www.code.blm.mn/21.209.

Burnsville We don't differentiate between new or used cars. Typically a Conditional Use Permit is required if there is outdoor storage and display associated with the car dealership. We have specific performance standards such as screening and landscaping see below:

10-7-46: OPEN SALES/RENTAL LOT:

(A) Open sales/rental lots shall be allowed only if permitted in the underlying zoning district and are subject to the following provisions and restrictions:

1. Shall have a principal structure on the lot. (Ord. 1226, 1-18-2011)
2. The view from headlights shall be one hundred percent (100%) screened from adjacent property lines and the public right of way.
 - a. Items approved by the city council for display on designated display pads are exempt from this headlight screening requirement. This exemption shall only apply to items oriented toward the public right of way and not adjacent properties. Display pads shall be physically separated from parking lots and drive aisles and shall comply with the applicable district's parking setback requirements. (Ord. 1316, 4-8-2014)
3. Open rental and sales lots shall only be considered for vehicles of a noncommercial nature.
4. Parking lot landscaping shall comply with all requirements of section 10-7-26 of this chapter.
5. A minimum of eight percent (8%) of the interior of the sales lot shall be landscaped. Said landscaping shall count toward meeting the overall site green space requirement identified by chapter 30A of this title, for the underlying zoning district.
6. No auctions shall be permitted.
7. No outdoor speaker systems shall be permitted for uses that abut or are across the street from residential uses.
8. Delivery and loading hours shall be limited to the hours of seven o'clock (7:00) A.M. and ten o'clock (10:00) P.M. for all open sales/rental lots that abut or are across the street from a residential use.
9. Accessory car wash/vacuums shall be subject to the requirements of section 10-7-43 of this chapter. (Ord. 1226, 1-18-2011)

Burnsville #2 Burnsville does not have restrictions on the number or concentration of used or new auto dealerships in the City. The Burnsville Zoning Ordinance allows Open Sales/Rental Lots as a Conditional Use Permit in our B3, General Commercial, B4, Highway Commercial, I1, Industrial Park and I2, General Industrial zones.

Hutchinson No limitations.

Hopkins

White Bear Lake No limitations. White Bear Lake does not limit the number of used auto dealers; however, we do require a minimum lot area of 2 acres and building area not less than 20% of the lot area which significantly reduces the number of available sites in our community. Let me know if you would like me to forward our B-3 Zoning District provisions, or you can find them on our website.

Woodbury We do not have restrictions on the number of auto dealerships that are allowed within our City. We regulate motor vehicle sales under a conditional use permit and it is only permitted in our B-4 Office Warehouse District and 1-1 Light Industrial District.

Additionally, by ordinance we do not permit any exterior storage. This means all auto dealers must find a space where they can store the vehicles within a building.

Shakopee At this time, we have no restrictions on numbers of dealerships or the proximity to one another. We are however not allowing any more used car dealerships. The only way to sell used cars is if they are selling them as part of a New Car Dealership. We currently have this change in with our codifiers for the City Code Update.

The City Council adopted the ordinance restricting any additional only used dealers because we were seeing an inordinate amount of requests for used car dealerships. In one afternoon we had contact with 3 different parties looking to open a used car lot. For instance, if a restaurant or gas station closed, we would have someone looking to open a used car lot before another restaurant or gas station would look at the space. Used car lots were a listed conditional use at that time.

At the time of the ordinance adoption I believe there were 13-15 different sites with used vehicle sales licenses within the city. The zoning district that permitted used car lots covers large areas of the city, from areas near the downtown on smaller lots to a multiple mile long stretch of highway on larger lots. Setting what may have seemed like a reasonable proximity requirement could still have allowed multiple more dealerships, which the majority of the council was not interested in. The City also has had a goal of strengthening the downtown area as a retail and service destination. Setting a numerical cap wouldn't keep more car lots away from the downtown area without some other zoning text amendment or new zoning district. When we did the ordinance change we notified all of the dealers in the city of the proposed change prior to the public hearing with a letter and an FAQ page. A couple dealers called with questions, but none attended the public hearing. The existing dealerships are able to change ownership within the requirements of the non-conforming use statute, or they may sub-lease.

We do have an allowance in our light industry zone for vehicle repair businesses to sell cars, with a limit on the sales not exceeding 20% of their business. The ordinance change in our highway business zone did not impact this requirement.

NORTH METRO

Suburbs temporarily ban some businesses, hold out for better mix

In Columbia Heights, leaders want to limit auto businesses on Central Avenue.

By Shannon Prather (<http://www.startribune.com/shannon-prather/188067161/>) Star Tribune
JANUARY 26, 2015 — 6:39PM

Columbia Heights residents can buy an oil filter on nearly every corner of Central Avenue. But there's no coffee shop where they can linger over a newspaper and sip a latte.

That's a problem, city leaders say.

Fearful that a glut of mechanics, auto-parts stores and gas stations along Columbia Heights' main drag is pulling down the city's image and muscling out other businesses, the City Council is banning new auto-related businesses for up to six months.

City leaders figure that will be enough time to tighten up zoning regulations and set more design controls with an eye toward attracting a more eclectic mix of restaurants, shops and small service businesses along Central Avenue.

"Residents think we have too many auto places," said Mayor Gary Peterson. "Central Avenue has always been an auto-related corridor. It has an auto history. But we want to make sure we are planning for our downtown area, planning ways to make it more sustainable with salons, offices, restaurants."

Others believe that tighter controls and business bans can raise fears of gentrification or, worse yet, result in empty buildings.

"I think they are crazy to move it off this street," said Tricia Ayers, owner of Auto Max Muffler & Brake Shop in Columbia Heights for the past 23 years. "I believe in free enterprise. ... Automotive is what it is. It's hard to keep clean."

The old "take-what-you-can-get" mentality, in which businesses were accepted indiscriminately, left some suburbs with a mashup on Main Street. So suburban leaders often try to harness market forces to reshape their cities and meet demand for the jobs, amenities and businesses that city dwellers take for granted.

"Do you accept your fate because of decisions made 40 years ago or do you look to where you want to be?" said Brooklyn Park Mayor Jeff Lunde, whose city has made similar decisions.

Columbia Heights already has limited the number of thrift stores and check-cashing places that can operate in the city. Other suburbs have followed suit.

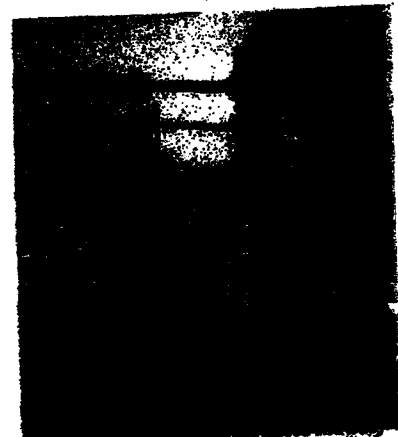
After the number of massage businesses in Elaine passed 20, the city this year limited their number to one for every 2,500 residents. The Spring Lake Park City Council halted all commercial and industrial development for a year so it could rework its 1970s-era zoning code.

Last winter, St. Louis Park passed a moratorium on issuing new off-sale liquor licenses through the end of this year. Burnsville officials temporarily banned thrift stores so they could rethink regulations.

In Columbia Heights, more than two dozen auto-related businesses line Central Avenue, ranging from small mom-and-pop garages to national chains. People entering the city from the south are greeted with an O'Reilly Auto Parts on one side and the colorful two-story Bobby & Steve's Auto World on the other.

Robert "Bobby" Williams, Bobby & Steve's co-owner, sits on the Columbia Heights City Council and voted for the temporary ban on auto businesses.

"I like competition. It makes us better, but we do have a lot of automotive stuff," Williams said.



904953367,
Central Avenue in Columbia Heights.

Drew Mickelson checked on the antilock brake system on a car at Auto Max on Dec. 11 in Columbia Heights.

More appealing, attractive

Talk about a temporary ban was jump-started by efforts to revive Columbia Heights' downtown, a row of Central Avenue storefronts between 39th and 40th avenues anchored by the historic Heights Theater, a retro Dairy Queen and a \$7 million city library now under construction.

An auto shop opened in an old building across the street from the library site, and Peterson said the city had no authority under its code to require improvements. "It's not the greatest asset to Columbia Heights," he said.

Peterson said he's leaning toward permanently banning new auto businesses in the downtown district and enacting new design standards for the rest of the city. Trees, landscaping, retaining walls and architectural standards can make a world of difference, he said.

Joe Hogeboom, Columbia Heights' community development director, said the city has cracked down on illegal signs along Central, will hang new banners on its downtown light poles and is looking into adding benches and other amenities.

"We are really trying to focus on making that street more walkable, more appealing, more attractive," Hogeboom said. "The revitalization of Central Avenue is the big goal. There are many pieces to it."

Neighboring Minneapolis restricts auto businesses along stretches of Central Avenue south of Columbia Heights, including the Lowry Avenue NE. intersection -- a shopping and business district area that planners call "Northeast Downtown."

Hogeboom believes that's part of the problem. Turned away at Minneapolis City Hall, the auto businesses head north, he said.

'Too old-fashioned'

Some Columbia Heights business owners question the wisdom of trying to alter a bustling, established urban corridor known as an auto alley. They point out that the avenue reflects the working-class community in many ways.

Ayers, a longtime auto business owner in the city, said that the auto businesses serve the surrounding suburbs and working-class Columbia Heights, where residents tend to drive older cars. She said she would support efforts to beautify the boulevard with more trees, landscaping and architectural details, but said that design standards should apply to all types of businesses.

"I don't think they should pick on automotive," said Ayers, pointing to a bar across the street. "There are a lot of things we can talk about."

Juan Collier, who owns and operates the neat and tidy Heights Barber Lounge in downtown Columbia Heights, agreed that the city could use a more diverse mix of shops but added that he worries that vision may not match its diverse, urban vibe.

"It's too old-fashioned," he said.

Columbia Heights resident Dolores Strand said she has faith in the City Council.

"Hopefully it's going to be a positive thing," she said. "Their intention seems to be for the best. You never know because the economy and the financial climate is so uncertain."



(http://stmedia.startribune.com/images/ows_1450566

The Heights Barber Lounge owner Juan Collier cut customer Senghor Shirwen's hair. Many of Collier's neighbors in Columbia Heights are...

Potential Future Business Restrictions (Used Auto Dealers, Thrift Stores/Second Hand Stores, Tattoos, Massage) (Continued from May 3, 2016 Meeting)

Westover stated the Planning Commission started discussion on potential business restrictions in 2016. The first meeting was on March 2, 2016 and the discussion was tabled to May 3, 2016. On May 3, the Commission tabled the discussion until after the Comprehensive Plan update was complete.

Westover stated that City staff had started to explore the idea of limiting the number of certain businesses because of the negative feedback from residents regarding the amount of these businesses in Cambridge. Now with the recent feedback from the Planning Commission regarding 140 1st Ave W (Wudel's auto sales request) and the Discover Downtown Cambridge Committee on revitalization efforts, this discussion is being heard again. In addition, the Comprehensive Plan update was completed last spring, therefore the discussion can continue.

Westover stated the biggest concern in Cambridge currently is automobile sales. Staff is requesting the majority of discussion to occur on this topic. Thrift stores can be discussed as well, in addition to tattoo shops and massage parlors. These topics could be brought back to another meeting for more in depth conversation if the Commission wishes. The reason we are discussing this now is to be proactive in shaping the future of our city. Other cities have had similar discussions after problems arose.

Westover stated she had a discussion with City Attorney Jay Squires on the legalities of such limitations. He explained that there is more ability in State Statutes to limit thrift stores/second hand stores and it is more common for cities to limit these. Used car dealerships are different and the City could look at more performance based standards (stronger standards).

Westover referred to some feedback gathered from other cities regarding auto dealerships. If cities have decided to restrict auto sales, they have done as our City Attorney has advised. They have limited the automobile sales in certain zoning districts and/or required a Conditional Use Permit (CUP) or Interim Use Permit (IUP). Some cities have created stronger standards like a minimum lot size of 1, 2 or 4 acres. Woodbury only allows auto sales in a warehouse and industrial zoning district through a CUP and requires all vehicles for sale to be housed indoors (no outdoor storage of any kind allowed). Shakopee has decided to not allow any newly formed used car dealerships to start in their city. Shakopee had a concern with 13-15 used car dealerships and their population is 40,610. For comparison purposes, Cambridge has 10 car dealerships and the population is 8,749.

Westover pointed out the current Cambridge code requires that the lot width for any automobile sales use be 100 foot minimum. It does not specify the requirements for the remaining lot size standards. Therefore, the lot can be a very small triangle with a 100' width at the front. Cambridge currently has an auto dealership with this lot scenario. The property is struggling to come into compliance with the rest of the regulations

Excerpt from the
Oct. 31st, 2017
Planning Commission
minutes

because the lot is not conducive to an auto dealership. The lot is in the B-2 district and automobile sales is permitted.

Westover stated Cambridge current Zoning Code language is as follows: (1) 100' minimum width at front yard; (2) Permitted by right in the B-2 Highway Business District and BT Business Transitional; and (3) Allowed with an Interim Use Permit (IUP) in the B-1 Downtown Business District and B-1A Downtown Fringe Business District.

Westover stated for discussion purposes, the following are possible code changes to discuss: (1) Lot size (maybe we require a 100 foot minimum lot width and one/two acres of land); (2) Interim Use Permits required for all automobile sales uses in all Business Zoning districts; (3) Remove automobile sales from a certain zoning district (i.e. B-1 Downtown Business District), but keep them in all other Business Districts; (4) Only allow automobile sales in the B-2 General Business District; and (5) Remove automobile sales from all Business Districts, only allow them in Industrial Districts.

The Commission discussed inviting the owners of auto dealerships that are outside of the B-1 District to see what their opinion is on this versus the owners of auto dealerships in the B-1 district. The Commission also discussed inviting the Downtown Committee to a future meeting. Zoning districts and further zoning review of was also discussed.

The Commission recommended staff table this discussion and invite the appropriate interested parties for a deeper discussion with the Planning Commission.

Excerpt from the
March 2, 2016
Planning Commission
minutes

**Discuss Potential Future Business Restrictions (used auto dealers,
thrift stores/second hand stores, tattoos, massage)**

Westover explained City staff is exploring the idea of limiting the number of certain types of businesses in the City and proposing ideas to the Planning Commission for discussion. The businesses currently being reviewed include used automobile sales and thrift stores (to include all second hand stores). Westover stated staff would like Commission to let staff know if they would like to explore the option further and have staff bring back proposals or leave the businesses as they are. Westover explained the reason staff wants to discuss this now is to be proactive in shaping the future of our City as other cities have had similar discussions after problems arose.

Westover stated she spoke with City Attorney Jay Squires about the legalities of such limitations. Westover said Squires explained thrift stores/second hand dealers are a common item to limit but used car dealerships are different and the city should look at more performance based standards. Westover stated Squires said the City could put a moratorium on these types of businesses which would limit any additional businesses of this nature coming into the City until a decision is made but pointed out this process would require a public hearing.

The Commissioners discussed these potential business restrictions. Godfrey asked if there are any businesses of this type applying for business licenses at the present. Westover stated no, but the city did have an inquiry into a used auto dealer last fall. Basta asked if there were any complaints regarding the number of these types of businesses. Westover stated there are no formal complaints about the number of businesses. Morin stated the City Council has heard informal complaints regarding the appearance and upkeep of the buildings and overcrowding of the parking on car dealership lots. Westover confirmed that the city does receive complaints on parking, appearance, and this is handled through the property maintenance process. Klossner stated if it came down to a choice, he would rather not see empty buildings or storefronts if a business wanted to move into Cambridge. Struss stated it would be difficult to choose which businesses can come in and which ones cannot. Westover stated this process may allow the City to either determine which businesses can be limited or at least develop stronger standards.

Further discussion centered around whether to table this discussion to May until after the Minnesota Design Team visit and the start of the Comprehensive Plan process. Godfrey stated Commissioner Nelson expressed an interest in being present for this discussion. The consensus was to table the discussion until a later meeting. Morin moved, seconded by Klossner to table this discussion until the May Planning Commission meeting. Motion passed 5/0.

excerpt from the
May 3, 2016
Planning Commission
minutes

Potential Business Restrictions

Westover stated City staff is exploring the idea of limiting the number of certain types of businesses in the City and proposing ideas to the Planning Commission for discussion. The businesses currently being reviewed include used automobile sales and thrift stores (to include all second hand stores). Westover stated at the March 2, 2016, Planning Commission meeting, the Commission tabled this item to the May 3, 2016 meeting.

Westover explained staff would like the Commission to discuss the issue of limiting the number of used automobile sales and thrift stores/second hand stores and determine whether to have staff bring back proposals or leave the businesses as is. Westover stated the reason for discussions at this point is to be proactive in shaping the future of our City as other cities have had similar discussions after problems arose.

Westover reported she spoke with City Attorney Jay Squires on the legalities of such limitations and said Squires explained there is more ability in State Statutes to limit thrift stores/ second hand stores and it is more common for cities to limit these. Westover said Squires stated used car dealerships are different and the City could look at more performance based standards (stronger standards). Westover stated these standards could include lot size minimums, traffic flow, parking, only one use per lot (no secondary business on a lot), separation (3,000 feet from another) to reduce blight, etc. Westover said reasons for this can include building value, aesthetics, and a diverse economy.

The Commissioners discussed the restrictions of potential future businesses. Klossner stated the Commissioners role is to look at the Comprehensive Plan, at the zoning and approved use of the property and make recommendations based on this information. Klossner continued stating the Commission is not charged with being the keeper of free market enterprise in the City. Klossner posed the question is it better to let a property sit vacant and deteriorate rather than allow a business to move in and use the property, even if there are many businesses like it already in the city?

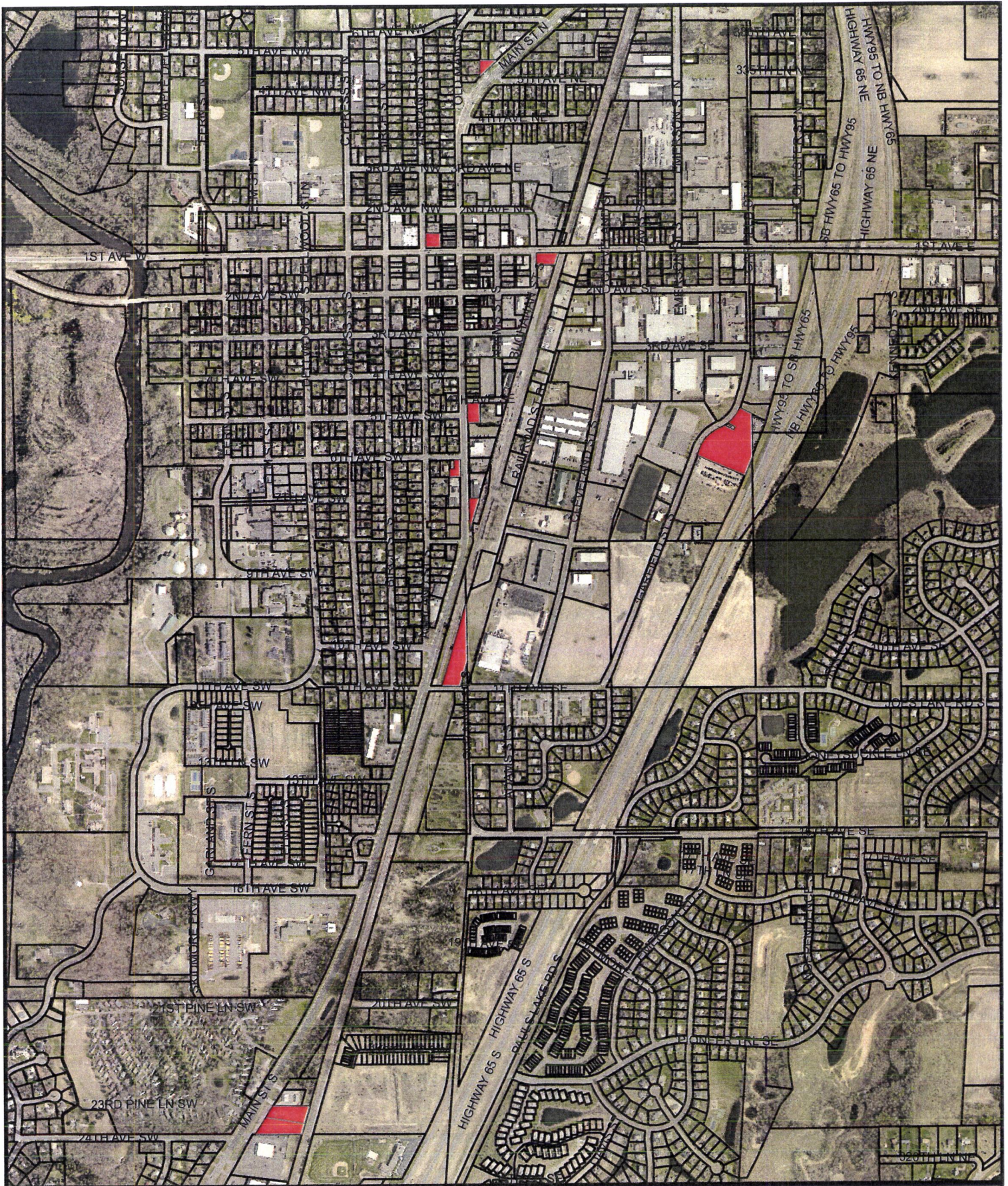
Nelson stated that he wouldn't have been in favor of the Goodwill and thinks it will hurt other thrift stores.

Basta stated that the City shouldn't consider selective enforcement. Basta continued that the City doesn't have adequate staffing levels to add this type of enforcement.

Westover stated staff is asking the Commissioners to consider choosing to be proactive in restricting the number of certain types of businesses before the City reaches a point of having issues that can't be controlled. Godfrey asked what the process would be if they chose to restrict certain types of businesses. Westover stated amendments would be made to the current ordinance(s), a public hearing would be held and a recommendation to amend the ordinance(s) would then be made to the City Council.

Godfrey suggested that since the City recently received the Minnesota Design Team recommendations and is currently just beginning to revise the Comprehensive Plan, to wait on making any decisions on this request at this time.

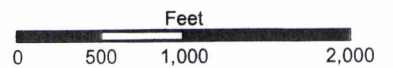
Nelson moved, seconded by Struss to table this discussion until a draft of the Comprehensive Plan is presented. Motion carried 7/0.



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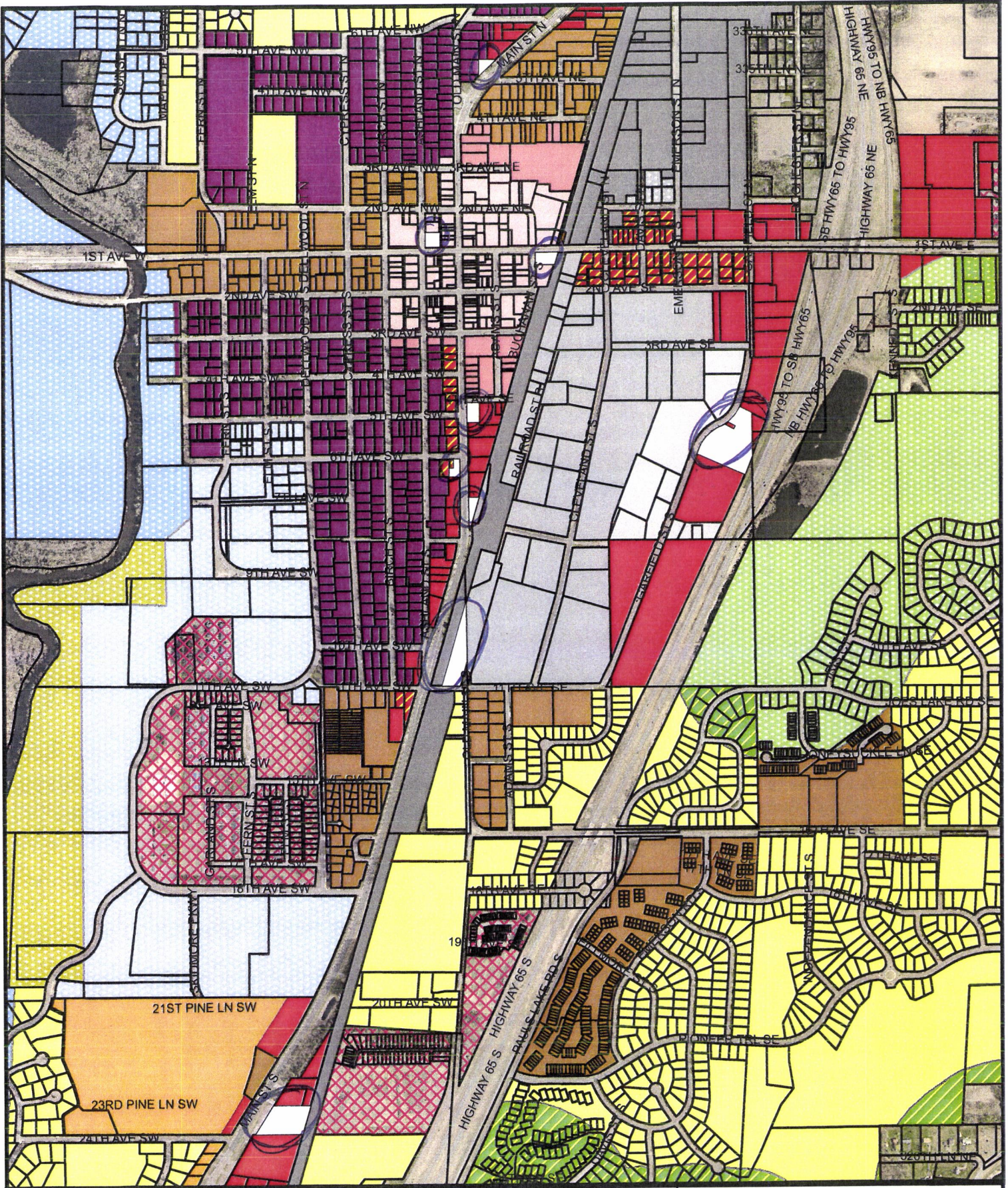
300 Third Ave NE, Cambridge, MN 55008 - 763-689-3211
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Auto Dealerships



clevitki

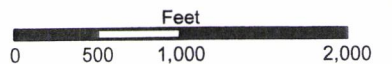
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Auto Dealerships



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ORDINANCE NO. XXX

An Ordinance to Amend Cambridge City Code Title XV: Land Usage, Chapter 156 Zoning, Section 156.040 Business Districts and Section 156.090 Auto Oriented Uses

THE CITY OF CAMBRIDGE, MINNESOTA DOES HEREBY ORDAIN that Section 156.040 and Section 156.090 are hereby amended as follows:

§ 156.040 Business Districts

§ 156.040 BUSINESS DISTRICTS.

(A) Purposes of business districts.

(1) *B-1, Downtown Business District.* The Downtown Business District is intended to provide a unified and organized business-center which serves a broad service area with a variety of retail, service, office and public uses that primarily serve pedestrian traffic. The district will be kept compact by encouraging a high density of development, public or joint parking for efficient use of space.

(2) *B-1A, Downtown Fringe Business District.* The Downtown Fringe Business District is intended to provide an area around the Downtown Business District that will contain a broad range of services and goods primarily for one-stop shopping trips by automobile. These uses, which might otherwise be incompatible with other downtown uses, will help to maintain a compact and convenient downtown shopping district. Buildings will be set back from the sidewalks and off-street parking will be required for individual businesses.

(3) *B-2, Highway Business District.* The Highway Business District is intended to provide space for auto-oriented uses and service businesses which are located in close proximity to major thoroughfares or highways in order that highway service types of land use can be provided.

(4) *BT, Business Transition District.* The Business Transition District is intended to provide a means of transition from residential uses to highway business uses, while still allowing existing residences to continue.

(B) Allowable uses in business districts. The uses listed below are allowable in the business districts indicated. "P" indicates the use is permitted if it conforms with all other City and State building and use regulations. "C" indicates that a conditional use permit must be issued by the city prior to use or construction. "I" indicates that an interim use permit must be issued by the City prior to use or construction. No letter indicates the use is not allowed in the district. If a use is not listed, the Planning Commission shall determine if a proposed use is similar to one that is listed, it is not allow.

DISTRICT				USE
B-1	B-1A	B-2	BT	RESIDENTIAL USES
	I	I	I	Auto Convenience Stations, pursuant to § 156.090
I	I	P I	P I	Auto Repair and Service, Major, pursuant to § 156.090
I	I	P I	P I	Auto Repair and Service, Minor, pursuant to § 156.090
I	I	P I	P I	Automobile Sales, pursuant to § 156.090
	I	I	I	Automobile Wash and/or Automatic Automobile Wash, pursuant to § 156.090

§ 156.090 AUTO-ORIENTED USES.

(A) Application.

(1) The provisions of this section shall apply to all auto-oriented businesses. Auto-oriented uses are uses which involve vehicles and vehicular traffic, such as auto convenience stations, auto and machinery sales, auto service establishments, drive-in establishments, parking areas and ramps, auto washes and the like. All parking, loading, driving and paved areas shall meet the landscaping requirements for parking lots and loading areas in §§ 156.060 and 156.061, except where more restrictive standards may be required by this section.

(2) All other applicable provisions of this chapter shall be met, including but not limited to requirements for signs, outdoor merchandise display, outdoor storage, lighting, landscaping/screening, parking, noise, and the like. Any more restrictive standards required by this section shall prevail.

(3) No public address system shall be audible from a Protected Residential Area as defined herein.

(4) No display, parking or storage of vehicles shall be permitted within any public right-of-way.

(5) No test driving shall be permitted on local residential streets.

(6) No motor vehicle transport or unloading shall be permitted on any local residential street except for emergency towing situations.

(7) A lighting plan shall be prepared and approved. Lighting shall be hooded and so directed that the light source is not visible from the right-of-way or abutting Protected Residential Areas. All illuminated signs shall also be included with the lighting plan. All lighting shall comply with § 156.073.

(8) The entire site other than that taken up by a building, sidewalk, other structure or plantings/landscaping shall be hard surfaced in conformance with City standards for parking lots. Interior curbs conforming with city standards shall be constructed to separate driving surfaces from sidewalks, landscaped areas, and streets. Truck and machinery sales uses may be exempt from this requirement provided all the entire site other than that taken up by a building, sidewalk, other structure or plantings/landscaping shall be surfaced with a material to control dust and drainage, which is subject to approval of the City Engineer.

(9) All vehicles shall be parked on a paved surface. Vehicles for truck and machinery sales uses may be exempt from this requirement provided they are parked on an area surfaced with a material to control dust and drainage, which is subject to approval of the City Engineer.

(10) Access shall be from a collector or arterial roadway as defined herein and shall create a minimum of conflict with through traffic movements.

(C) Automobile sales, truck and machinery sales.

(1) No non-operable vehicles shall be stored outdoors on the premises, except through the issuance of a conditional use permit.

(2) All sales and rental lots shall be operated in conjunction with a building or buildings.

(3) The building and sales or rental lot shall be on one contiguous site.

(4) All customer and employee parking shall be clearly designated and signed.

(5) The minimum lot width shall be 100 feet measured at the minimum required front yard setback.

(6) Where vehicle preparation or repair work conducted is conducted as accessory use, no vehicle shall be parked or be waiting service outdoors longer than 15 days.

All other sections and subsections of this Chapter shall remain as written and previously adopted by the City Council. This ordinance shall become effective upon publication.

Adopted by the Cambridge City Council this 16th day of October, 2017.

Date of publication: October 25, 2017

Marlys A. Palmer, Mayor

ATTEST:

Lynda J. Woulfe, City Administrator

Background

Corinne Kelly and Gayland Hokanson have requested by petition to have two parcels they own annexed into the City. Attached is the signed petition from the owners. A map of the two parcels requested to be annexed is also attached.

Ms. Kelly and Mr. Hokanson also own over 100 acres of land adjacent to these small parcels, often referred to by staff as the "Kelly" property. The 100 acre Kelly property is within the City limits and the owners plan to develop when the time is right. These two smaller parcels were purchased more recently and were not included in the original annexation.

Annexation can occur by Ordinance in this case when the City receives a petition from the owners, the land abuts the municipality, and the land is 120 acres or less. The township and adjacent property owners have been notified and a public hearing on the annexation request will be heard at the City Council meeting on December 4, 2017. This report is to notify the Planning Commission and the Commission can make a recommendation to Council.

Planning Commission Action

Motion on the attached draft ordinance to recommend approval of the annexation request.

Attachments

1. Owner Petition
2. Annexation Map

9/29/2017

City of Cambridge
Cambridge township

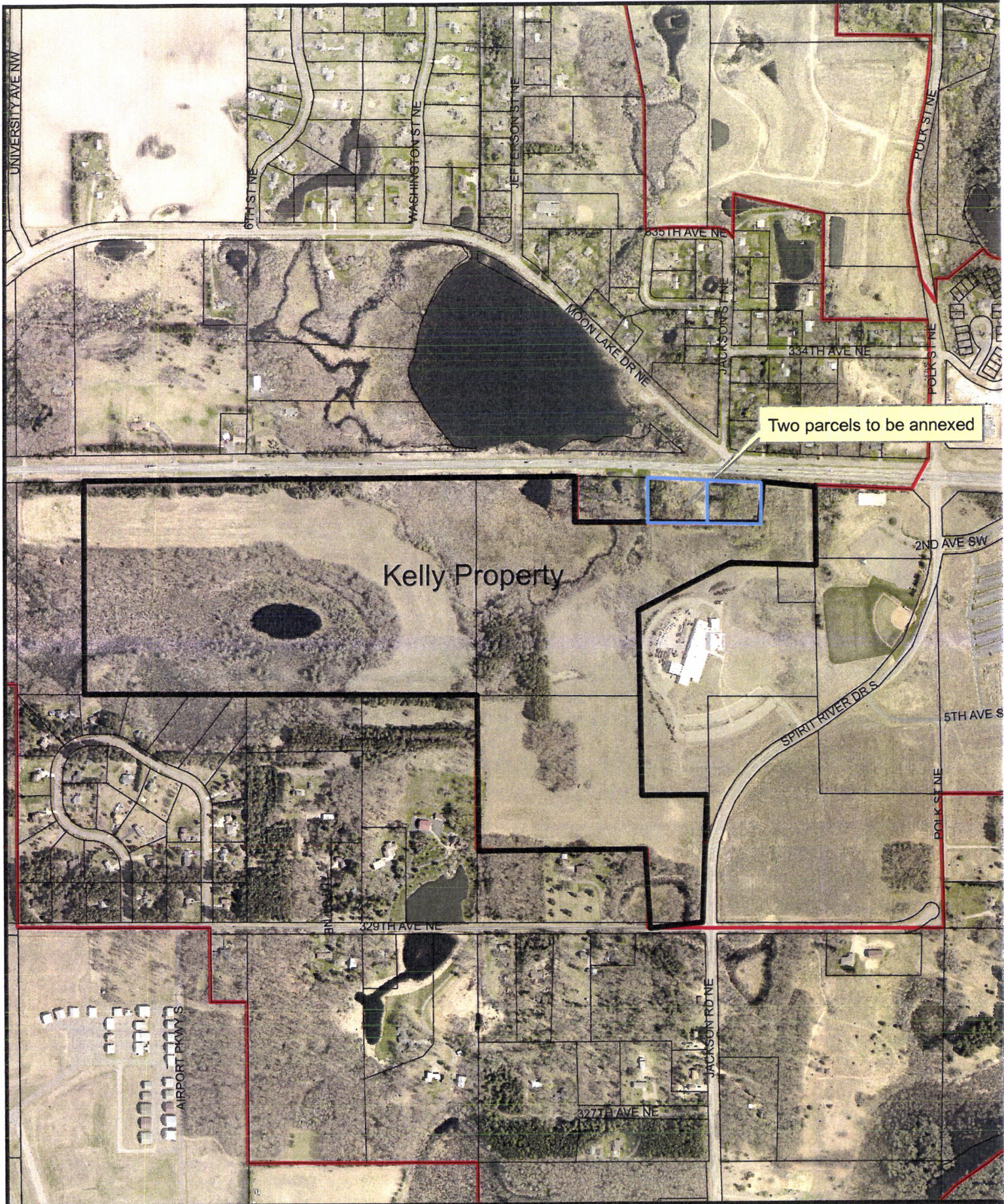
To whom it may concern:

Per conversations with Lynda Woulfe and
Marek Westover, this letter is a request
to have two of our parcels of land annexed
to the city of Cambridge.

We are also including a check for
\$200.- to start the process. Please let
us know if there are any other actions
we need to take.

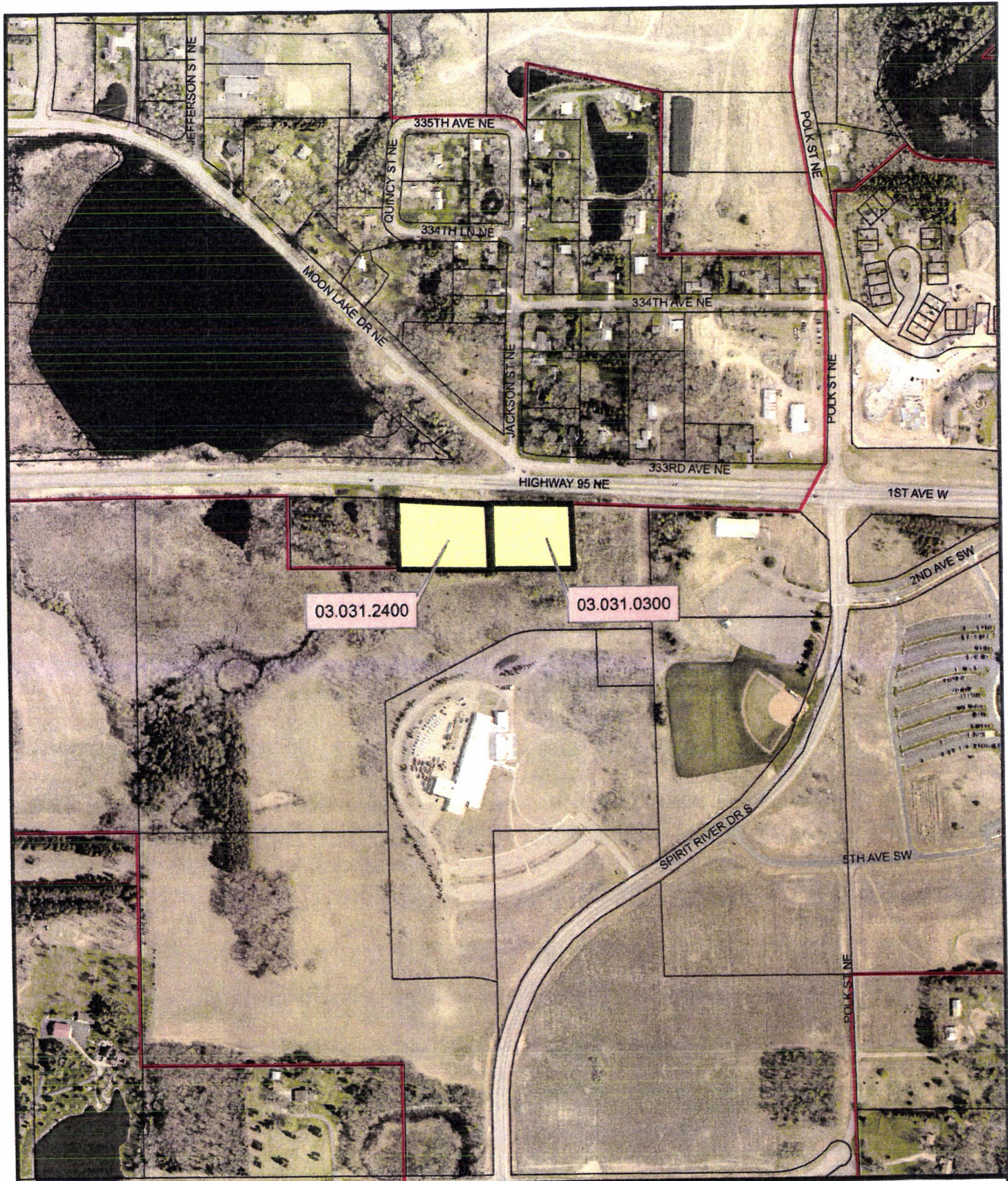
Yours Truly
Corinne Kelly
Gayland Redell Johnson

P.S. Pat Kelly (Corinne's husband) has been
very involved in this process and can
be contacted at (651) 464-1953.



Two parcels to be annexed

Kelly Property



03.031.2400

03.031.0300



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www.ci.cambridge.mn.us

2017 Kelly Property Annexation



cleartek

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56 Approve Resolution R17-02 Finding that a Modification to Development Program for Development District No. 6 and Tax Increment Financing Plan for Tax Increment Finance District No. 6-19 conforms to the General Plans for the Development and Redevelopment of the City

November 7, 2017

Author: Stan Gustafson, Economic Development Director

Request

The Planning Commission is requested to review and approve Resolution R17-02 Finding that a Modification to Development Program for Development District No. 6 and Tax Increment Financing Plan for Tax Increment Finance District No. 6-19 conforms to the general plans for the development and redevelopment of the City.

BACKGROUND

Staff has been in contact with Stars Hollow Corporation (SHC) on building a new facility in the Cambridge Opportunity Industrial Park. The building foot print is 164,234 square feet, the site needed is 12.3 acres which is a portion of Site 2.

The company is an AQUAculture firm that raises fish and sell fresh to markets within a close geographic area of Cambridge. HydroPONICS is growing fresh vegetables

SHC is a start-up sustainable food grower and distributor of fresh fish products and high-value, certified organic/non-gmo verified produce within a Plant Factory Artificial Lighting (PFAL) system. For SHC to achieve necessary organic produce quantities and most cost effective is to construct a customized building, designed specifically for operational efficiencies.

The City is selling the land to Stars Hollow Company for \$1.00 and placing this site in a TIF District enabling the City to recoup the cost of the land. We are estimating the land price with 12.3 acres equals 535,738 sq. ft. @ \$1.50 sq. ft. equals \$803,682 of land cost write down which we would have to recoup through TIF.

As part of the creation of this district, The Planning Commission is required to find that the TIF District is in conformance with the City's general plans for development and redevelopment of the City. As described above, the program Modification and tax Increment Financing (TIF) Plan for Development District No. 6 and TIF District No. 6-19 is in conformance with the City's Comprehensive Plan.

Recommendation

Staff is recommending the Planning Commission approve the attached Resolution R17-02 as presented, finding that the Modification to the Development Program for Development District No. 6 and the Tax Increment Financing Plan for TIF District No. 6-19 is in conformance with the City's Comprehensive Plan.

Attachments:

1. Program Modification and TIF Plan
2. Resolution R17-02
3. Site Map

**PLANNING COMMISSION
CITY OF CAMBRIDGE, MINNESOTA**

RESOLUTION NO. R17-02

**RESOLUTION OF THE CITY OF CAMBRIDGE PLANNING COMMISSION
FINDING THAT A MODIFICATION TO THE DEVELOPMENT PROGRAM
FOR DEVELOPMENT DISTRICT NO. 6 AND A TAX INCREMENT FINANCING
PLAN FOR TAX INCREMENT FINANCING DISTRICT NO. 6-19 CONFORM TO
THE GENERAL PLANS FOR THE DEVELOPMENT AND REDEVELOPMENT
OF THE CITY.**

WHEREAS, the City of Cambridge (the "City") has proposed to adopt a Modification to the Development Program for Development District No. 6 (the "Development Program Modification") and a Tax Increment Financing Plan for the creation of Tax Increment Financing District No. 6-19 (the "TIF Plan") therefor (the Development Program Modification and the TIF Plan are referred to collectively herein as the "Program and Plan") and has submitted the Program and Plan to the City Planning Commission (the "Commission") pursuant to Minnesota Statutes, Section 469.175, Subd. 3, and

WHEREAS, the Commission has reviewed the development activities included within the Program and Plan to determine their conformity with the general plans for the development and redevelopment of the City as described in the comprehensive plan for the City.

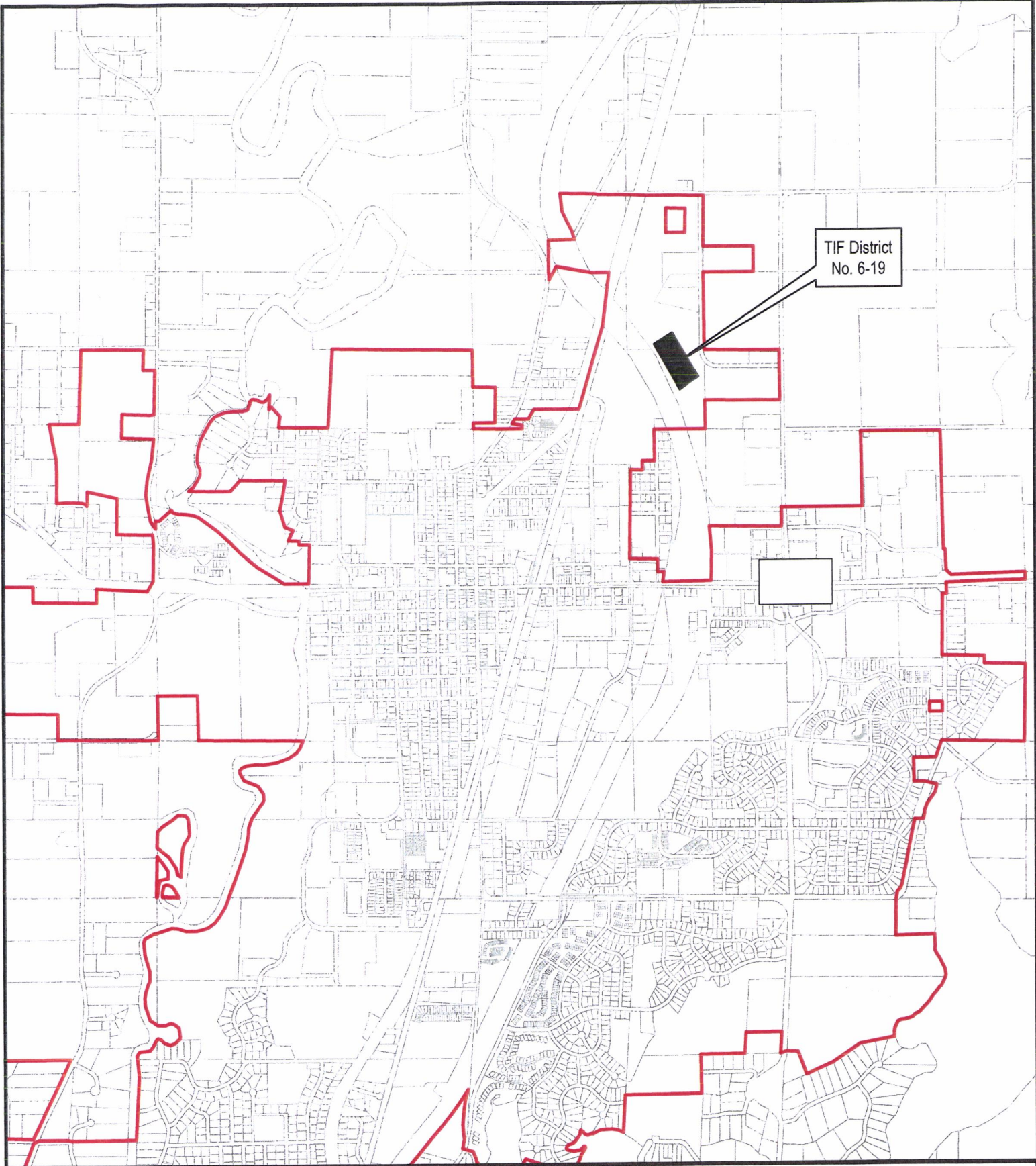
NOW, THEREFORE, BE IT RESOLVED by the Commission that the Program and Plan conform to the general plans for the development and redevelopment of the City as a whole.

Dated: November 7, 2017

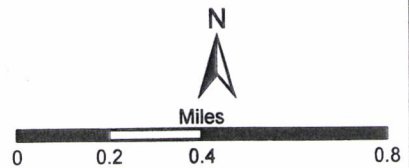
Chair

ATTEST:

Secretary

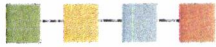


Tax Increment Financing District No. 6-19
Development District No. 6
City of Cambridge
Isanti County, Minnesota



The boundaries of Development District No. 6 shall be coterminous with the corporate boundaries of the City of Cambridge.

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*As of October 30, 2017
Draft for Planning Commission*

**Modification to the Development Program
for Development District No. 6**

and the

Tax Increment Financing Plan

for the establishment of

**Tax Increment Financing District No. 6-19
(an economic development district)**

within

Development District No. 6

City of Cambridge
Isanti County
State of Minnesota

Public Hearing: November 20, 2017
Adopted:



EHLERS

Prepared by: EHLERS & ASSOCIATES, INC.
3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105
651-697-8500 fax: 651-697-8555 www.ehlers-inc.com

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***Section 1 - Modification to the Development Program
for Development District No. 6***

Foreword

The following text represents a Modification to the Development Program for Development District No. 6. This modification represents a continuation of the goals and objectives set forth in the Development Program for Development District No. 6. Generally, the substantive changes include the establishment of Tax Increment Financing District No. 6-19.

For further information, a review of the Development Program for Development District No. 6 is recommended. It is available from the City Administrator at the City of Cambridge. Other relevant information is contained in the Tax Increment Financing Plans for the Tax Increment Financing Districts located within Development District No. 6.

Section 2 - Tax Increment Financing Plan for Tax Increment Financing District No. 6-19

Subsection 2-1. Foreword

The City of Cambridge (the "City"), staff and consultants have prepared the following information to expedite the establishment of Tax Increment Financing District No. 6-19 (the "District"), an economic development tax increment financing district, located in Development District No. 6.

Subsection 2-2. Statutory Authority

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the City has certain statutory powers pursuant to *Minnesota Statutes ("M.S.")*, Sections 469.124 to 469.133, inclusive, as amended, and *M.S.*, Sections 469.174 to 469.1794, inclusive, as amended (the "Tax Increment Financing Act" or "TIF Act"), to assist in financing public costs related to this project.

This section contains the Tax Increment Financing Plan (the "TIF Plan") for the District. Other relevant information is contained in the Modification to the Development Program for Development District No. 6.

Subsection 2-3. Statement of Objectives

The District currently consists of one parcel of land and adjacent and internal rights-of-way. The District is being created to facilitate the construction of an approximately 160,000 square foot aquaponics warehouse and distribution facility in the City. Please see Appendix A for further District information. The City has identified Stars Hollow Company as the developer and development is likely to begin in December 2017. This TIF Plan is expected to achieve many of the objectives outlined in the Development Program for Development District No. 6.

The activities contemplated in the Modification to the Development Program and the TIF Plan do not preclude the undertaking of other qualified development or redevelopment activities. These activities are anticipated to occur over the life of Development District No. 6 and the District.

Subsection 2-4. Development Program Overview

1. Property to be Acquired - Selected property located within the District may be acquired by the City and is further described in this TIF Plan.
2. Relocation - Relocation services, to the extent required by law, are available pursuant to *M.S.*, Chapter 117 and other relevant state and federal laws.
3. Upon approval of a developer's plan relating to the project and completion of the necessary legal requirements, the City may sell to a developer selected properties that it may acquire within the District or may lease land or facilities to a developer.
4. The City may perform or provide for some or all necessary acquisition, construction, relocation, demolition, and required utilities and public street work within the District.
5. The City proposes both public and private infrastructure within the District. The proposed reuse of private property within the District will be for a warehouse and distribution facility, and there will be continued operation of Development District No. 6 after the capital

improvements within Development District No. 6 have been completed.

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

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

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

Subsection 2-6. Classification of the District

The City, in determining the need to create a tax increment financing district in accordance with *M.S., Sections 469.174 to 469.1794*, as amended, inclusive, finds that the District, to be established, is an economic development district pursuant to *M.S., Section 469.174, Subd. 12* as defined below:

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

- (1) it will discourage commerce, industry, or manufacturing from moving their operations to another state or municipality; or*
- (2) it will result in increased employment in the state; or*
- (3) it will result in preservation and enhancement of the tax base of the state.*

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

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

- (1) The manufacturing or production of tangible personal property, including processing resulting in the change in condition of the property;
- (2) Warehousing, storage, and distribution of tangible personal property, excluding retail sales;
- (3) Research and development related to the activities listed in items (1) or (2);
- (4) Telemarketing if that activity is the exclusive use of the property; or
- (5) Tourism facilities;
- (6) Space necessary for and related to the activities listed in items (1) to (5)

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

The facilities in the District meet the conditions of Purposes 2 and 6.

The District is being created to assist in the construction of a new aquaponics warehousing and distribution plant facility for the production and distribution of both aquatic animals and hydroponic produce. The proposed facility will contain artificial light, circulation and storage equipment, and will be used for wholesale distribution and related activities.

Pursuant to *M.S., Section 469.176, Subd. 7*, the District does not contain any parcel or part of a parcel that qualified under the provisions of *M.S., Sections 273.111, 273.112, or 273.114* or *Chapter 473H* for taxes

payable in any of the five calendar years before the filing of the request for certification of the District.

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

Pursuant to *M.S., Section 469.175, Subd. 1, and M.S., Section 469.176, Subd. 1*, the duration of the District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b.*, the duration of the District will be 8 years after receipt of the first increment by the City. The date of receipt by the City of the first tax increment is expected to be 2020. Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2028, or when the TIF Plan is satisfied. If increment is received in 2019, the term of the District will be 2027. The City reserves the right to decertify the District prior to the legally required date.

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

Pursuant to *M.S., Section 469.174, Subd. 7 and M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the assessor in 2018 for taxes payable 2019.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2020) the amount by which the original value has increased or decreased as a result of:

1. Change in tax exempt status of property;
2. Reduction or enlargement of the geographic boundaries of the district;
3. Change due to adjustments, negotiated or court-ordered abatements;
4. Change in the use of the property and classification;
5. Change in state law governing class rates; or
6. Change in previously issued building permits.

In any year in which the current Net Tax Capacity (NTC) value of the District declines below the ONTC, no value will be captured and no tax increment will be payable to the City.

The original local tax rate for the District will be the local tax rate for taxes payable 2018, assuming the request for certification is made before June 30, 2018. The estimated ONTC and the Original Local Tax Rate for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. 4 and M.S., Section 469.177, Subd. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within Development District No. 6, upon completion of the projects within the District, will annually approximate tax increment revenues as shown in the table below. The City requests 100 percent of the available increase in tax capacity for repayment of its obligations and current expenditures, beginning in the tax year payable 2020. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

Project Estimated Tax Capacity upon Completion (PTC)	\$70,102	
Original Estimated Net Tax Capacity (ONTC)	\$1,060	
Estimated Captured Tax Capacity (CTC)	\$69,042	
Original Local Tax Rate	1.91257	Final Pay 2017
Estimated Annual Tax Increment (CTC x Local Tax Rate)	\$132,048	
Percent Retained by the City	100%	

Tax capacity includes a 1% inflation factor for the duration of the District. The tax capacity included in this chart is the estimated tax capacity of the District in year 8. The tax capacity of the District in year one is estimated to be \$64,738.

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

The City has reviewed the area to be included in the District and found no parcels for which building permits have been issued during the 18 months immediately preceding approval of the TIF Plan by the City.

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

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

The total estimated tax increment revenues for the District are shown in the table below:

<u>SOURCES OF FUNDS</u>	<u>TOTAL</u>
Tax Increment	\$1,137,611
<u>Interest</u>	<u>\$56,881</u>
TOTAL	\$1,194,492

The City may issue bonds (as defined in the TIF Act) secured in whole or in part with tax increments from the District in a maximum principal amount of \$929,900. Such bonds may be in the form of pay-as-you-go notes, revenue bonds or notes, general obligation bonds, or interfund loans. This estimate of total bonded indebtedness is a cumulative statement of authority under this TIF Plan as of the date of approval.

Subsection 2-10. Uses of Funds

Currently under consideration for the District is a proposal to facilitate the construction of an approximately 160,000 square foot aquaponics warehouse and distribution facility. The City has determined that it will be necessary to provide assistance to the project for certain District costs, as described. The City has studied the feasibility of the development or redevelopment of property in and around the District. To facilitate the establishment and development or redevelopment of the District, this TIF Plan authorizes the use of tax increment financing to pay for the cost of certain eligible expenses. The estimate of public costs and uses of funds associated with the District is outlined in the following table.

<u>USES OF TAX INCREMENT FUNDS</u>	<u>TOTAL</u>
Land/Building Acquisition	\$803,680
Site Improvements/Preparation	\$10,000
Utilities	\$30,000
Other Qualifying Improvements	\$10,000
<u>Administrative Costs (up to 10%)</u>	<u>\$76,220</u>
PROJECT COST TOTAL	\$929,900
<u>Interest</u>	<u>\$264,592</u>
PROJECT AND INTEREST COSTS TOTAL	\$1,194,492

The total project cost, including financing costs (interest) listed in the table above does not exceed the total projected tax increments for the District as shown in Subsection 2-9.

Estimated capital and administrative costs listed above are subject to change among categories by modification of the TIF Plan without hearings and notices as required for approval of the initial TIF Plan, so long as the total capital and administrative costs combined do not exceed the total listed above. Further, the City may spend up to 20 percent of the tax increments from the District for activities (described in the table above) located outside the boundaries of the District but within the boundaries of the Project (including administrative costs, which are considered to be spend outside the District), subject to all other terms and conditions of this TIF Plan.

Subsection 2-11. Business Subsidies

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

- (1) A business subsidy of less than \$150,000;
- (2) Assistance that is generally available to all businesses or to a general class of similar businesses, such as a line of business, size, location, or similar general criteria;
- (3) Public improvements to buildings or lands owned by the state or local government that serve a public purpose and do not principally benefit a single business or defined group of businesses at the time the improvements are made;
- (4) Redevelopment property polluted by contaminants as defined in *M.S., Section 116J.552, Subd. 3*;
- (5) Assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code and assistance provided for designated historic preservation districts, provided that

- the assistance is equal to or less than 50% of the total cost;
- (6) Assistance to provide job readiness and training services if the sole purpose of the assistance is to provide those services;
 - (7) Assistance for housing;
 - (8) Assistance for pollution control or abatement, including assistance for a tax increment financing hazardous substance subdistrict as defined under *M.S., Section 469.174, Subd. 23*;
 - (9) Assistance for energy conservation;
 - (10) Tax reductions resulting from conformity with federal tax law;
 - (11) Workers' compensation and unemployment compensation;
 - (12) Benefits derived from regulation;
 - (13) Indirect benefits derived from assistance to educational institutions;
 - (14) Funds from bonds allocated under chapter 474A, bonds issued to refund outstanding bonds, and bonds issued for the benefit of an organization described in section 501 (c) (3) of the Internal Revenue Code of 1986, as amended through December 31, 1999;
 - (15) Assistance for a collaboration between a Minnesota higher education institution and a business;
 - (16) Assistance for a tax increment financing soils condition district as defined under *M.S., Section 469.174, Subd. 19*;
 - (17) Redevelopment when the recipient's investment in the purchase of the site and in site preparation is 70 percent or more of the assessor's current year's estimated market value;
 - (18) General changes in tax increment financing law and other general tax law changes of a principally technical nature;
 - (19) Federal assistance until the assistance has been repaid to, and reinvested by, the state or local government agency;
 - (20) Funds from dock and wharf bonds issued by a seaway port authority;
 - (21) Business loans and loan guarantees of \$150,000 or less;
 - (22) Federal loan funds provided through the United States Department of Commerce, Economic Development Administration; and
 - (23) Property tax abatements granted under *M.S., Section 469.1813* to property that is subject to valuation under Minnesota Rules, chapter 8100.

The City will comply with *M.S., Sections 116J.993 to 116J.995* to the extent the tax increment assistance under this TIF Plan does not fall under any of the above exemptions.

Subsection 2-12. County Road Costs

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

If the county elects to use increments to improve county roads, it must notify the City within forty-five days of receipt of this TIF Plan. In the opinion of the City and consultants, the proposed development outlined in this TIF Plan will have little or no impact upon county roads. The City is aware that the county could claim that tax increment should be used for county roads, even after the public hearing.

Subsection 2-13. Estimated Impact on Other Taxing Jurisdictions

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

IMPACT ON TAX BASE			
	2016/Pay 2017 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) Upon Completion	Percent of CTC to Entity Total
Isanti County	29,120,215	69,042	0.2371%
City of Cambridge	5,946,133	69,042	1.1611%
Cambridge Isanti ISD No. 911	20,791,951	69,042	0.3321%

IMPACT ON TAX CAPACITY RATES				
	Pay 2017 Extension Rates	Percent of Total	CTC	Potential Taxes
Isanti County	0.660050	34.51%	69,042	45,571
City of Cambridge	0.856933	44.81%	69,042	59,164
Cambridge Isanti ISD No. 911	0.393299	20.56%	69,042	27,154
Other	0.002290	0.12%	69,042	158
Total	1.912572	100.00%		132,048

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the actual Pay 2017 rate which is the most recent available at the time of preparation. The total net capacity for the entities listed above are based on estimated Pay 2018 figures. The District will be certified under the actual Pay 2018 rates and figures, which were unavailable at the time this TIF Plan was prepared.

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

- (1) Estimate of total tax increment. It is estimated that the total amount of tax increment that will be generated over the life of the District is \$1,137,611;
- (2) Probable impact of the District on city provided services and ability to issue debt. A material impact of the District on police protection is not expected. With any addition of new residents or businesses, police calls for service will be increased. New developments add an increase in traffic, and additional overall demands to the call load. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment.

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

The impact of the District on public infrastructure is expected to be minimal. The development is not expected to significantly impact any traffic movements in the area. The current infrastructure for sanitary sewer, storm sewer and water will be able to handle the additional volume generated from the proposed development. The City is requiring the installation of a waste water monitoring device as added redundancy to prevent seepage from the new facility. Based on the development plans, there are no additional costs associated with street maintenance, sweeping, plowing, lighting and sidewalks. However, lighting operating costs are yet to be determined.

The probable impact of any District general obligation tax increment bonds on the ability to issue debt for general fund purposes is expected to be minimal. It is not anticipated that there will be any general obligation debt issued in relation to this project, therefore there will be no impact on the City's ability to issue future debt or on the City's debt limit.

- (3) Estimated amount of tax increment attributable to school district levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is \$233,893;
- (4) Estimated amount of tax increment attributable to county levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same, is \$392,590;
- (5) Additional information requested by the county or school district. The City is not aware of any standard questions in a county or school district written policy regarding tax increment districts and impact on county or school district services. The county or school district must request additional information pursuant to *M.S. Section 469.175 Subd. 2(b)* within 15 days after receipt of the tax increment financing plan.

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

Subsection 2-14. Supporting Documentation

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

- A list of applicable studies will be listed here prior to the public hearing.

Subsection 2-15. Definition of Tax Increment Revenues

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

1. Taxes paid by the captured net tax capacity, but excluding any excess taxes, as computed under *M.S., Section 469.177*;
2. The proceeds from the sale or lease of property, tangible or intangible, to the extent the property was purchased by the authority with tax increments;
3. Principal and interest received on loans or other advances made by the authority with tax increments;
4. Interest or other investment earnings on or from tax increments;

5. Repayments or return of tax increments made to the Authority under agreements for districts for which the request for certification was made after August 1, 1993; and
6. The market value homestead credit paid to the Authority under *M.S., Section 273.1384*.

Subsection 2-16. Modifications to the District

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

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

shall be approved upon the notice and after the discussion, public hearing and findings required for approval of the original TIF Plan.

Pursuant to *M.S., Section 469.175 Subd. 4(f)*, the geographic area of the District may be reduced, but shall not be enlarged after five years following the date of certification of the original net tax capacity by the county auditor. If an economic development district is enlarged, the reasons and supporting facts for the determination that the addition to the district meets the criteria of *M.S., Section 469.174, Subd. 12* must be documented in writing and retained. The requirements of this paragraph do not apply if (1) the only modification is elimination of parcel(s) from the District and (2) (A) the current net tax capacity of the parcel(s) eliminated from the District equals or exceeds the net tax capacity of those parcel(s) in the District's original net tax capacity or (B) the City agrees that, notwithstanding *M.S., Section 469.177, Subd. 1*, the original net tax capacity will be reduced by no more than the current net tax capacity of the parcel(s) eliminated from the District.

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

Subsection 2-17. Administrative Expenses

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

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

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

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

Pursuant to *M.S., Section 469.176, Subd. 4h*, tax increments may be used to pay for the County's actual administrative expenses incurred in connection with the District and are not subject to the percentage limits of *M.S., Section 469.176, Subd. 3*. The county may require payment of those expenses by February 15 of the year following the year the expenses were incurred.

Pursuant to *M.S., Section 469.177, Subd. 11*, the County Treasurer shall deduct an amount (currently 0.36 percent) of any increment distributed to the City and the County Treasurer shall pay the amount deducted to the State Commissioner of Management and Budget for deposit in the state general fund to be appropriated to the State Auditor for the cost of financial reporting of tax increment financing information and the cost of examining and auditing authorities' use of tax increment financing. This amount may be adjusted annually by the Commissioner of Revenue.

Subsection 2-18. Limitation of Increment

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

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

if, after four years from the date of certification of the original net tax capacity of the tax increment financing district pursuant to M.S., Section 469.177, no demolition, rehabilitation or renovation of property or other site preparation, including qualified improvement of a street adjacent to a parcel but not installation of utility service including sewer or water systems, has been commenced on a parcel located within a tax increment financing district by the authority or by the owner of the parcel in accordance with the tax increment financing plan, no additional tax increment may be taken from that parcel, and the original net tax capacity of that parcel shall be excluded from the original net tax capacity of the tax increment financing district. If the authority or the owner of the parcel subsequently commences demolition, rehabilitation or renovation or other site preparation on that parcel including qualified improvement of a street adjacent to that parcel, in accordance with the tax increment financing plan, the authority shall certify to the county auditor that the activity has commenced and the county auditor shall certify the net tax capacity thereof as most recently certified by the commissioner of revenue and add it to the original net tax capacity of the tax increment financing district. The county auditor must enforce the provisions of this subdivision. The authority must submit to the county auditor evidence that the required activity has taken place for each parcel in the district. The evidence for a parcel must be

submitted by February 1 of the fifth year following the year in which the parcel was certified as included in the district. For purposes of this subdivision, qualified improvements of a street are limited to (1) construction or opening of a new street, (2) relocation of a street, and (3) substantial reconstruction or rebuilding of an existing street.

The City or a property owner must improve parcels within the District by approximately November 2022 and report such actions to the County Auditor.

Subsection 2-19. Use of Tax Increment

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

1. To pay the principal of and interest on bonds issued to finance a project;
2. To finance, or otherwise pay the capital and administration costs of Development District No. 6 pursuant to *M.S., Sections 469.124 to 469.133*;
3. To pay for project costs as identified in the budget set forth in the TIF Plan;
4. To finance, or otherwise pay for other purposes as provided in *M.S., Section 469.176, Subd. 4*;
5. To pay principal and interest on any loans, advances or other payments made to or on behalf of the City or for the benefit of Development District No. 6 by a developer;
6. To finance or otherwise pay premiums and other costs for insurance or other security guaranteeing the payment when due of principal of and interest on bonds pursuant to the TIF Plan or pursuant to *M.S., Chapter 462C, M.S., Sections 469.152 through 469.165*, and/or *M.S., Sections 469.178*; and
7. To accumulate or maintain a reserve securing the payment when due of the principal and interest on the tax increment bonds or bonds issued pursuant to *M.S., Chapter 462C, M.S., Sections 469.152 through 469.165*, and/or *M.S., Sections 469.178*.

These revenues shall not be used to circumvent any levy limitations applicable to the City nor for other purposes prohibited by *M.S., Section 469.176, Subd. 4*.

Tax increments generated in the District will be paid by Isanti County to the City for the Tax Increment Fund of said District. The City will pay to the developer(s) annually an amount not to exceed an amount as specified in a developer's agreement to reimburse the costs of land acquisition, public improvements, demolition and relocation, site preparation, and administration. Remaining increment funds will be used for City administration (up to 10 percent) and for the costs of public improvement activities outside the District.

Subsection 2-20. Excess Increments

Excess increments, as defined in *M.S., Section 469.176, Subd. 2*, shall be used only to do one or more of the following:

1. Prepay any outstanding bonds;
2. Discharge the pledge of tax increment for any outstanding bonds;
3. Pay into an escrow account dedicated to the payment of any outstanding bonds; or
4. Return the excess to the County Auditor for redistribution to the respective taxing jurisdictions in proportion to their local tax rates.

The City must spend or return the excess increments under paragraph (c) within nine months after the end of the year. In addition, the City may, subject to the limitations set forth herein, choose to modify the TIF Plan in order to finance additional public costs in Development District No. 6 or the District.

Subsection 2-21. Requirements for Agreements with the Developer

The City will review any proposal for private development to determine its conformance with the Development Program and with applicable municipal ordinances and codes. To facilitate this effort, the following documents may be requested for review and approval: site plan, construction, mechanical, and electrical system drawings, landscaping plan, grading and storm drainage plan, signage system plan, and any other drawings or narrative deemed necessary by the City to demonstrate the conformance of the development with City plans and ordinances. The City may also use the Agreements to address other issues related to the development.

Pursuant to *M.S., Section 469.176, Subd. 5*, no more than 10 percent, by acreage, of the property to be acquired in the District as set forth in the TIF Plan shall at any time be owned by the City as a result of acquisition with the proceeds of bonds issued pursuant to *M.S., Section 469.178* to which tax increments from property acquired is pledged, unless prior to acquisition in excess of 10 percent of the acreage, the City concluded an agreement for the development of the property acquired and which provides recourse for the City should the development not be completed.

Subsection 2-22. Assessment Agreements

Pursuant to *M.S., Section 469.177, Subd. 8*, the City may enter into a written assessment agreement in recordable form with the developer of property within the District which establishes a minimum market value of the land and completed improvements for the duration of the District. The assessment agreement shall be presented to the County Assessor who shall review the plans and specifications for the improvements to be constructed, review the market value previously assigned to the land upon which the improvements are to be constructed and, so long as the minimum market value contained in the assessment agreement appears, in the judgment of the assessor, to be a reasonable estimate, the County Assessor shall also certify the minimum market value agreement.

Subsection 2-23. Administration of the District

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

Subsection 2-24. Annual Disclosure Requirements

Pursuant to *M.S., Section 469.175, Subs. 5, 6, and 6b* the City must undertake financial reporting for all tax increment financing districts to the Office of the State Auditor, County Board and County Auditor on or before August 1 of each year. *M.S., Section 469.175, Subd. 5* also provides that an annual statement shall be published in a newspaper of general circulation in the City on or before August 15.

If the City fails to make a disclosure or submit a report containing the information required by *M.S., Section 469.175 Subd. 5 and Subd. 6*, the Office of the State Auditor will direct the County Auditor to withhold the distribution of tax increment from the District.

Subsection 2-25. Reasonable Expectations

As required by the TIF Act, in establishing the District, the determination has been made that the anticipated development would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the TIF Plan. In making said determination,

reliance has been placed upon written representation made by the developer to such effects and upon City staff awareness of the feasibility of developing the project site(s) within the District. A comparative analysis of estimated market values both with and without establishment of the District and the use of tax increments has been performed as described above. Such analysis is included with the cashflow in Appendix D, and indicates that the increase in estimated market value of the proposed development (less the indicated subtractions) exceeds the estimated market value of the site absent the establishment of the District and the use of tax increments.

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

1. General Limitations. All revenue derived from tax increment shall be used in accordance with the TIF Plan. The revenues shall be used to finance, or otherwise pay the capital and administration costs of Development District No. 6 pursuant to *M.S., Sections 469.124 to 469.133*. Tax increments may not be used to circumvent existing levy limit law. No tax increment may be used for the acquisition, construction, renovation, operation, or maintenance of a building to be used primarily and regularly for conducting the business of a municipality, county, school district, or any other local unit of government or the state or federal government. This provision does not prohibit the use of revenues derived from tax increments for the construction or renovation of a parking structure.
2. Pooling Limitations. At least 80 percent of tax increments from the District must be expended on activities in the District or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities within said district or to pay, or secure payment of, debt service on credit enhanced bonds. Not more than 20 percent of said tax increments may be expended, through a development fund or otherwise, on activities outside of the District except to pay, or secure payment of, debt service on credit enhanced bonds. For purposes of applying this restriction, all administrative expenses must be treated as if they were solely for activities outside of the District.
3. Five Year Limitation on Commitment of Tax Increments. Tax increments derived from the District shall be deemed to have satisfied the 80 percent test set forth in paragraph (2) above only if the five year rule set forth in *M.S., Section 469.1763, Subd. 3*, has been satisfied; and beginning with the sixth year following certification of the District, 80 percent of said tax increments that remain after expenditures permitted under said five year rule must be used only to pay previously committed expenditures or credit enhanced bonds as more fully set forth in *M.S., Section 469.1763, Subd. 5*.

Subsection 2-27. Summary

The City of Cambridge is establishing the District to preserve and enhance the tax base, and provide employment opportunities in the City. The TIF Plan for the District was prepared by Ehlers & Associates, Inc., 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, telephone (651) 697-8500.

Project Description

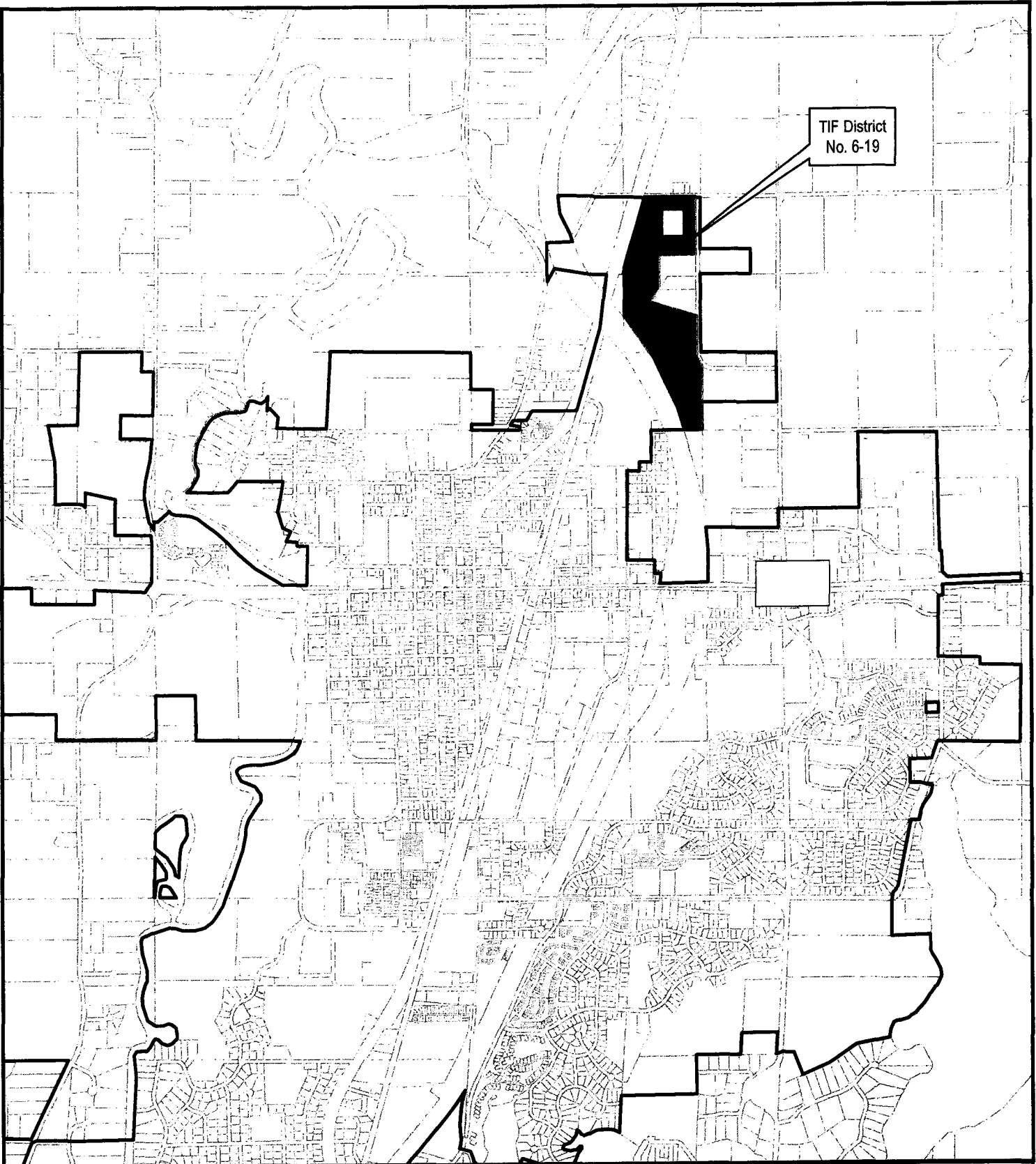
The City of Cambridge owns an industrial park intended to expand the City's tax base and employment opportunities. Within the park, the City currently owns a 64-acre parcel intended for sale for potential development to service these goals. Stars Hollow Company is proposing to build, within the City's industrial park, an approximately 160,000 square foot aquaponics plant facility for the warehousing and distribution of aquatic animals and hydroponic produce. The developer anticipates the new facility will allow Stars Hollow Company to create 80 new full and part time positions with an average wage rate of \$21/hour. The proposed TIF Plan budget anticipates that the acquisition takes place in December 2017, with construction of the facility during 2018.

The developer would acquire approximately 12.3 acres of the City parcel to house the new facility. The City original purchases the land with non-tax increment dollars. The City write down the cost of the land and intends to sell the 12.3 acre portion of the land for \$1.00. The City is planning to use tax increment to reimburse itself for the sale of the land, associated development costs, and improvements to public infrastructure, plus interest.

Pursuant to M.S., Section 469.177, Subd. 1, if the improvements are made to tax-exempt property after the municipality approves the District and before the parcel becomes taxable, the assessor shall, at the request of the Authority, separately assess the estimated market value of the improvements.

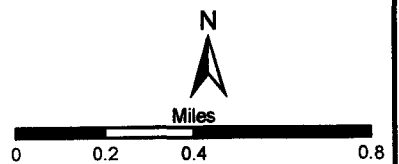
Appendix B

Map of Development District No. 6 and the District



TIF District
No. 6-19

Tax Increment Financing District No. 6-19
Development District No. 6
City of Cambridge
Isanti County, Minnesota



The boundaries of Development District No. 6 shall be coterminous with the corporate boundaries of the City of Cambridge.

cle/its/ki

This map is neither a legally recorded map nor a survey map and is not intended to be used as one. This map is a compilation of records, information, and data gathered from various sources and is to be used for reference purposes only. The City of Cambridge does not warrant that the GIS data used to prepare this map are error free, and the City of Cambridge does not represent that the GIS data can be used for navigational, tracking, or any other purpose requiring exacting measurement of distance or direction or precision in the depiction of geographic features. The user of this map acknowledges that the City of Cambridge shall not be liable for any damages which arise out of the user's access or use of data provided.

Appendix C

Description of Property to be Included in the District

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

<u>Parcel Numbers</u>	<u>Address</u>	<u>Owner</u>
A portion of 15.287.0020	Unassigned	City of Cambridge

The property within the TIF District will be undergoing a platting process in the close of 2017 to facilitate the subdivision of the existing parcel. The proposed legal description for the property to be included within the TIF District is:

Lot 1, Block 1 Cambridge Opportunity Industrial Park 6th Addition

Appendix D

Estimated Cash Flow for the District



Economic Development TIF

City of Cambridge, MN

New 160,000 sq. ft. Aquaponics Warehouse and Distribution Facility

ASSUMPTIONS AND RATES

<p>District Type: Economic Development District Name/Number: TIF 6-19 County District #: SD # 911 First Year Construction or Inflation on Value: 2018 Existing District - Specify No. Years Remaining: Inflation Rate - Every Year: 1.00% Interest Rate: 4.00% Present Value Date: 1-Feb-18 First Period Ending: 1-Aug-18 Tax Year District was Certified: Pay 2018 Cashflow Assumes First Tax Increment For Development: 2020 Years of Tax Increment: 9 Assumes Last Year of Tax Increment: 2028 Fiscal Disparities Election (Outside (A), Inside (B), or NA): NA Incremental or Total Fiscal Disparities: Incremental Fiscal Disparities Contribution Ratio: Fiscal Disparities Metro-Wide Tax Rate: Maximum/Frozen Local Tax Rate: 191.257% Pay 2017 Current Local Tax Rate: (Use lesser of Current or Max.): 191.257% Pay 2017 State-wide Tax Rate (Comm./Ind. only used for total taxes): 45.8020% Pay 2017 Market Value Tax Rate (Used for total taxes): 0.14198% Pay 2017</p>	<p>Tax Rates</p> <hr/> 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 \$115,000 0.75% Over \$115,000 0.25% Non-Homestead Residential (Non-H Res. 1 Unit) First \$500,000 1.00% Over \$500,000 1.25% Homestead Residential Class Rate (Hmstd. Res.) First \$500,000 1.00% Over \$500,000 1.25% Agricultural Non-Homestead 1.00%
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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
1	15.287.0020			522,000	0	522,000	20%	106,031	Pay 2018	Exempt	-	Ag Non-Homestead	1,060	
								106,031			0		1,060	

Note:

1. Base values are for pay 2018 based upon review of County website on 10.16.2017. The Original Tax Capacity will be furnished by Isanti County upon certification.

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Economic Development TIF

City of Cambridge, MN

New 160,000 sq. ft. Aquaponics Warehouse and Distribution Facility

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 2018	Percentage Completed 2019	Percentage Completed 2020	Percentage Completed 2021	First Year Full Taxes Payable
	Warehouse	39	39	164,000	6,473,800	Ag Non-Homestead	64,738	0	100%	100%	100%	100%	2020
TOTAL					6,473,800		64,738						

Note:

1. Market values are based upon estimates provided by the County Assessor on 9.7.2017.

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
Warehouse	64,738	0	64,738	123,816	0	0	9,191	133,007	
TOTAL	64,738	0	64,738	123,816	0	0	9,191	133,007	

Note:
1. Taxes and tax increment will vary significantly from year to year depending upon values, rates, state law, fiscal disparities and other factors which cannot be predicted. If the TIF District is certified prior to June 30, 2018, the duration may be one year less.

WHAT IS EXCLUDED FROM TIF?

Total Property Taxes	133,007
less State-wide Taxes	0
less Fiscal Disp. Adj.	0
less Market Value Taxes	(9,191)
less Base Value Taxes	(2,028)
Annual Gross TIF	121,788

MARKET VALUE BUT / FOR ANALYSIS

Current Market Value - Est.	106,031
New Market Value - Est.	6,473,800
Difference	6,367,769
Present Value of Tax Increment	876,173
Difference	5,491,596
Value likely to occur without Tax Increment is less than:	5,491,596

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**Economic Development TIF
City of Cambridge, MN
New 160,000 sq. ft. Aquaponics Warehouse and Distribution Facility**

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%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
													08/01/18
													02/01/19
													08/01/19
													02/01/20
100%	64,738	(1,060)	-	63,678	191.257%	121,788	60,894	(219)	60,675	54,955	0.5	2020	08/01/20
							60,894	(219)	60,675	108,832	1	2020	02/01/21
100%	65,385	(1,060)	-	64,325	191.257%	123,026	61,513	(221)	61,292	162,190	1.5	2021	08/01/21
							61,513	(221)	61,292	214,502	2	2021	02/01/22
100%	66,039	(1,060)	-	64,979	191.257%	124,277	62,138	(224)	61,915	266,310	2.5	2022	08/01/22
							62,138	(224)	61,915	317,101	3	2022	02/01/23
100%	66,700	(1,060)	-	65,639	191.257%	125,540	62,770	(226)	62,544	367,403	3.5	2023	08/01/23
							62,770	(226)	62,544	416,718	4	2023	02/01/24
100%	67,367	(1,060)	-	66,306	191.257%	126,815	63,408	(228)	63,179	465,558	4.5	2024	08/01/24
							63,408	(228)	63,179	513,440	5	2024	02/01/25
100%	68,040	(1,060)	-	66,980	191.257%	128,104	64,052	(231)	63,821	560,860	5.5	2025	08/01/25
							64,052	(231)	63,821	607,351	6	2025	02/01/26
100%	68,721	(1,060)	-	67,660	191.257%	129,405	64,703	(233)	64,470	653,392	6.5	2026	08/01/26
							64,703	(233)	64,470	698,531	7	2026	02/01/27
100%	69,408	(1,060)	-	68,348	191.257%	130,719	65,360	(235)	65,124	743,235	7.5	2027	08/01/27
							65,360	(235)	65,124	787,062	8	2027	02/01/28
100%	70,102	(1,060)	-	69,042	191.257%	132,047	66,023	(238)	65,786	830,466	8.5	2028	08/01/28
							66,023	(238)	65,786	873,018	9	2028	02/01/29
Total							1,141,721	(4,110)	1,137,611				
							876,173	(3,154)	873,018				
							Present Value From 02/01/2018	Present Value Rate	4.00%				

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Appendix E

Minnesota Business Assistance Form (Minnesota Department of Employment and Economic Development)

A Minnesota Business Assistance Form (MBAF) should be used to report and/or update each calendar year's activity by April 1 of the following year.

Please see the Minnesota Department of Employment and Economic Development (DEED) website at <http://www.deed.state.mn.us/Community/subsidies/MBAFForm.htm> for information and forms.

Appendix F

Findings Including But/For Qualifications

To be added prior to the public hearing

But-For Analysis	
Current Market Value	106,031
New Market Value - Estimate	6,473,800
Difference	6,367,769
Present Value of Tax Increment	876,173
Difference	5,491,596
Value Likely to Occur Without TIF is Less Than:	5,491,596