
**Cambridge EDA
Meeting Announcement and Agenda
MONDAY, DECEMBER 7, 2015, 5:45 PM.
CITY HALL COUNCIL CHAMBERS
300 3RD AVENUE NE**

Members of the audience are encouraged to follow the agenda. Copies of the agenda are on the table outside of the Council Chambers door.

If you are interested in addressing the EDA, please inform the Chair. If the item you wish to address is an agenda item, the Chair, as the presiding officer, will determine if public comment will be heard during the meeting. When addressing the EDA, please state your name, address, and the issue you wish to speak about.

AGENDA

1. Call to Order
2. Approval of Agenda (p. 1)
3. Consent Agenda
 - A. Approve EDA Meeting Minutes for November 2, 2015 (p. 3)
 - B. Approve EDA Draft October 2015 Financial Statements (p. 5)
 - C. Housing Div Bills check #16718 -#16719 and ACH transactions totaling \$51,792.05 (p. 31)
 - D. Approve EDA Admin Division bills checks #101218 -#101329 totaling \$2,162.42 (p. 33)
 - E. Housing Supervisor Report (p. 38)
 - F. Approve solicitation for bids for capital project (p. 39)
 - G. Approve Resolution R15-004 Adopting 2016 Payment Standards for Rent & Utilities (p. 40)
4. New Business
 - A. EDA Resolution No. EDA R15-005 Recommending the City Council Adopt a 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. 6-17 (p. 43)
 - B. Recommend to the City Council the Approval of the Contract for Private Development with Oppidan at address xxxxx, Cambridge (p. 43)

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5. Temporary Adjournment until after City Council Adjourns
 6. Reconvene and complete New Business
 - A. Approve EDA Resolution R15-006 Adopting 2016 EDA Admin Budget (p. 113)
 - B. Approve EDA Resolution R15-007 Adopting 2016 EDA Housing Budget (p. 113)
 7. Adjourn
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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 Cambridge City Hall at 763-689-3211 at least three days prior to the meeting.

**Cambridge Economic Development Authority (EDA)
Regular Meeting Minutes
November 16, 2015**

Pursuant to due call and notice thereof, a regular meeting of the Cambridge Economic Development Authority (EDA) was held on Monday, November 16, 2015 at Cambridge City Center, 300 3rd Ave NE, Cambridge, Minnesota, 55008.

Members Present: President Joe Morin, Vice President Howard Lewis, and EDA members Lisa Iverson, Marlys Palmer, and Tiffany Kafer. All present, no absences.

Others Present: Executive Director Woulfe

Call to Order

Morin called the meeting to order at 8:31pm.

Approval of Agenda

Palmer moved, seconded by Kafer, to approve the agenda as presented. Motion carried unanimously.

Consent Agenda

Iverson moved, seconded by Kafer, to approve the consent agenda items A – E, as presented:

- A. Approve EDA Meeting Minutes for October 5, 2015
- B. Approve EDA Sept Draft Financial Statements
- C. Housing Div Bills check ACH transactions totaling \$46,394.00
- D. Approve EDA Admin Division bills checks #100851 -#101214 totaling \$33,444.10
- E. Housing Supervisor Report

Upon call of the role, Morin, Iverson, Palmer, Kafer, and Lewis voted aye, no nays. Motion carried unanimously.

New Business

There was no new business.

Unfinished Business

There was no unfinished business.

Adjournment

Kafer moved, seconded by Iverson, to adjourn the meeting at 8:33 p.m. Motion carried unanimously.

Joe Morin, President

ATTEST:

Lynda J. Woulfe, Executive Director

DRAFT

CITY OF CAMBRIDGE
BALANCE SHEET
OCTOBER 31, 2015

LOW RENT PROGRAM-BRIDGE PARK

ASSETS

901-10010	CASH AND INVESTMENTS	(10,302.16)	
901-10102	INVESTMENTS--PBC		316,907.74	
901-10103	INVESTMENTS-MINNCO		16,314.31	
901-10200	EDA OPERATING ACCOUNT-LOW RENT		274,114.07	
901-15500	PREPAID EXPENSES		1,830.00	
901-16100	LAND AND LAND IMPROVEMENTS		134,042.37	
901-16200	BUILDINGS AND STRUCTURES		474,877.78	
901-16250	BUILDING IMPROVEMENTS		1,154,993.21	
901-16260	ACCUM DEPREC BUILDING IMPROV		22,860.00	
901-16300	SITE IMPROVEMENTS		126,849.24	
901-16350	NON-DWELLING STRUCTURES		76,009.20	
901-16400	FURNITURE, EQUIPMENT, MACH-DWE		42,659.20	
901-16450	FURN, EQUIP, MACH-ADMIN		83,544.39	
901-16460	ACCUM DEPREC-FURN,EQUIP- ADMIN	(1,640,539.22)	
	TOTAL ASSETS			<u>1,074,160.13</u>

LIABILITIES AND EQUITY

LIABILITIES

901-20100	AP ALLOCATED TO OTHER FUNDS		23,016.52	
901-21650	ACCRUED VACATION & SICK PAY		37,662.56	
901-22600	TENANT SECURITY DEPOSITS		24,835.00	
	TOTAL LIABILITIES			<u>85,514.08</u>

FUND EQUITY

901-27200	UNRESTRICTED NET ASSETS		610,424.51	
901-27300	INVESTED IN CAPITAL ASSETS		301,555.77	
901-27400	HUD OPERATING RESERVE MEMO		227,249.46	
901-27500	HUD OPERATING RESERVE CONTRA	(227,249.46)	
	UNAPPROPRIATED FUND BALANCE: REVENUE OVER EXPENDITURES - YTD		<u>76,665.77</u>	
	BALANCE - CURRENT DATE		<u>76,665.77</u>	
	TOTAL FUND EQUITY			<u>988,646.05</u>
	TOTAL LIABILITIES AND EQUITY			<u>1,074,160.13</u>

CITY OF CAMBRIDGE
DETAIL REVENUES WITH COMPARISON TO BUDGET
FOR THE 10 MONTHS ENDING OCTOBER 31, 2015

FUND 901 - LOW RENT PROGRAM-BRIDGE PARK

	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
<u>INTERGOVERNMENTAL REVENUES</u>						
901-33160 OPERATING GRANTS-HUD	70,000.00	70,000.00	67,344.00	2,656.00	96.21	74,818.00
TOTAL INTERGOVERNMENTAL REVE	70,000.00	70,000.00	67,344.00	2,656.00	96.21	74,818.00
<u>INTEREST & MISC INCOME</u>						
901-36200 MISCELLANEOUS INCOME	100.00	100.00	248.00	(148.00)	248.00	275.00
901-36210 INTEREST EARNINGS	1,500.00	1,500.00	1,191.08	308.92	79.41	2,116.75
TOTAL INTEREST & MISC INCOME	1,600.00	1,600.00	1,439.08	160.92	89.94	2,391.75
<u>RENTAL INCOME</u>						
901-37220 DWELLING RENTAL	145,000.00	145,000.00	128,409.25	16,590.75	88.56	148,580.66
901-37221 LAUNDRY INCOME BRIDGE PARK	6,000.00	6,000.00	6,153.50	(153.50)	102.56	6,587.50
TOTAL RENTAL INCOME	151,000.00	151,000.00	134,562.75	16,437.25	89.11	155,168.16
<u>OTHER FINANCING SOURCES</u>						
901-39203 TRANSFERS FROM OTHER FUNDS	35,000.00	35,000.00	.00	35,000.00	.00	53,519.12
TOTAL OTHER FINANCING SOURCES	35,000.00	35,000.00	.00	35,000.00	.00	53,519.12
TOTAL FUND REVENUE	257,600.00	257,600.00	203,345.83			285,897.03

CITY OF CAMBRIDGE
DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 10 MONTHS ENDING OCTOBER 31, 2015

FUND 901 - LOW RENT PROGRAM-BRIDGE PARK

	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
LOW RENT ADMINISTRATION						
<i>PERSONAL SERVICES</i>						
901-49500-101 ADMIN FULL-TIME EMPLOY-REGULAR	.00	.00	3,024.92	3,024.92	.00	29,879.50
901-49500-103 ADMIN PART-TIME - REGULAR	31,048.00	31,048.00	20,827.12	(10,220.88)	67.08	.00
901-49500-112 EDA HOUSING BOARD PAY	.00	.00	.00	.00	.00	1,540.00
901-49500-121 PERA (EMPLOYER)	2,251.00	2,251.00	48.08	(2,202.92)	2.14	2,254.85
901-49500-122 FICA/MEDICARE (EMPLOYER)	2,375.00	2,375.00	1,824.63	(550.37)	76.83	2,494.08
901-49500-131 MEDICAL/LIFE/DENTAL	52.00	52.00	.00	(52.00)	.00	17.28
901-49500-151 WORKERS' COMPENSATION PREMIU	266.00	266.00	183.28	(82.72)	68.90	215.79
TOTAL PERSONAL SERVICES	35,992.00	35,992.00	25,908.03	(10,083.97)	71.98	36,401.50
<i>SUPPLIES</i>						
901-49500-201 OFFICE SUPPLY	1,500.00	1,500.00	157.30	(1,342.70)	10.49	1,372.15
TOTAL SUPPLIES	1,500.00	1,500.00	157.30	(1,342.70)	10.49	1,372.15
<i>OTHER SERVICES AND CHARGES</i>						
901-49500-304 LEGAL FEES	100.00	100.00	.00	(100.00)	.00	.00
901-49500-306 AUDITING	3,000.00	3,000.00	2,000.00	(1,000.00)	66.67	3,000.00
901-49500-313 MARCO IT MGMT & BACKUP	.00	.00	.00	.00	.00	438.00
901-49500-321 TELEPHONE EXPENSE	3,000.00	3,000.00	5,166.28	2,166.28	172.21	2,625.38
901-49500-322 POSTAGE	250.00	250.00	147.00	(103.00)	58.80	164.50
901-49500-331 TRAVEL/MEALS/LODGING	100.00	100.00	.00	(100.00)	.00	51.07
901-49500-340 ADVERTISING	100.00	100.00	30.80	(69.20)	30.80	62.23
TOTAL OTHER SERVICES AND CHA	6,550.00	6,550.00	7,344.08	794.08	112.12	6,341.18
<i>MISCELLANEOUS</i>						
901-49500-409 LICENSE & SUPPORT CONTRACT	2,000.00	2,000.00	.00	(2,000.00)	.00	.00
901-49500-413 RENTALS - OFFICE EQUIPMENT	3,000.00	3,000.00	271.25	(2,728.75)	9.04	669.71
901-49500-433 DUES AND SUBSCRIPTIONS	1,000.00	1,000.00	1,898.00	898.00	189.80	410.00
901-49500-440 STAFF TRAINING	500.00	500.00	.00	(500.00)	.00	.00
TOTAL MISCELLANEOUS	6,500.00	6,500.00	2,169.25	(4,330.75)	33.37	1,079.71
TOTAL LOW RENT ADMINISTRATION	50,542.00	50,542.00	35,578.66	(14,963.34)	70.39	45,194.54

CITY OF CAMBRIDGE
DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 10 MONTHS ENDING OCTOBER 31, 2015

FUND 901 - LOW RENT PROGRAM-BRIDGE PARK

		ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
<u>LOW RENT TENANT SERVICES</u>							
<i>SUPPLIES</i>							
901-49600-210	REC, PUB & OTHER SERVICES	200.00	200.00	23.03	(176.97)	11.52	1,710.05
<i>TOTAL SUPPLIES</i>		<u>200.00</u>	<u>200.00</u>	<u>23.03</u>	<u>(176.97)</u>	<u>11.52</u>	<u>1,710.05</u>
TOTAL LOW RENT TENANT SERVICE		<u>200.00</u>	<u>200.00</u>	<u>23.03</u>	<u>(176.97)</u>	<u>11.52</u>	<u>1,710.05</u>

CITY OF CAMBRIDGE
DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 10 MONTHS ENDING OCTOBER 31, 2015

FUND 901 - LOW RENT PROGRAM-BRIDGE PARK

	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
LOW RENT MAINTENANCE						
<i>PERSONAL SERVICES</i>						
901-49700-101 MAINT FT EMPLOYEES - REGULAR	25,764.00	25,764.00	2,967.04	(22,796.96)	11.52	38,662.79
901-49700-103 MAINT PT EMPLOYEES - REGULAR	.00	.00	21,575.36	21,575.36	.00	.00
901-49700-121 PERA (EMPLOYER)	1,868.00	1,868.00	43.78	(1,824.22)	2.34	2,806.78
901-49700-122 FICA/MEDICARE (EMPLOYER)	1,971.00	1,971.00	1,877.51	(93.49)	95.26	2,879.59
901-49700-131 MEDICAL/DENTAL/LIFE	.00	.00	.00	.00	.00	9,314.32
901-49700-133 DEDUCTIBLE CONTRIBUTION	.00	.00	.00	.00	.00	728.92
901-49700-151 WORKERS' COMPENSATION PREMIU	1,190.00	1,190.00	1,353.92	163.92	113.77	1,946.22
901-49700-154 HRA/FLEX FEES	.00	.00	.00	.00	.00	52.32
TOTAL PERSONAL SERVICES	30,793.00	30,793.00	27,817.61	(2,975.39)	90.34	56,390.94
<i>SUPPLIES</i>						
901-49700-210 MATERIALS-OPER SUPPLIES	4,400.00	4,400.00	1,801.54	(2,598.46)	40.94	3,574.47
901-49700-212 FUEL PURCHASE	200.00	200.00	86.88	(113.12)	43.44	107.21
TOTAL SUPPLIES	4,600.00	4,600.00	1,888.42	(2,711.58)	41.05	3,681.68
<i>OTHER SERVICES AND CHARGES</i>						
901-49700-304 CONTRACT COSTS	16,000.00	16,000.00	12,216.17	(3,783.83)	76.35	17,861.05
901-49700-360 INSURANCE AND BONDS	13,500.00	13,500.00	11,622.75	(1,877.25)	86.09	12,230.50
901-49700-370 PAYMENT IN LIEU OF TAXES	11,100.00	11,100.00	.00	(11,100.00)	.00	11,574.00
901-49700-381 ELECTRIC UTILITIES	35,700.00	35,700.00	22,519.87	(13,180.13)	63.08	31,411.51
901-49700-382 WATER/WASTEWATER UTILITIES	10,000.00	10,000.00	7,362.14	(2,637.86)	73.62	8,300.42
901-49700-383 GAS UTILITIES	6,000.00	6,000.00	3,412.21	(2,587.79)	56.87	7,401.66
901-49700-384 REFUSE HAULING	2,100.00	2,100.00	1,503.20	(596.80)	71.58	2,055.32
TOTAL OTHER SERVICES AND CHA	94,400.00	94,400.00	58,636.34	(35,763.66)	62.11	90,834.46
<i>MISCELLANEOUS</i>						
901-49700-420 DEPRECIATION EXPENSE	70,000.00	70,000.00	.00	(70,000.00)	.00	46,356.53
901-49700-430 MISCELLANEOUS & GENERAL EXP	65.00	65.00	.00	(65.00)	.00	3.53
TOTAL MISCELLANEOUS	70,065.00	70,065.00	.00	(70,065.00)	.00	46,360.06
<i>IMPROVEMENTS/BETTERMENTS</i>						
901-49700-501 REPLACEMENT OF EQUIPMENT	7,000.00	7,000.00	.00	(7,000.00)	.00	.00
901-49700-502 BETTERMENTS AND ADDITIONS	.00	.00	2,736.00	2,736.00	.00	6,246.00
TOTAL IMPROVEMENTS/BETTERM	7,000.00	7,000.00	2,736.00	(4,264.00)	39.09	6,246.00
TOTAL LOW RENT MAINTENANCE	206,858.00	206,858.00	91,078.37	(115,779.63)	44.03	203,513.14

CITY OF CAMBRIDGE
DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 10 MONTHS ENDING OCTOBER 31, 2015

FUND 901 - LOW RENT PROGRAM-BRIDGE PARK

	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
TOTAL FUND EXPENDITURES	257,600.00	257,600.00	126,680.06			250,417.73
NET REVENUES OVER EXPENDITURE	.00	.00	76,665.77			35,479.30

CITY OF CAMBRIDGE
 BALANCE SHEET
 OCTOBER 31, 2015

SECTION 8 VOUCHERS PROGRAM

ASSETS

902-10200	EDA OPERATING ACCT-SECTION 8	49,719.81	
902-16450	FURN, EQUIP, MACH-ADMIN	4,475.39	
902-16460	ACCUM DEPREC-FURN,EQUIP- ADMIN	(4,475.39)	
	TOTAL ASSETS		<u>49,719.81</u>

LIABILITIES AND EQUITY

LIABILITIES

902-20200	ACCOUNTS PAYABLE	5,521.21	
	TOTAL LIABILITIES		5,521.21

FUND EQUITY

902-27200	UNRESTRICTED NET ASSETS	47,257.42	
	UNAPPROPRIATED FUND BALANCE:		
	REVENUE OVER EXPENDITURES - YTD	(3,058.82)	
	BALANCE - CURRENT DATE	(3,058.82)	
	TOTAL FUND EQUITY		<u>44,198.60</u>
	TOTAL LIABILITIES AND EQUITY		<u>49,719.81</u>

CITY OF CAMBRIDGE
DETAIL REVENUES WITH COMPARISON TO BUDGET
FOR THE 10 MONTHS ENDING OCTOBER 31, 2015

FUND 902 - SECTION 8 VOUCHERS PROGRAM

	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
<u>INTERGOVERNMENTAL REVENUES</u>						
902-33160 A.C. EARNED SECTION 8	40,000.00	40,000.00	36,302.00	3,698.00	90.76	39,773.00
TOTAL INTERGOVERNMENTAL REVE	40,000.00	40,000.00	36,302.00	3,698.00	90.76	39,773.00
<u>RENTAL INCOME</u>						
902-35000 PORTABLE ADMIN FEE	.00	.00	9,603.83	(9,603.83)	.00	25,350.74
902-35100 FRAUD RECOVERY INCOME	.00	.00	.00	.00	.00	923.00
TOTAL RENTAL INCOME	.00	.00	9,603.83	(9,603.83)	.00	26,273.74
<u>INTEREST</u>						
902-36210 INTEREST EARNINGS-ADMIN FUNDS	.00	.00	45.26	(45.26)	.00	52.04
TOTAL INTEREST	.00	.00	45.26	(45.26)	.00	52.04
TOTAL FUND REVENUE	40,000.00	40,000.00	45,951.09			66,098.78

CITY OF CAMBRIDGE
DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 10 MONTHS ENDING OCTOBER 31, 2015

FUND 902 - SECTION 8 VOUCHERS PROGRAM

	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
SECT 8 ADMINISTRATIVE						
<i>PERSONAL SERVICES</i>						
902-49500-101 ADMIN FULL-TIME EMP - REGULAR	.00	.00	.00	.00	.00	31,062.35
902-49500-121 PERA (EMPLOYER)	.00	.00	.00	.00	.00	2,254.60
902-49500-122 FICA/MEDICARE (EMPLOYER)	.00	.00	.00	.00	.00	2,376.28
902-49500-131 MEDICAL/DENTAL/LIFE	.00	.00	.00	.00	.00	17.28
902-49500-151 WORKERS' COMPENSATION PREMIU	.00	.00	.00	.00	.00	215.81
TOTAL PERSONAL SERVICES	.00	.00	.00	.00	.00	35,926.32
<i>SUPPLIES</i>						
902-49500-201 OFFICE SUPPLIES	.00	.00	.00	.00	.00	1,460.35
TOTAL SUPPLIES	.00	.00	.00	.00	.00	1,460.35
<i>OTHER SERVICES AND CHARGES</i>						
902-49500-304 LEGAL FEES	.00	.00	.00	.00	.00	15.63
902-49500-306 AUDIT FEES	3,000.00	3,000.00	2,000.00	(1,000.00)	66.67	3,000.00
902-49500-307 CONTRACTED SECT 8 ADMIN	36,000.00	36,000.00	32,833.08	(3,166.92)	91.20	.00
902-49500-313 MARCO IT MGMT & BACKUP	.00	.00	.00	.00	.00	438.00
902-49500-321 TELEPHONE	.00	.00	.00	.00	.00	1,660.84
902-49500-322 POSTAGE	.00	.00	.00	.00	.00	399.70
902-49500-331 TRAVEL/MEALS/LODGING	.00	.00	.00	.00	.00	724.28
902-49500-340 ADVERTISING	.00	.00	.00	.00	.00	76.80
TOTAL OTHER SERVICES AND CHA	39,000.00	39,000.00	34,833.08	(4,166.92)	89.32	6,315.25
<i>MISCELLANEOUS</i>						
902-49500-409 LICENSE & SUPPORT CONTRACT	1,000.00	1,000.00	.00	(1,000.00)	.00	.00
902-49500-413 RENTALS - OFFICE EQUIPMENT	.00	.00	.00	.00	.00	669.68
902-49500-433 DUES AND SUBSCRIPTIONS	.00	.00	.00	.00	.00	310.00
902-49500-440 STAFF TRAINING	.00	.00	.00	.00	.00	28.00
TOTAL MISCELLANEOUS	1,000.00	1,000.00	.00	(1,000.00)	.00	1,007.68
TOTAL SECT 8 ADMINISTRATIVE	40,000.00	40,000.00	34,833.08	(5,166.92)	87.08	44,709.60

CITY OF CAMBRIDGE
DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 10 MONTHS ENDING OCTOBER 31, 2015

FUND 902 - SECTION 8 VOUCHERS PROGRAM

	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
<u>SECT 8 MAINTENANCE</u>						
<i>PERSONAL SERVICES</i>						
902-49700-101 INSPECT FULL-TIME EMP- REGULAR	.00	.00	.00	.00	.00	12,887.61
902-49700-121 PERA (EMPLOYER)	.00	.00	.00	.00	.00	935.57
902-49700-122 FICA/MEDICARE (EMPLOYER)	.00	.00	.00	.00	.00	959.94
902-49700-131 MEDICAL/DENTAL/LIFE	.00	.00	.00	.00	.00	3,558.54
902-49700-133 INSURANCE DEDUCTIBLE	.00	.00	.00	.00	.00	242.97
902-49700-151 WORKERS' COMPENSATION PREMIU	.00	.00	.00	.00	.00	898.05
902-49700-154 HRA/FLEX FEES	.00	.00	.00	.00	.00	18.55
<i>TOTAL PERSONAL SERVICES</i>	.00	.00	.00	.00	.00	19,501.23
TOTAL SECT 8 MAINTENANCE	.00	.00	.00	.00	.00	19,501.23

CITY OF CAMBRIDGE
DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 10 MONTHS ENDING OCTOBER 31, 2015

FUND 902 - SECTION 8 VOUCHERS PROGRAM

	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
<u>HAP OCCUPIED UNITS</u>						
<i>HAP EXPENDITURES</i>						
902-49775-373 HAP-PORTABLE RECEIVING	.00	.00	258,820.00	258,820.00	.00	341,717.00
902-49775-374 HAP-PORTABLE RECEIV REIMB	.00	.00	(244,420.17)	(244,420.17)	.00	(341,717.00)
902-49775-376 URP PORT REC	.00	.00	329.00	329.00	.00	2,171.00
902-49775-378 PORT REC URP REIMB	.00	.00	(552.00)	(552.00)	.00	(2,171.00)
<i>TOTAL HAP EXPENDITURES</i>	.00	.00	14,176.83	14,176.83	.00	.00
TOTAL HAP OCCUPIED UNITS	.00	.00	14,176.83	14,176.83	.00	.00

CITY OF CAMBRIDGE
DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 10 MONTHS ENDING OCTOBER 31, 2015

FUND 902 - SECTION 8 VOUCHERS PROGRAM

	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
TOTAL FUND EXPENDITURES	40,000.00	40,000.00	49,009.91			64,210.83
NET REVENUES OVER EXPENDITURE	.00	.00	(3,058.82)			1,887.95

CITY OF CAMBRIDGE
 BALANCE SHEET
 OCTOBER 31, 2015

HOUSING-OTHER BUS ACTIVITIES

ASSETS

903-10102	INVESTMENTS--PBC	260,417.67	
903-10200	EDA HOUSING DIV OPERATING CASH	75,864.53	
	TOTAL ASSETS		<u>336,282.20</u>

LIABILITIES AND EQUITY

FUND EQUITY

903-27200	UNRESTRICTED NET ASSETS	312,187.68	
	UNAPPROPRIATED FUND BALANCE: REVENUE OVER EXPENDITURES - YTD	24,094.52	
	BALANCE - CURRENT DATE	24,094.52	
	TOTAL FUND EQUITY		<u>336,282.20</u>
	TOTAL LIABILITIES AND EQUITY		<u>336,282.20</u>

CITY OF CAMBRIDGE
DETAIL REVENUES WITH COMPARISON TO BUDGET
FOR THE 10 MONTHS ENDING OCTOBER 31, 2015

FUND 903 - HOUSING-OTHER BUS ACTIVITIES

	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
<u>INTERGOVERNMENTAL REVENUES</u>						
903-33410 HAP FEES EARNED MHFA	42,000.00	42,000.00	72,109.00	(30,109.00)	171.69	103,984.00
TOTAL INTERGOVERNMENTAL REVE	42,000.00	42,000.00	72,109.00	(30,109.00)	171.69	103,984.00
<u>CHARGES FOR SERVICES</u>						
903-35010 ADMIN FEES MHFA	4,000.00	4,000.00	6,446.00	(2,446.00)	161.15	10,800.00
TOTAL CHARGES FOR SERVICES	4,000.00	4,000.00	6,446.00	(2,446.00)	161.15	10,800.00
<u>INTEREST & MISC INCOME</u>						
903-36200 MISCELLANEOUS INCOME	.00	.00	2,546.52	(2,546.52)	.00	.00
903-36210 INTEREST EARNINGS	500.00	500.00	832.21	(332.21)	166.44	1,606.83
TOTAL INTEREST & MISC INCOME	500.00	500.00	3,378.73	(2,878.73)	675.75	1,606.83
<u>OTHER REVENUES</u>						
903-37220 TOWER TERRACE DISTRIBUTION	15,000.00	15,000.00	16,434.25	(1,434.25)	109.56	13,143.75
TOTAL OTHER REVENUES	15,000.00	15,000.00	16,434.25	(1,434.25)	109.56	13,143.75
TOTAL FUND REVENUE	<u>61,500.00</u>	<u>61,500.00</u>	<u>98,367.98</u>			<u>129,534.58</u>

CITY OF CAMBRIDGE
DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 10 MONTHS ENDING OCTOBER 31, 2015

FUND 903 - HOUSING-OTHER BUS ACTIVITIES

		ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
<u>OTHER HOUSING BUS ACTIV-ADMIN</u>							
903-49500-112	BOARD PAY	2,100.00	2,100.00	1,400.00	(700.00)	66.67	.00
903-49500-122	FICA/MEDICARE (EMPLOYER)	.00	.00	107.07	107.07	.00	.00
	<i>TOTAL FUNCTION 1</i>	<u>2,100.00</u>	<u>2,100.00</u>	<u>1,507.07</u>	<u>(592.93)</u>	<u>71.77</u>	<u>.00</u>
<i>SUPPLIES</i>							
903-49500-201	OFFICE SUPPLY	.00	.00	.00	.00	.00	16.00
	<i>TOTAL SUPPLIES</i>	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>16.00</u>
<i>OTHER SERVICES AND CHARGES</i>							
903-49500-331	TRAVEL/MEALS/LODGING	500.00	500.00	286.39	(213.61)	57.28	852.71
	<i>TOTAL OTHER SERVICES AND CHA</i>	<u>500.00</u>	<u>500.00</u>	<u>286.39</u>	<u>(213.61)</u>	<u>57.28</u>	<u>852.71</u>
<i>MISCELLANEOUS</i>							
903-49500-433	DUES AND SUBSCRIPTIONS	.00	.00	567.00	567.00	.00	.00
	<i>TOTAL MISCELLANEOUS</i>	<u>.00</u>	<u>.00</u>	<u>567.00</u>	<u>567.00</u>	<u>.00</u>	<u>.00</u>
	TOTAL OTHER HOUSING BUS ACTIV	<u><u>2,600.00</u></u>	<u><u>2,600.00</u></u>	<u><u>2,360.46</u></u>	<u><u>(239.54)</u></u>	<u><u>90.79</u></u>	<u><u>868.71</u></u>

CITY OF CAMBRIDGE
DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 10 MONTHS ENDING OCTOBER 31, 2015

FUND 903 - HOUSING-OTHER BUS ACTIVITIES

	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
<u>OTHER HOUSING BUS ACTIV-MAINT</u>						
<i>PERSONAL SERVICES</i>						
903-49700-101 MAINT FT EMPLOYEES - REGULAR	.00	.00	.00	.00	.00	9,549.01
903-49700-121 PERA (EMPLOYER)	.00	.00	.00	.00	.00	708.36
903-49700-122 FICA/MEDICARE (EMPLOYER)	.00	.00	.00	.00	.00	722.47
903-49700-131 MEDICAL/DENTAL/LIFE	.00	.00	.00	.00	.00	2,979.50
903-49700-151 WORKERS' COMPENSATION PREMIU	.00	.00	.00	.00	.00	610.62
<i>TOTAL PERSONAL SERVICES</i>	.00	.00	.00	.00	.00	14,569.96
<i>FUNCTION 4</i>						
903-49700-489 OTHER CONTRACTED SERVICES	16,900.00	16,900.00	.00	(16,900.00)	.00	.00
<i>TOTAL FUNCTION 4</i>	16,900.00	16,900.00	.00	(16,900.00)	.00	.00
TOTAL OTHER HOUSING BUS ACTIV	16,900.00	16,900.00	.00	(16,900.00)	.00	14,569.96

CITY OF CAMBRIDGE
DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 10 MONTHS ENDING OCTOBER 31, 2015

FUND 903 - HOUSING-OTHER BUS ACTIVITIES

		ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
<u>HOUSING ASSISTANCE PROGRAMS</u>							
<i>HAP EXPENDITURES</i>							
903-49775-370	HAP-MHFA	42,000.00	42,000.00	71,913.00	29,913.00	171.22	103,984.00
	<i>TOTAL HAP EXPENDITURES</i>	42,000.00	42,000.00	71,913.00	29,913.00	171.22	103,984.00
	TOTAL HOUSING ASSISTANCE PRO	42,000.00	42,000.00	71,913.00	29,913.00	171.22	103,984.00

CITY OF CAMBRIDGE
DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 10 MONTHS ENDING OCTOBER 31, 2015

FUND 903 - HOUSING-OTHER BUS ACTIVITIES

	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
TOTAL FUND EXPENDITURES	61,500.00	61,500.00	74,273.46			119,422.67
NET REVENUES OVER EXPENDITURE	.00	.00	24,094.52			10,111.91

CITY OF CAMBRIDGE
BALANCE SHEET
OCTOBER 31, 2015

CAPITAL FUND PROGRAM-HUD

ASSETS

904-10200	EDA OPERATING ACCOUNT-CAPITAL	6,000.00	
	TOTAL ASSETS		<u>6,000.00</u>

LIABILITIES AND EQUITY

FUND EQUITY

	UNAPPROPRIATED FUND BALANCE: REVENUE OVER EXPENDITURES - YTD	6,000.00	
	BALANCE - CURRENT DATE	6,000.00	
	TOTAL FUND EQUITY		<u>6,000.00</u>
	TOTAL LIABILITIES AND EQUITY		<u>6,000.00</u>

CITY OF CAMBRIDGE
DETAIL REVENUES WITH COMPARISON TO BUDGET
FOR THE 10 MONTHS ENDING OCTOBER 31, 2015

FUND 904 - CAPITAL FUND PROGRAM-HUD

	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
<u>INTERGOVERNMENTAL REVENUES</u>						
904-33160 HUD CAPITAL GRANTS	35,000.00	35,000.00	6,000.00	29,000.00	17.14	53,519.12
TOTAL INTERGOVERNMENTAL REVE	35,000.00	35,000.00	6,000.00	29,000.00	17.14	53,519.12
TOTAL FUND REVENUE	35,000.00	35,000.00	6,000.00			53,519.12

CITY OF CAMBRIDGE
DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 10 MONTHS ENDING OCTOBER 31, 2015

FUND 904 - CAPITAL FUND PROGRAM-HUD

		ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
<u>OTHER FINANCING USES</u>							
904-49300-720	TRANSFERS OUT	35,000.00	35,000.00	.00	(35,000.00)	.00	53,519.12
	<i>TOTAL FUNCTION 7</i>	35,000.00	35,000.00	.00	(35,000.00)	.00	53,519.12
	TOTAL OTHER FINANCING USES	<u>35,000.00</u>	<u>35,000.00</u>	<u>.00</u>	<u>(35,000.00)</u>	<u>.00</u>	<u>53,519.12</u>

CITY OF CAMBRIDGE
DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 10 MONTHS ENDING OCTOBER 31, 2015

FUND 904 - CAPITAL FUND PROGRAM-HUD

	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
TOTAL FUND EXPENDITURES	35,000.00	35,000.00	.00			53,519.12
NET REVENUES OVER EXPENDITURE	.00	.00	6,000.00			.00

CITY OF CAMBRIDGE
BALANCE SHEET
OCTOBER 31, 2015

HAP SECTION 8 VOUCHERS PROGRAM

ASSETS

905-10130	FSS-CASH WITH ESCROW AGENT	4,601.54	
905-10200	EDA OPERATING ACCT-SECTION 8	1,605.14	
	TOTAL ASSETS		<u>6,206.68</u>

LIABILITIES AND EQUITY

LIABILITIES

905-22000	FSS ESCROW	4,601.54	
	TOTAL LIABILITIES		4,601.54

FUND EQUITY

905-27200	RESTRICTED NET ASSETS-HAP	3,417.78	
	UNAPPROPRIATED FUND BALANCE: REVENUE OVER EXPENDITURES - YTD	(1,812.64)	
	BALANCE - CURRENT DATE	(1,812.64)	
	TOTAL FUND EQUITY		<u>1,605.14</u>
	TOTAL LIABILITIES AND EQUITY		<u>6,206.68</u>

CITY OF CAMBRIDGE
DETAIL REVENUES WITH COMPARISON TO BUDGET
FOR THE 10 MONTHS ENDING OCTOBER 31, 2015

FUND 905 - HAP SECTION 8 VOUCHERS PROGRAM

	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
<u>INTERGOVERNMENTAL REVENUES</u>						
905-33160 A.C. EARNED SECTION 8	294,371.00	294,371.00	234,680.00	59,691.00	79.72	287,652.00
TOTAL INTERGOVERNMENTAL REVE	294,371.00	294,371.00	234,680.00	59,691.00	79.72	287,652.00
<u>SOURCE 35</u>						
905-35100 FRAUD RECOVERY	.00	.00	.00	.00	.00	923.00
TOTAL SOURCE 35	.00	.00	.00	.00	.00	923.00
<u>INTEREST</u>						
905-36211 HAP INTEREST INCOME	.00	.00	2.86	(2.86)	.00	6.81
TOTAL INTEREST	.00	.00	2.86	(2.86)	.00	6.81
TOTAL FUND REVENUE	294,371.00	294,371.00	234,682.86			288,581.81

CITY OF CAMBRIDGE
DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 10 MONTHS ENDING OCTOBER 31, 2015

FUND 905 - HAP SECTION 8 VOUCHERS PROGRAM

	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
<u>HAP EXPENDITURES</u>						
<i>HAP EXPENDITURES</i>						
905-49775-370 HAP OCCUPIED UNITS	.00	.00	231,620.00	231,620.00	.00	290,401.00
905-49775-371 HAP-UTILITY ALLOWANCES	.00	.00	180.00	180.00	.00	759.00
905-49775-372 HAP-PORTABLE PAYING OUT	.00	.00	2,870.00	2,870.00	.00	488.00
905-49775-375 FSS	.00	.00	1,606.00	1,606.00	.00	1,812.00
905-49775-377 PORT PAY OUT ADMIN FEE	.00	.00	219.50	219.50	.00	39.88
<i>TOTAL HAP EXPENDITURES</i>	.00	.00	236,495.50	236,495.50	.00	293,499.88
TOTAL HAP EXPENDITURES	.00	.00	236,495.50	236,495.50	.00	293,499.88

CITY OF CAMBRIDGE
DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 10 MONTHS ENDING OCTOBER 31, 2015

FUND 905 - HAP SECTION 8 VOUCHERS PROGRAM

	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
TOTAL FUND EXPENDITURES	.00	.00	236,495.50			293,499.88
NET REVENUES OVER EXPENDITURE	294,371.00	294,371.00	(1,812.64)			(4,918.07)

Date: 11/30/2015

Time: 13:24:20

Cambridge EDA
Check Register Detail Report
Cambridge
From: 11/01/2015 To: 11/30/2015

Page: 1

Date	Ref Num	Payee/Split Detail	Pmt/Dep	Amount	Balance	Memo
11/02/2015	ADJST	Peoples Bank Of Commerce	Payment	46,147.00	361,156.55	Section 8 HAP
11/02/2015	DEP	Peoples Bank Of Commerce	Deposit	22,179.00	383,335.55	
11/02/2015	DEP	Peoples Bank Of Commerce	Deposit	3,324.00	386,659.55	
11/02/2015	DEP	Peoples Bank Of Commerce	Deposit	865.50	387,525.05	
11/03/2015	DEP	Peoples Bank Of Commerce	Deposit	296.17	387,821.22	
11/03/2015	DEP	Peoples Bank Of Commerce	Deposit	288.96	388,110.18	
11/05/2015	DEP	Peoples Bank Of Commerce	Deposit	7,697.00	395,807.18	
11/05/2015	DEP	Peoples Bank Of Commerce	Deposit	21,124.88	416,932.06	
11/05/2015	DEP	Peoples Bank Of Commerce	Deposit	5,133.00	422,065.06	
11/05/2015	016718	Mora HRA	Payment	2,797.05	419,268.01	Admin fee
		August admin fee: Port in - 461.73 Cambridge - 2,335.32				
11/06/2015	DEP	Peoples Bank Of Commerce	Deposit	564.00	419,832.01	
11/09/2015	DEP	Peoples Bank Of Commerce	Deposit	6,715.00	426,547.01	
11/09/2015	DEP	Peoples Bank Of Commerce	Deposit	1,469.00	428,016.01	
11/16/2015	DEP	Peoples Bank Of Commerce	Deposit	544.50	428,560.51	
11/16/2015	DEP	Peoples Bank Of Commerce	Deposit	277.70	428,838.21	
11/25/2015	016719	Mora HRA	Payment	2,848.00	425,990.21	Admin fee

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Date: 11/30/2015
Time: 13:24:20

Cambridge EDA
Check Register Detail Report
Cambridge
From: 11/01/2015 To: 11/30/2015

Date	Ref Num	Payee/Split Detail	Pmt/Dep	Amount	Balance	Memo
		Reimburse Mora HRA admin fee:				
		Cambridge EDA		\$2380.23		
		Port in Admin		467.77		
		Total		\$2,848		

<p>CAMBRIDGE EDA MEETING December 7, 2015 BILLS LIST</p>
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Disbursement Type:	Date:	Check Numbers:	Submitted For <u>Approval</u>	
Prepaid Checks	11/12/2015	101218 - 101260	1,483.07	
Prepaid Checks	11/20/2015	101274 - 101329	679.35	
	Prepaid Totals		<hr/> <u>2,162.42</u>	
TOTAL SUBMITTED FOR APPROVAL			<table border="1"><tr><td style="text-align: center;">\$2,162.42</td></tr></table>	\$2,162.42
\$2,162.42				

Vendor	Vendor Name	Description	Net Invoice Amount
951	Cambridge True Value	Misc Operating Supplies - Bridge Park	19.76
Total 951:			19.76
1205	Clos, Jacqueline	Security Deposit Refund	459.88
Total 1205:			459.88
1661	East Central Sanitation	Trash Removal - Bridge Park	143.12
1661	East Central Sanitation	Trash Removal - 180 Buchanan St N	314.50
Total 1661:			457.62
2166	Grainger	Operating Supplies - Bridge Park	26.52
Total 2166:			26.52
2456	Housing Data Systems	MTCS Transmittal Service 10/01/15-12/31/15	120.00
Total 2456:			120.00
3501	MEI Total Elevator Solutions	November Service Billing	218.77
Total 3501:			218.77
4211	Northland Fire Protection	Service Maint of Fire Extinguishers - Bridgepark	130.00
Total 4211:			130.00
5861	Walmart Community Card	Tenant Services - Bridge Park	50.52
Total 5861:			50.52
Grand Totals:			1,483.07

Dated: 11/12/15City Treasurer: Caroline Mor

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Check GL Account	Amount
11/15	11/12/2015	101218	951	Cambridge True Value	901-20100	19.76
11/15	11/12/2015	101220	1205	Jacqueline Clos	901-20100	459.88
11/15	11/12/2015	101225	1661	East Central Sanitation	205-20100	457.62
11/15	11/12/2015	101230	2166	Grainger	901-20100	26.52
11/15	11/12/2015	101234	2456	Housing Data Systems	901-20100	120.00
11/15	11/12/2015	101244	3501	Minnesota Elevator, Inc	901-20100	218.77
11/15	11/12/2015	101248	4211	Northland Fire Protection	901-20100	130.00
11/15	11/12/2015	101260	5861	Walmart Business/SYNCB	901-20100	50.52
Grand Totals:						<u><u>1,483.07</u></u>

Vendor	Vendor Name	Description	Net Invoice Amount
713	Broken Tree Horse & Harness, In	Snowflake Parade - Rides w/ Shiloh Covered W	600.00
Total 713:			600.00
969	Cardmember Service	Basic Excel Training Class	49.00
Total 969:			49.00
2046	G & K Services, Inc.	Uniform Rental - Maintenance	2.50
2046	G & K Services, Inc.	Uniform Rental - Maintenance	2.50
Total 2046:			5.00
2986	Konica Minolta Business	BIZHUB C650 Printer/Copier - Copy Charge	14.05
Total 2986:			14.05
3056	Lake Superior Laundry Inc.	Mall Rugs	7.77
Total 3056:			7.77
3521	Menards	Maintenance Supplies - Mall	1.18
Total 3521:			1.18
5056	SelectAccount	Participant Fees - November	2.35
Total 5056:			2.35
Grand Totals:			679.35

Dated: 11/20/15City Treasurer: Caroline Moe

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Check GL Account	Amount
11/15	11/20/2015	101274	713	Broken Tree Horse & Harness, Inc.	205-20100	600.00
11/15	11/20/2015	101276	969	Cardmember Service	205-20100	49.00
11/15	11/20/2015	101288	2046	G & K Services, Inc.	205-20100	5.00
11/15	11/20/2015	101305	2986	Konica Minolta Business	901-20100	14.05
11/15	11/20/2015	101306	3056	Lake Superior Laundry Inc.	205-20100	7.77
11/15	11/20/2015	101312	3521	Menards	205-20100	1.18
11/15	11/20/2015	101329	5056	SelectAccount	205-20100	2.35
Grand Totals:						<u>679.35</u>

3-E

Date: December 7, 2015
To: EDA Board of Commissioners
From: Marilyn Fromm, Housing Supervisor
Re: Report on EDA Housing Operations

Bridges Program: Staff will send 1099 to Bridge's landlords for payments made from January thru August.

Section 8:

- Staff report– Mora HRA (Board needs to approve 2016 payment standard and utility allowance for Chisago& Isanti Counties).

Public Housing:

- Will hand out CRP after December rent is paid.
- Turned over 4 units at Bridge Park for December 1st; we have two transfers and 2 move-outs. Another tenant will vacate on December 4th due to smoking in his unit. Staff is processing applications for January 1 move in. We want to continue to maintain our 100% occupancy status.
- Residents enjoyed a resident Thanksgiving dinner together on Saturday, November 28.

Projects:

- Staff is asking Board's permission to solicit bids for the remaining closet doors, to replace exterior maintenance door, and first floor corridor ceiling. All of these projects are on our 5 Year Capital plan.

3F EDA-Housing Division Meeting 12/07/2015
Cambridge Economic Development Authority

Staff Report –Request to solicit Bids to replace the remaining closet doors in units at Bridge Park Apartments and for the replacement of the maintenance doors.

Background:

Five year capital projects previously approved by the EDA Board included the following projects:

- The replacement of deteriorating closet doors in 45 units at Bridge Park Apts. Half of the closet doors have been already been replaced. We would like to complete this project.
- The replacement of the exterior metal maintenance door;
- The replacement of the first floor corridor ceiling.

We would like to bundle these projects in one bid. These are all inside projects and we feel contractors would be interested in bidding at this time of the year. We would post a notice on the City web-site as well as send out packets.

Staff is asking the Board's approval to seek bids on this project. Once proposals are received, they will be brought back to the board for approval before work commencing.

Board action requested:

Motion to approve staff to solicit bids for the replacement of the remaining closet doors in tenant units, the exterior maintenance door and the replacement of corridor ceiling.

Report Submitted by: Marilyn Fromm

Date 12/07/2015

Staff Report

Below are the 2016 Fair Market Rents and proposed 2016 Payment Standards for the Housing Choice Voucher Program. HUD allows PHAs to set their payment standards within a range of 90 & 110 percent of the Fair Market Rents.

The payment standard is used to calculate the maximum monthly subsidy for an assisted family. It is the amount that would be needed to pay the gross rent (shelter rent plus utilities) of privately owned, decent and safe rental housing. The tenant pays 30 percent, and up to 40 percent, and the housing authority pays the remainder of the total housing cost in the form of a HAP payment (Housing Assistance Payment) is paid to the landlord.

The four, five and six bedroom payment standards have been set at the minimum of 90% of the FMR. We are proposing a slight increase in the one and three bedroom payment standards, as well as an increase in the two bedroom payment standard. This is due to the fact that more than half of our current participants at the two bedroom rate have gross rents higher than the current payment standard.

Unit	2016 FMR	2016 Payment Standard	2015 Payment Standard	Percent above/below FMR
0 Bedroom	648	590	590	.91
1 Bedroom	804	800	796	.995
2 Bedroom	1,015	990	976	.975
3 Bedroom	1,427	1,300	1,295	.911
4 Bedroom	1,673	1,506	1,500	.90
5 Bedroom	1,924	1,732	1,714	.90
6 Bedroom	2,175	1,958	1,938	.90
Manufactured Home	406	382	382	.94

Board action requested:

Staff is requesting that the EDA Board approve the attached Resolution approving establishment of the payment standards of the fair market rent and undated utility allowance effective January 1, 2016.

Report Submitted by: Mora HRA, our contracted Section 8 administrator

Date: December 7, 2015

RESOLUTION NO. R15-004

Resolution approving new Payment Standard established on HUD Fair Market Rents for FY 2016 and updated Utility Allowance effective January 1, 2016

WHEREAS, the Cambridge EDA Board of Commissioners pass a resolution adopting payment standards based on HUD Fair Market Rents for FY 2016 and updated Utility Allowance.

WHEREAS, the Housing Supervisor and Assistant Treasurer are hereby directed to implement the Fair Market Rent final ruling set by HUD effective January 1, 2016.

WHEREAS, after careful examination and discussion of same, on a motion made by _____, seconded by _____ it was unanimously resolved that the Payment Standard and utility allowances be approved, and the President and the Secretary were directed to execute the same on behalf of the Authority.

BE IT FURTHER RESOLVED, that the President and Secretary are hereby authorized to execute this agreement.

President

Secretary

CERTIFICATION

State of Minnesota)
County of Isanti) ss
City of Cambridge)

I, Lisa Iverson, President of the Cambridge Economic Development Authority, do hereby certify that the above resolution is a true and correct copy of the resolution adopted by the Board of Commissioners of the Authority on this 7th day of December 2015.

Lisa Iverson

Housing & Redevelopment Authority of Mora
160 Valhalla Circle, Mora, MN 55051

Section 8 Housing Choice Voucher Program
Allowance for Tenant-Furnished Utilities
Chisago & Isanti Counties
Effective January 1, 2016

Payment Standards

	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Chisago County						
Isanti County						

Allowances for Tenant-Furnished Utilities

S = Single Family Home MTD = Multifamily/Townhouse/Duplex

	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
	S / MTD	S / MTD	S / MTD	S / MTD	S / MTD	S / MTD
Heating						
Natural Gas	28 / 23	33 / 26	39 / 31	45 / 35	51 / 40	56 / 44
Bottle Gas/Propane	64 / 51	75 / 59	88 / 70	102 / 80	115 / 90	129 / 100
Electric	62 / 31	72 / 37	85 / 50	98 / 62	111 / 75	123 / 87
Heat Pump	32 / 26	38 / 30	45 / 36	51 / 40	57 / 44	62 / 48
Cooking						
Natural Gas	2	2	3	4	5	6
Bottle Gas/Propane	4	5	7	9	11	13
Electric	5	6	8	11	14	16
Other Electric (Lights & Appliances)	27 / 21	32 / 25	44 / 34	57 / 44	69 / 53	81 / 68
Air Conditioning	2	3	6	8	11	14
Water Heat						
Natural Gas	6	7	10	13	16	18
Bottle Gas/Propane	13	15	22 / 20	29 / 26	35 / 32	42 / 37
Electric	17 / 16	20 / 18	26 / 23	31 / 28	37 / 33	42 / 38
Water	33	35	44	58	72	86
Sewer	57	60	81	112	143	174
Trash Collection	17	17	17	17	17	17
Range (Tenant Owned)	12	12	12	12	12	12
Refrig. (Tenant Owned)	13	13	13	13	13	13
Other						
Monthly Electric Fee	21	21	21	21	21	21
Monthly Gas Fee	10	10	10	10	10	10

4A & B

Approve Resolution R15-005 Recommending the City Council Adopt a 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. 6-17 and Recommending to the City Council the Approval of the Contract for private Development with KTJ 267, LLC

December 7, 2015

Author: Stan Gustafson, Economic Development Director

Request

The EDA is requested to adopt Resolution No. 15-005 recommending to the City Council To hold a public hearing and adopt a Modification to the Development Program For Development District No. 6, Establish Tax Increment Financing District No. 6-17, and adopt the Tax Increment Financing Plan and approve the Contract for Private Development with KTJ 267, LLC.

BACKGROUND

Staff has been working with KTJ 267, LLC (Oppidan) on the redevelopment of the Greenberg Motors site. Oppidan provided a site plan that would remove the current building and parking area and transform the current site to three retail buildings that are approximately 17,500 square feet, 9,000 square feet, and 5,700 square feet. The current 2015 property value is \$597,300.00. With the proposed project the estimated property value would increase to approximately \$3,170,000.00 based on the County Assessor's estimates. Oppidan estimates their overall project costs to be \$5.5 million. Staff brought their concepts to City Council on September 8, 2015 for discussion. The consensus of the City Council was to continue discussion and hold a public hearing. The Planning Commission on December 1, 2015 approved Resolution R15-01 Finding the Modification to Development District No 6 conforms to the general plan for the development and redevelopment of the City. The Planning commission held a public hearing and approved the Preliminary and Final plat.

Our discussions with Oppidan on this project was the need to identified and obtain Right of Way for future extension of 2nd Avenue SE of public water, sewer, storm and necessary street infrastructure to service lots that would be otherwise landlocked or have no option to receive city utilities and this is being done through the platting process. McKinley Street N would be brought up to city standards with the planned 2016 street projects. The City Engineer estimated cost of improving McKinley Street upgrades at \$160,000 and the creation of 2nd Avenue with the extension of utilities at \$390,000. The 2nd Avenue extension would bring future City utilities to Becklin's property directly west of the Greenberg's Motors current location and to Greenberg's lot to the northwest.

The developer is requesting Tax Increment Financing to help finance this project and would be used for a variety of qualified expenses as indicted in the Contract for Private Development. Cost Include Infrastructure, demolition, soil remediation, asbestos remediation, Right of Way acquisition, underground storm water treatment and overall increase the tax base of all parcels. The developer would pay for the cost of the infrastructure up front and get reimbursed through Tax Increment Financing. All the necessary documents have been reviewed by Ehler's the City's Financial Advisors and have been working with staff through this process. The Tax Increment requested is for \$690,637 plus interest, the Developer will retain 90% of the TIF and the City will retain 10% for Administration cost and this is a pay as you go TIF obligation. Nick Anhut with Ehlers, Inc will provide an overview of the TIF Plan.

The developer has been going through their due diligence period and staff has been working with Oppidan, City Attorney and Ehlers with the creation of the TIF Plan and the Contract for private Development which a final version has been agreed upon by all parties.

PROPOSED ACTION

A motion from the EDA approving Resolution No 15-005 recommending the City Council Adopt a 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. 6-17, Contract for Private Development and TIF Note as presented and forward to the City Council for their approval.

Attachments:

1. Contract for Private Development
2. Tax Increment Financing Plan
3. Tax Increment Financing District Overview
4. Resolution R15-005
5. Building and site plan
6. Public Hearing Notice
7. GIS Map of area

**CAMBRIDGE ECONOMIC DEVELOPMENT AUTHORITY
CITY OF CAMBRIDGE
ISANTI COUNTY
STATE OF MINNESOTA**

RESOLUTION NO. R-005

**RESOLUTION RECOMMENDING THE CITY COUNCIL ADOPT A
MODIFICATION TO THE DEVELOPMENT PROGRAM FOR DEVELOPMENT
DISTRICT NO. 6, ESTABLISH TAX INCREMENT FINANCING DISTRICT NO.
6-17 THEREIN AND ADOPT THE TAX INCREMENT FINANCING PLAN
THEREFOR.**

WHEREAS, There is a proposal to adopt a modification to the Development Program for Development District No. 6 (the "Development Program Modification"), establish Tax Increment Financing District No. 6-17 ("TIF District No. 6-17"), and adopt the Tax Increment Financing Plan (the "TIF Plan") therefor (the Development Program Modification and the TIF Plan are referred to collectively herein as the "Program Modification and TIF Plan"), all pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.124 to 469.133, and Sections 469.174 to 469.1794, inclusive, as amended (the "Act"); and

WHEREAS, the City of Cambridge (the "City") has investigated the facts relating to the Program Modification and TIF Plan and has caused the Program Modification and TIF Plan to be prepared; and

WHEREAS, the City has performed all actions required by law to be performed prior to the adoption of the Program Modification and TIF Plan, and has scheduled a public hearing on the Program Modification and TIF Plan upon published notice as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Cambridge Economic Development Authority as follows:

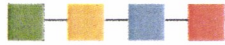
1. The EDA hereby finds that the Program Modification and TIF Plan conform in all respects to the requirements of the Act and will increase employment in the state.
2. The EDA further finds that the Program Modification and TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development of Development District No. 6 by private enterprise in that the intent is to provide only that public assistance necessary to make the private developments financially feasible.
3. The EDA hereby approves the Program Modification and TIF Plan, as presented to the EDA on this date, and recommends that they be established and adopted by the City Council.

Approved by the Cambridge Economic Development Authority this 7th day of December, 2015.

Chair

ATTEST:

Secretary



Tax Increment Financing District Overview

City of Cambridge

Tax Increment Financing District No. 6-17

The following summary contains an overview of the basic elements of the Tax Increment Financing Plan for Tax Increment Financing District No. 6-17. More detailed information on each of these topics can be found in the complete Tax Increment Financing Plan.

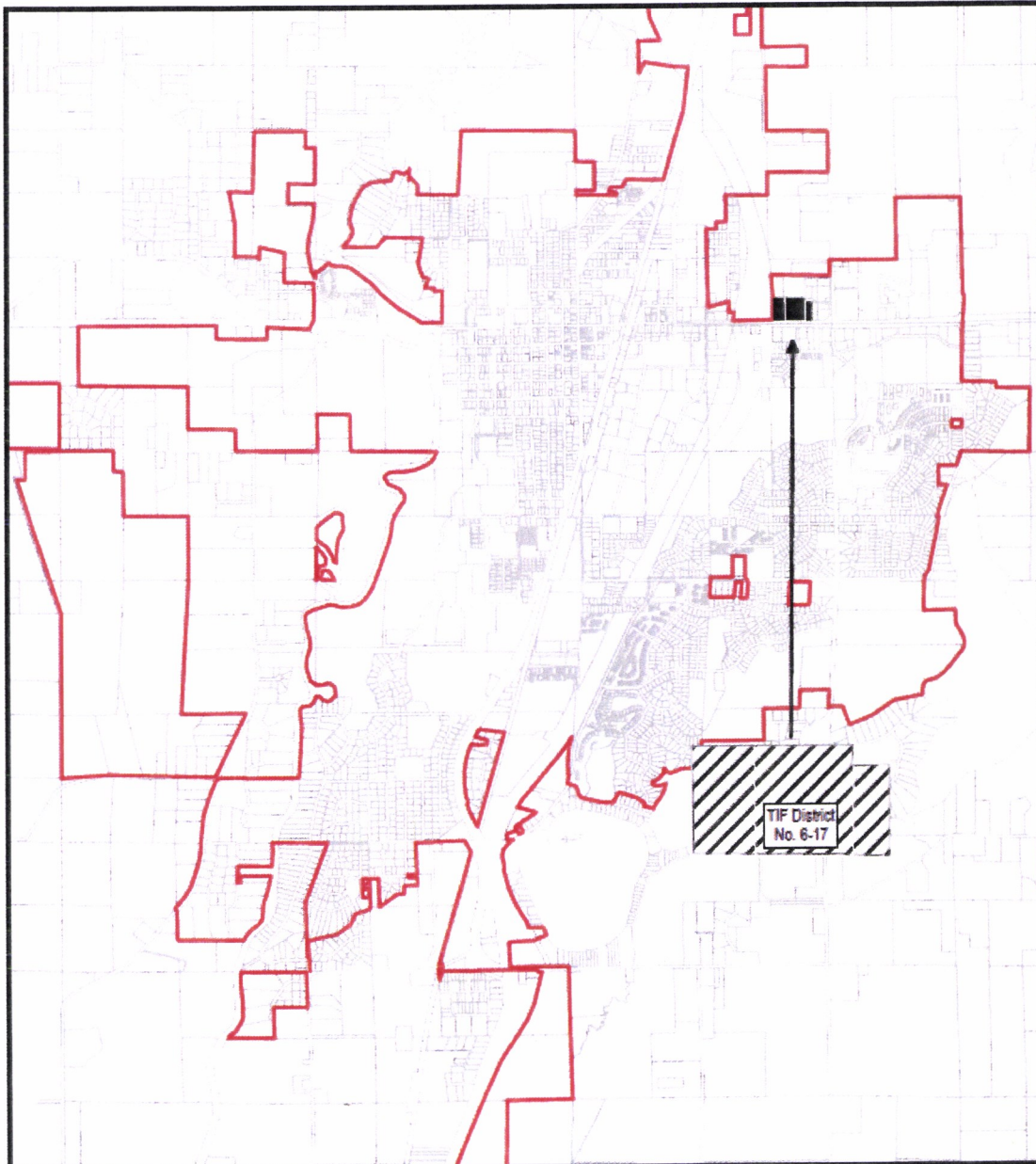
Proposed action:	<ul style="list-style-type: none">➢ Establishment of Tax Increment Financing District No. 6-17 (District) and the adoption of a Tax Increment Financing Plan (TIF Plan).➢ Modification to the Development Program for Development District No. 6 includes the establishment of Tax Increment Financing District No. 6-17, which represents a continuation of the goals and objectives set forth in the Development Program for Development District No. 6
Type of TIF District:	A renewal and renovation district
Parcel Number:	15.028.1101 15.028.1601 15.028.1400
Proposed Development:	The District is being created to facilitate the redevelopment of existing substandard and obsolete commercial sites and to assist with the City's purchase of right of way and public improvements in the City. Please see Appendix A of the TIF Plan for a more detailed project description.
Maximum duration:	The duration of the District will be 15 years from the date of receipt of the first increment (16 years of increment). The City elects to receive the first tax increment in 2018. It is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after December 31, 2033, or when the TIF Plan is satisfied.
Estimated annual tax increment:	Up to \$291,767

Authorized uses:	The TIF Plan contains a budget that authorizes the maximum amount that may be expended: Land/Building Acquisition.....\$400,000 Site Improvements/Preparation.....\$800,000 Utilities.....\$750,000 Other Qualifying Improvements.....\$679,968 Administrative Costs (up to 10%).....\$415,144 PROJECT COSTS TOTAL.....\$3,045,112 Interest.....\$1,521,475 PROJECT COSTS TOTAL.....\$4,566,587
	See Subsection 2-10, on page 2-5 of the TIF Plan for the full budget authorization.
Form of financing:	The project is proposed to be financed by a pay-as-you-go note.
Administrative fee:	Up to 10% of annual increment, if costs are justified.
Interfund Loan Requirement:	If the City wants to pay for administrative expenditures from a tax increment fund, it is recommended that a resolution authorizing a loan from another fund be passed <i>PRIOR</i> to the issuance of the check.
4 Year Activity Rule (§ 469.176 Subd. 6)	After four years from the date of certification of the District one of the following activities must have been commenced on each parcel in the District: <ul style="list-style-type: none"> • Demolition • Rehabilitation • Renovation • Other site preparation (not including utility services such as sewer and water) If the activity has not been started by approximately December 2019, no additional tax increment may be taken from that parcel until the commencement of a qualifying activity.
5 Year Rule (§ 469.1763 Subd. 3)	Within 5 years of certification revenues derived from tax increments must be expended or obligated to be expended. Any obligations in the District made after approximately December 2020, will not be eligible for repayment from tax increments.

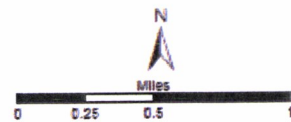
The reasons and facts supporting the findings for the adoption of the TIF Plan for the District, as required pursuant to *M.S., Section 469.175, Subd. 3*, are included in Exhibit A of the City resolution.



MAP OF DEVELOPMENT DISTRICT NO. 6 AND
TAX INCREMENT FINANCING DISTRICT NO. 6-17

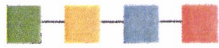


Tax Increment Financing District No. 6-17
Development District No. 6
City of Cambridge
Isanti County, Minnesota



The boundaries of Development District No. 6 are being expanded to include any property previously annexed into the City.
The boundaries of Development District No. 6 shall be coterminous with the corporate boundaries of the City of Cambridge.





*As of December 2, 2015
Draft for EDA*

**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. 6-17
(a renewal and renovation district)**

within

Development District No. 6

City of Cambridge
Isanti County
State of Minnesota

Public Hearing:
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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(for reference purposes only)

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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. 6-17.

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. 6-17

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. 6-17 (the "District"), a renewal and renovation 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 three parcels of land and adjacent and internal rights-of-way. The District is being created to facilitate the redevelopment of existing substandard and obsolete commercial sites and to assist with the City's purchase of right of way and public improvements in the City. Please see Appendix A for further District information. The City anticipates entering into an agreement with Oppidan as the developer for the first phase with clearance and construction likely to occur in 2016. A second phase is anticipated to occur in two or three years. 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.

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 may acquire any parcel within the District including interior and adjacent street rights of way. Any properties identified for acquisition will be acquired by the City only in order to accomplish one or more of the following: storm sewer improvements; provide land for needed public streets, utilities and facilities; carry out land acquisition, site improvements, clearance and/or development to accomplish the uses and objectives set forth in this plan. The City may acquire property by gift, dedication, condemnation or direct purchase from willing sellers in order to achieve the objectives of this TIF Plan. Such acquisitions will be undertaken only when there is assurance of funding to finance the acquisition and related costs.

Subsection 2-6. Classification of the District

The City, in determining the need to create a tax increment financing district in accordance with *M.S., Sections 469.174 to 469.1794*, as amended, inclusive, finds that the District, to be established, is a renewal and renovation district pursuant to *M.S., Section 469.174, Subd. 10a.* as defined below:

- (a) *"Renewal and renovation district" means a type of tax increment financing district consisting of a project, or portions of a project, within which the City finds by resolution that:*
- (1) (i) *parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures;*
 - (ii) *20 percent of the buildings are structurally substandard; and*
 - (iii) *30 percent of the other buildings require substantial renovation or clearance to remove existing conditions such as: inadequate street layout, incompatible uses or land use relationships, overcrowding of buildings on the land, excessive dwelling unit density, obsolete buildings not suitable for improvement or conversion, or other identified hazards to the health, safety, and general well-being of the community; and*
- (2) *the conditions described in clause (1) are reasonably distributed throughout the geographic area of the district.*
- (b) *For purposes of determining whether a building is structurally substandard, whether parcels are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures, or whether noncontiguous areas qualify, the provisions of subdivision 10, paragraphs (b) through (f) apply.*

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

- The District is a renewal and renovation district consisting of three parcels.
- An inventory shows that parcels consisting of more than 70 percent of the area in the District are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures.
- An inspection of the buildings located within the District finds that more than 20 percent of the buildings are structurally substandard as defined in the TIF Act. (See Appendix F).
- An inspection of the buildings located within the District finds that more than 30 percent of the buildings require substantial renovation or clearance to remove existing conditions such as defined in the TIF Act.

(See Appendix F).

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 Section 469.176, Subd. 1*, the duration and first year of tax increment of the District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b.*, the duration of the District will be 15 years after receipt of the first increment by the City (a total of 16 years of tax increment). The City elects to receive the first tax increment in 2018, which is no later than four years following the year of approval of the District. Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2033, or when the TIF Plan is satisfied. The City reserves the right to decertify the District prior to the legally required date.

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

Pursuant to *M.S., Section 469.174, Subd. 7 and M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the assessor in 2015 for taxes payable 2016.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2017) 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 2016, assuming the request for certification is made before June 30, 2016. The ONTC and the Original Local Tax Rate for the District appear in the table on the following page.

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 2018. 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)	\$162,408	
Original Estimated Net Tax Capacity (ONTC)	\$19,578	
Estimated Captured Tax Capacity (CTC)	\$142,830	
Original Local Tax Rate	2.04275873	Pay 2015
Estimated Annual Tax Increment (CTC x Local Tax Rate)	\$291,767	
Percent Retained by the City	100%	

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

The City has reviewed the area to be included in the District and 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 a pay-as-you-go note. Any refunding amounts will be deemed a budgeted cost without a formal TIF Plan Modification. This provision does not obligate the City to incur debt. The City will issue bonds or incur other debt only upon the determination that such action is in the best interest of the City.

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

<u>SOURCES OF FUNDS</u>	<u>TOTAL</u>
Tax Increment	\$4,151,443
<u>Interest</u>	<u>\$415,144</u>
TOTAL	\$4,566,587

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 \$3,045,112. 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 redevelopment of existing substandard commercial sites and to assist with the City’s purchase of right of way and public improvements in the City. The City has determined that it will be necessary to provide assistance to the project(s) for certain District costs, as described. The City has studied the feasibility of the development or redevelopment of property in and around the District. To facilitate the establishment and development or redevelopment of the District, this TIF Plan authorizes the use of tax increment financing to pay for the cost of certain 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	\$400,000
Site Improvements/Preparation	\$800,000
Utilities	\$750,000
Other Qualifying Improvements	\$679,968
<u>Administrative Costs (up to 10%)</u>	<u>\$415,144</u>
PROJECT COST TOTAL	\$3,045,112
<u>Interest</u>	<u>\$1,521,475</u>
PROJECT AND INTEREST COSTS TOTAL	\$4,566,587

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 costs associated with the District are subject to change among categories without a modification to this TIF Plan. The cost of all activities to be considered for tax increment financing will not exceed, without formal modification, the budget above pursuant to the applicable statutory requirements. Pursuant to *M.S., Section 469.1763, Subd. 2*, no more than 25 percent of the tax increment paid by property within the District will be spent on activities related to development or redevelopment outside of the District but within the boundaries of Development District No. 6, (including administrative costs, which are considered to be spent outside of the District) subject to the limitations as described in 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, therefore the TIF Plan was not forwarded to the county 45 days prior to the public hearing. The City is aware that the county could claim that tax increment should be used for county roads, even after the public hearing.

Subsection 2-13. Estimated Impact on Other Taxing Jurisdictions

The estimated impact on other taxing jurisdictions assumes that the redevelopment contemplated by the TIF

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

IMPACT ON TAX BASE			
	2014/Pay 2015 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) Upon Completion	Percent of CTC to Entity Total
Isanti County	26,249,919	142,830	0.5441%
City of Cambridge	5,651,666	142,830	2.5272%
Cambridge Isanti ISD No. 911	18,647,652	142,830	0.7659%

IMPACT ON TAX RATES				
	Pay 2015 Extension Rates	Percent of Total	CTC	Potential Taxes
Isanti County	0.664851	32.55%	142,830	94,961
City of Cambridge	0.898190	43.97%	142,830	128,288
Cambridge Isanti ISD No. 911	0.477371	23.37%	142,830	68,183
Other	<u>0.002348</u>	<u>0.11%</u>	<u>142,830</u>	<u>335</u>
Total	2.042760	100.00%		291,767

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the actual Pay 2015 rate. The total net capacity for the entities listed above are based on actual Pay 2015 figures. The District will be certified under the actual Pay 2016 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 \$4,151,443;
- (2) Probable impact of the District on city provided services and ability to issue debt. An impact of the District on police protection is not expected. The City does track all calls for service including property-type calls and crimes. 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 in vehicles or facilities.

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. The existing buildings, which will be eliminated by the new development, have public safety concerns that include several unprotected old buildings with issues such as lack of sprinkler systems.

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. Based on the development plans, there is a short term additional cost of \$500 annually associated with street maintenance, sweeping, plowing, lighting and sidewalks. The development in the District is expected to contribute an estimated \$37,125 in sanitary sewer (SAC) and water (WAC) connection fees. A portion of the infrastructure costs not paid through tax increment will be assessed to an adjacent property owner.

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 \$970,192;
- (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 \$1,351,295;
- (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 a renewal and renovation 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. 10(a)*, 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 expenditures, as defined by *M.S., Section 469.174, Subd. 25, clause (1)*, from the District, whichever is less.

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

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

Pursuant to *M.S., Section 469.177, Subd. 11*, the County Treasurer shall deduct an amount (currently .36 percent) of any increment distributed to the City and the County Treasurer shall pay the amount deducted to the State 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 2019 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 25 percent, by acreage, of the property to be acquired in the District as set forth in the TIF Plan shall at any time be owned by the City as a result of acquisition with the proceeds of bonds issued pursuant to *M.S., Section 469.178* to which tax increments from property acquired is pledged, unless prior to acquisition in excess of 25 percent of the acreage, the City concluded an agreement for the development or redevelopment of the property acquired and which provides recourse for the City should the development or redevelopment 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 Finance Director.

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 the *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*.
4. **Renewal and Renovation District.** At least 90 percent of the revenues derived from tax increment from a renewal and renovation district must be used to finance the cost of correcting conditions that allow designation of renewal and renovation districts under *M.S., Section 469.176 Subd. 4j*. These costs include, but are not limited to, acquiring properties containing structurally substandard buildings or improvements or hazardous substances, pollution, or contaminants, acquiring adjacent parcels necessary to provide a site of sufficient size to permit development, demolition and rehabilitation of structures, clearing of the land, the removal of hazardous substances or remediation necessary for development of the land, and installation of utilities, roads, sidewalks, and parking facilities for the site. The allocated administrative expenses of the City, including the cost of preparation of the development action response plan, may be included in the qualifying costs.

Subsection 2-27. Summary

The City of Cambridge is establishing the District to preserve and enhance the tax base, redevelop substandard areas, 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, telephone (651) 697-8500.

Appendix A

Project Description

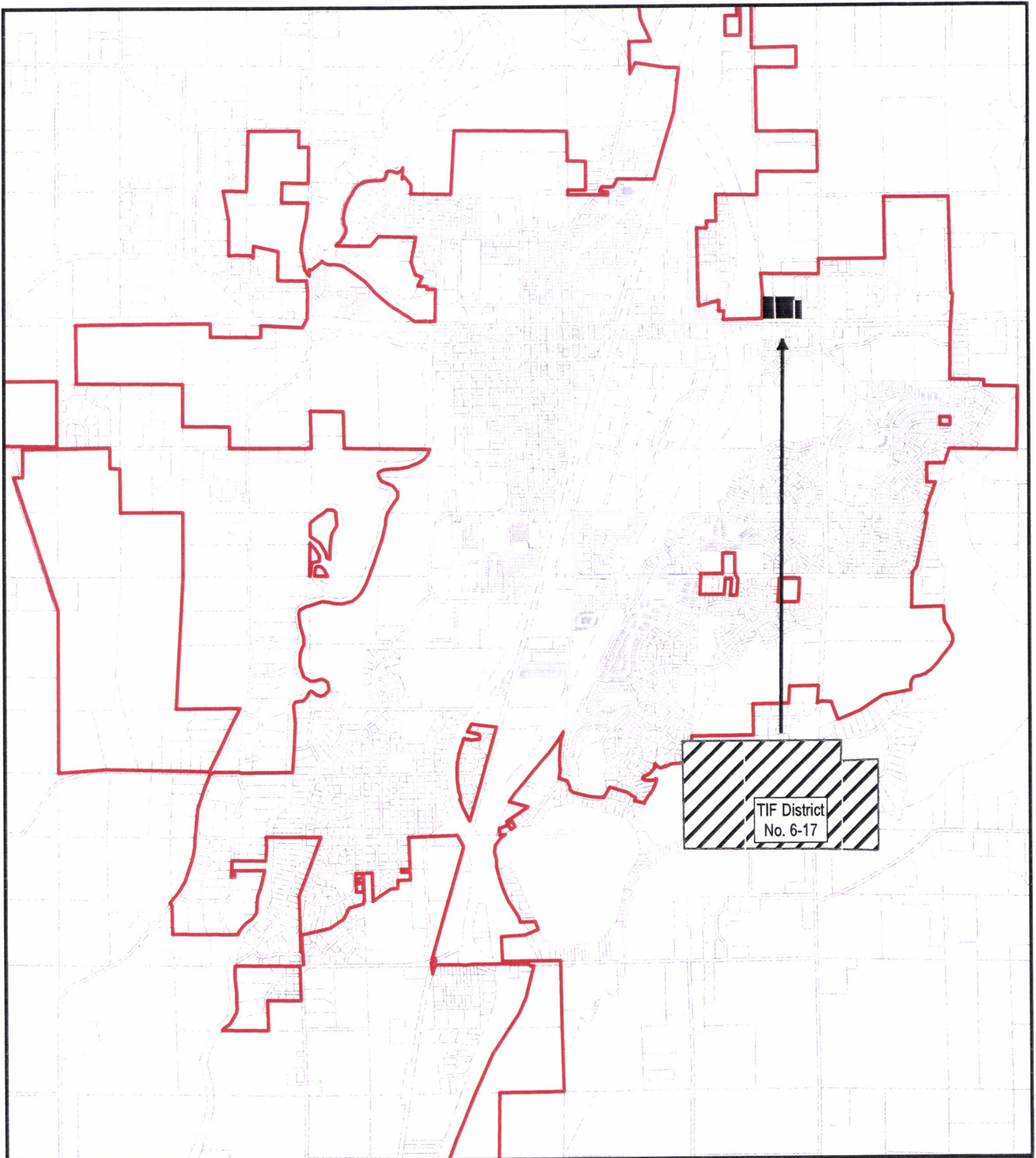
The District currently consists of three parcels of land and adjacent and internal rights-of-way. The District is being created to facilitate the redevelopment of existing substandard and obsolete commercial sites and to assist with the City's purchase of right of way and public improvements in the City.

The redevelopment is expected to occur in phases. The city anticipates entering into an agreement with Oppidan as the developer for the first phase with clearance of a substandard auto showroom and office commercial space. Site improvements and construction of approximately 32,450 square feet of new commercial space is likely to occur in 2016. In addition, the redevelopment will facilitate public street and utility improvements and the City will acquire right of way for future street and utility improvements.

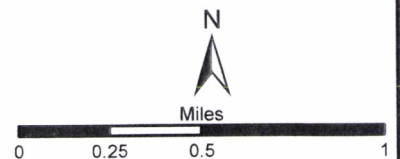
Future phases are anticipated to occur in three or four years consisting in the redevelopment of 4,900 square foot now vacant convenience store into an additional 2,700 square feet of new commercial space and another site into a new multi-use commercial development.

Appendix B

Map of Development District No. 6 and the District



Tax Increment Financing District No. 6-17
Development District No. 6
City of Cambridge
Isanti County, Minnesota



The boundaries of Development District No. 6 are being expanded to include any property previously annexed into the City.
 The boundaries of Development District No. 6 shall be coterminous with the corporate boundaries of the City of Cambridge.

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.

clevit/k

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 parcels listed below.

<u>Parcel Numbers</u>	<u>Address</u>	<u>Owner</u>
15.028.1101	1400 1 st Ave E	L. Greenberg
15.028.1601	1314 1 st Ave E	D. Becklin
15.028.1400	125 McKinley St. N	Lmms Properties, LLC

Appendix D

Estimated Cash Flow for the District



TIF 6-17 Renewal and Renovation District - No Inflation

City of Cambridge, MN

32,450 sq. ft. Commercial Redevelopment, 60-key Hotel and 6,700 sq. ft. new retail

ASSUMPTIONS AND RATES

DistrictType:	Renewal and Renovation	
District Name/Number:		
County District #:		
First Year Construction or Inflation on Value	2016	
Existing District - Specify No. Years Remaining		
Inflation Rate - Every Year:	0.00%	
Interest Rate:	5.00%	
Present Value Date:	1-Feb-16	
First Period Ending	1-Aug-16	
Tax Year District was Certified:	Pay 2016	
Cashflow Assumes First Tax Increment For Development:	2018	
Years of Tax Increment	16	
Assumes Last Year of Tax Increment	2033	
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	NA	
Incremental or Total Fiscal Disparities		
Fiscal Disparities Contribution Ratio		
Fiscal Disparities Metro-Wide Tax Rate		
Maximum/Frozen Local Tax Rate:	204.27587%	Pay 2015
Current Local Tax Rate: (Use lesser of Current or Max.)	204.27587%	Pay 2015
State-wide Tax Rate (Comm./Ind. only used for total taxes)	50.84000%	Pay 2015
Market Value Tax Rate (Used for total taxes)	0.146570%	Pay 2015

Tax Rates	
Exempt Class Rate (Exempt)	0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)	
First \$150,000	1.50%
Over \$150,000	2.00%
Commercial Industrial Class Rate (C/I)	2.00%
Rental Housing Class Rate (Rental)	1.25%
Affordable Rental Housing Class Rate (Aff. Rental)	
First \$106,000	0.75%
Over \$106,000	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%

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
	15.028.1101		1400 1st Ave E	555,000	42,300	597,300	100%	597,300	Pay 2016	C/I Pref.	11,196	C/I Pref.	11,196	
	15.028.1601		1314 1st Ave E	53,100	112,300	165,400	100%	165,400	Pay 2016	Hmstd. Res.	1,430	Hmstd. Res.	1,430	
	15.028.1400		125 McKinley St N	261,400	123,700	385,100	100%	385,100	Pay 2016	C/I Pref.	6,952	C/I Pref.	6,952	
								1,147,800			19,578		19,578	

Note:

1. Base values are based upon review of the County website in October 2015.

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TIF 6-17 Renewal and Renovation District - No Inflation

City of Cambridge, MN

32,450 sq. ft. Commercial Redevelopment, 60-key Hotel and 6,700 sq. ft. new retail

PROJECT INFORMATION (Project Tax Capacity)														
Area/Phase	New Use	Estimated	Taxable	Total	Total Taxable	Property	Project	Project Tax	Percentage	Percentage	Percentage	Percentage	First Year	
		Market Value	Market Value		Market Value									Tax Class
		Per Sq. Ft./Unit	Per Sq. Ft./Unit	Sq. Ft./Units	Value				2016	2017	2018	2019	Payable	
Greenberg	Retail A	108.50	108.50	17,500	1,898,750	C/I Pref.	37,225	2.13	100%	100%	100%	100%	2018	
Greenberg	Retail B	108.50	108.50	9,350	1,014,475	C/I	20,290	2.17	100%	100%	100%	100%	2018	
Greenberg	Retail C	108.50	108.50	5,600	607,600	C/I	12,152	2.17	100%	100%	100%	100%	2018	
Sinclair	Existing Comm	79	79	4,900	385,100	C/I Pref.	6,952	1.42	100%	100%	100%	100%	2018	
Sinclair	New Comm	108.50	109	2,700	292,950	C/I	5,859	2.17	0%	100%	100%	100%	2019	
Becklin	Hotel	60,000	60,000	60	3,600,000	C/I Pref.	71,250	1,188	0%	0%	0%	100%	2021	
Becklin	Restaurant	108.50	108.50	4,000	434,000	C/I	8,680	2.17	0%	0%	0%	100%	2021	
TOTAL					8,232,875		162,408							

Note:

1. Market values are based upon estimates from the County Assessor's Office.

TAX CALCULATIONS									
New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Retail A	37,225	0	37,225	76,042	0	18,925	2,783	97,750	5.59
Retail B	20,290	0	20,290	41,447	0	10,315	1,487	53,249	5.70
Retail C	12,152	0	12,152	24,824	0	6,178	891	31,892	5.70
Existing Comm	6,952	0	6,952	14,201	0	3,534	564	18,300	3.73
New Comm	5,859	0	5,859	11,969	0	2,979	429	15,377	5.70
Hotel	71,250	0	71,250	145,547	0	36,224	5,277	187,047	3,117.44
Restaurant	8,680	0	8,680	17,731	0	4,413	636	22,780	5.70
TOTAL	162,408	0	162,408	331,759	0	82,568	12,067	426,394	

Note:

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

WHAT IS EXCLUDED FROM TIF?	
Total Property Taxes	426,394
less State-wide Taxes	(82,568)
less Fiscal Disp. Adj.	0
less Market Value Taxes	(12,067)
less Base Value Taxes	(39,994)
Annual Gross TIF	291,765

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**TIF 6-17 Renewal and Renovation District - No Inflation
City of Cambridge, MN
32,450 sq. ft. Commercial Redevelopment, 60-key Hotel and 6,700 sq. ft. new retail**

TAX INCREMENT CASH FLOW

% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 10%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
														08/01/16
														02/01/17
														08/01/17
														02/01/18
100%	76,619	(19,578)	-	57,040	204.276%	116,519	58,260	(210)	(5,805)	52,245	46,177	0.5	2018	08/01/18
							58,260	(210)	(5,805)	52,245	91,227	1	2018	02/01/19
100%	82,478	(19,578)	-	62,899	204.276%	128,488	64,244	(231)	(6,401)	57,611	139,694	1.5	2019	08/01/19
							64,244	(231)	(6,401)	57,611	186,978	2	2019	02/01/20
100%	82,478	(19,578)	-	62,899	204.276%	128,488	64,244	(231)	(6,401)	57,611	233,109	2.5	2020	08/01/20
							64,244	(231)	(6,401)	57,611	278,115	3	2020	02/01/21
100%	162,408	(19,578)	-	142,829	204.276%	291,765	145,883	(525)	(14,536)	130,822	377,820	3.5	2021	08/01/21
							145,883	(525)	(14,536)	130,822	475,093	4	2021	02/01/22
100%	162,408	(19,578)	-	142,829	204.276%	291,765	145,883	(525)	(14,536)	130,822	569,994	4.5	2022	08/01/22
							145,883	(525)	(14,536)	130,822	662,580	5	2022	02/01/23
100%	162,408	(19,578)	-	142,829	204.276%	291,765	145,883	(525)	(14,536)	130,822	752,908	5.5	2023	08/01/23
							145,883	(525)	(14,536)	130,822	841,033	6	2023	02/01/24
100%	162,408	(19,578)	-	142,829	204.276%	291,765	145,883	(525)	(14,536)	130,822	927,008	6.5	2024	08/01/24
							145,883	(525)	(14,536)	130,822	1,010,886	7	2024	02/01/25
100%	162,408	(19,578)	-	142,829	204.276%	291,765	145,883	(525)	(14,536)	130,822	1,092,719	7.5	2025	08/01/25
							145,883	(525)	(14,536)	130,822	1,172,556	8	2025	02/01/26
100%	162,408	(19,578)	-	142,829	204.276%	291,765	145,883	(525)	(14,536)	130,822	1,250,445	8.5	2026	08/01/26
							145,883	(525)	(14,536)	130,822	1,326,435	9	2026	02/01/27
100%	162,408	(19,578)	-	142,829	204.276%	291,765	145,883	(525)	(14,536)	130,822	1,400,571	9.5	2027	08/01/27
							145,883	(525)	(14,536)	130,822	1,472,899	10	2027	02/01/28
100%	162,408	(19,578)	-	142,829	204.276%	291,765	145,883	(525)	(14,536)	130,822	1,543,463	10.5	2028	08/01/28
							145,883	(525)	(14,536)	130,822	1,612,306	11	2028	02/01/29
100%	162,408	(19,578)	-	142,829	204.276%	291,765	145,883	(525)	(14,536)	130,822	1,679,470	11.5	2029	08/01/29
							145,883	(525)	(14,536)	130,822	1,744,996	12	2029	02/01/30
100%	162,408	(19,578)	-	142,829	204.276%	291,765	145,883	(525)	(14,536)	130,822	1,808,923	12.5	2030	08/01/30
							145,883	(525)	(14,536)	130,822	1,871,291	13	2030	02/01/31
100%	162,408	(19,578)	-	142,829	204.276%	291,765	145,883	(525)	(14,536)	130,822	1,932,139	13.5	2031	08/01/31
							145,883	(525)	(14,536)	130,822	1,991,502	14	2031	02/01/32
100%	162,408	(19,578)	-	142,829	204.276%	291,765	145,883	(525)	(14,536)	130,822	2,049,417	14.5	2032	08/01/32
							145,883	(525)	(14,536)	130,822	2,105,919	15	2032	02/01/33
100%	162,408	(19,578)	-	142,829	204.276%	291,765	145,883	(525)	(14,536)	130,822	2,161,044	15.5	2033	08/01/33
							145,883	(525)	(14,536)	130,822	2,214,824	16	2033	02/01/34
Total							4,166,443	(14,999)	(415,144)	3,736,299				
Present Value From 02/01/2016							2,469,807	(8,891)	(246,092)	2,214,824				
Present Value Rate							5.00%							

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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

Redevelopment Qualifications for the District

To be added to prior to the public hearing

Appendix G

Findings Including But/For Qualifications

To be added to prior to the public hearing

But-For Analysis	
Current Market Value	1,147,800
New Market Value - Estimate	8,232,875
Difference	7,085,075
Present Value of Tax Increment	2,469,807
Difference	4,615,268
Value Likely to Occur Without TIF is Less Than:	4,615,268

FINAL CONTRACT FOR PRIVATE DEVELOPMENT

By and Between

CITY OF CAMBRIDGE, MINNESOTA

and

KTJ 267, LLC

To Be Determined replatting

Dated: _____, **2015** This document was drafted by:

Rupp, Anderson, Squires &
Waldspurger, P.A.
527 Marquette Ave. S. #1200
Minneapolis, MN 55402
(612) 436-4300

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THIS AGREEMENT made and entered into as of this 21st day of December, 2015, by and between the CITY OF CAMBRIDGE, MINNESOTA, a public body corporate and politic under the laws of Minnesota (“City”) and KTJ 267, LLC, a Minnesota limited liability company (“Developer”).

RECITALS

WHEREAS, the City has undertaken a program to promote the development and redevelopment of land which is underutilized within the City, and in this connection created Municipal Development District No. 6 (hereinafter referred to as the “Development District”) and Tax Increment District No. 6-17 (the “TIF District”) in the Development District located in the City pursuant to Minnesota Statutes, Sections 469.124 to 469. 133, as amended (the “Act”) and Sections 469.174 to 469.1794, as amended (the “Tax Increment Act”); and

WHEREAS, pursuant to the Act, the City is authorized to undertake certain activities to provide an impetus for development by private enterprise, to promote increased employment, and to encourage the development of blighted or underutilized areas; and

WHEREAS, the Developer owns certain land in the City (the “Development Property”) and desires to construct improvements to the Development Property consisting of 32,500 square feet of commercial retail buildings and, in conjunction with the project, intends to pursue demolition of one building, soil remediation, asbestos remediation, right of way acquisition and underground storm water treatment, as identified in Exhibit B (the “Minimum Improvements”) as provided in this Agreement; and

WHEREAS, a gap exists between the cost of Developer acquiring the Development Property and constructing the related improvements and the funds available to Developer to undertake the project and, based on best estimates, that gap equals \$690,637.

WHEREAS, the City is providing financial assistance to the Developer in the form of tax increment financing funds to assist with the establishment of the Minimum Improvements on the Development Property; and

WHEREAS the City has caused to be prepared this Contract for Private Development, including the business subsidy agreement required by the Business Subsidy Act (the “Agreement”); and

WHEREAS, the City believes that the development of the Development Property pursuant to and in general fulfillment of this Agreement, is in the vital and best interests of the City, will promote the health, safety, morals, and welfare of its residents, and will be in accord with the public purposes and provisions of the applicable State and local laws and requirements under which the Development District has been undertaken and is being assisted.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein, the parties agree as follows:

ARTICLE I
Definitions

Section 1.1. Definitions.

In this Agreement, unless a different meaning clearly appears from the context:

“Act” means Minnesota Statutes Sections 469.124 to 469.133, as amended.

“Affiliate” means with respect to the Developer: (a) any corporation, partnership, limited liability company or other business entity or person controlling, controlled by or under common control with the Developer, and (b) any successor to such party by merger, acquisition, reorganization or similar transaction involving all or substantially all of the assets of such party (or such Affiliate). For the purpose hereof the words “controlling”, “controlled by” and “under common control with” shall mean, with respect to any corporation, partnership, limited liability company or other business entity, the ownership of fifty percent or more of the voting interests in such entity or possession, directly or indirectly, of the power to direct or cause the direction of management policies of such entity, whether through ownership of voting securities or by contract or otherwise.

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

“Available Tax Increment” means, on each Payment Date, 90% of the Tax Increment derived from the Development Property as reasonably calculated by the City when allocating Tax Increment among parcels in the TIF District, and received by the City in the six months preceding the Payment Date.

“Certificate of Completion” means the certification provided to the Developer, or the purchaser of any part, parcel or unit of the Development Property, pursuant to Section 4.4 of this Agreement.

“City” means the City of Cambridge, Minnesota.

“Construction Plans” means the plans, specifications, drawings and related documents on the construction work to be performed on the Development Property which (a) shall be as detailed as the plans, specifications, drawings and related documents which are submitted to the appropriate building officials of the City, and (b) shall include at least the following: (1) site plan; (2) landscape plan; and (3) such other plans or supplements to the foregoing plans as the City may reasonably request to allow it to ascertain the nature and quality of the proposed construction work. The Construction Plans for any building to be constructed on the Development Property shall additionally include the following: (1) foundation plan; (2) basement plans; (3) floor plan for each floor; (4) cross sections of each (length and width); and (5) elevations (all sides).

“County” means the County of Isanti, Minnesota.

“Developer” means KTJ 267, LLC, or its permitted successors and assigns.

“Development Property” means the real property described as such in Exhibit A of this Agreement. After construction of the Minimum Improvements, the term means the Development Property as improved.

“Eligible Costs” means those costs permitted to be reimbursed under Minn. Stat. § 469.174 and the Tax Increment Financing Plan for the TIF District.

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

“Holder” means the owner of a Mortgage.

“Maturity Date” means the date referenced in Section 7.3 (c).

“Mortgage” means any mortgage made by the Developer which is secured, in whole or in part, with the Development Property and which is a permitted encumbrance pursuant to the provisions of Article VIII of this Agreement.

“Minimum Improvements” means the construction of 32,500 square feet of retail commercial space as the Greenberg Addition, including the Public Development Costs as described in Exhibit B.

“Project” means the City’s Municipal Development District No. 6.

“Public Development Costs” means demolition of one building, soil remediation, asbestos remediation, right of way acquisition and underground storm water treatment and the McKinley Street Assessments as identified in Exhibit B (the “Minimum Improvements”) as provided in this Agreement

“State” means the State of Minnesota.

“Tax Increment” means that portion of the real property taxes that is paid with respect to the Development Property and that is remitted to the City as tax increment pursuant to the Tax Increment Act.

“Tax Increment Act” or “TIF Act” means the Tax Increment Financing Act, Minnesota Statutes Sections 469.174 to 469.1799, as amended.

“Tax Increment District” or “TIF District” means Tax Increment Financing District No. 6-17 created by the City.

“Tax Official” means any County assessor, County auditor, County or State board of equalization, the commissioner of revenue of the State, or any State or federal district court, the tax court of the State, or the State Supreme Court.

“TIF Note” means the Tax Increment Revenue Note to be executed by the City pursuant to Article III hereof in the principal amount not to exceed \$690,638.00 (the Note”), a copy of which is attached hereto as Exhibit D. Reference in the Agreement to the TIF Note shall mean the Note as determined by the context.

“Transfer” has the meaning set forth in Section 8.2(a) hereof.

“Unavoidable Delays” means delays beyond the reasonable control of the party seeking to be excused as a result thereof which are the result of strikes, other labor troubles, prolonged adverse weather or acts of God, fire or other casualty to the Minimum Improvements, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of any federal, state or local governmental unit (other than the City in exercising its rights under this Agreement) which directly result in delays. Unavoidable Delays shall include delays as a result of the City not approving the Construction Plans. The performance of any covenant work, service or other act required in this Agreement shall be excused for the period of the Unavoidable Delay, and the period for the performance of the same shall be extended by such period.

ARTICLE II **Representations and Warranties**

Section 2.1. Representations by the City.

(a) The City is a statutory city duly organized and existing under the laws of the State. Under the provisions of the Act, the City has the power to enter into this Agreement and carry out its obligations hereunder.

(b) The City will use its best efforts to facilitate development of the Minimum Improvements, including but not limited to cooperating with the Developer in obtaining necessary administrative and land use approvals.

(c) The activities of the City are undertaken for the purpose of fostering the development of certain real property which will vitalize this portion of the Development District, increase tax base, and increase employment opportunities.

(d) There are no pending or threatened legal proceedings, of which the City has notice, to restrain or enjoin the execution or delivery of this Agreement or in any way contesting the validity of this Agreement, or contesting the authority of the City to execute, deliver and perform this Agreement.

(e) The consummation of the transactions contemplated by this Agreement, and compliance by the City with the terms of this Agreement, will not result in any breach of any of

the terms of, or constitute a default under, any indenture, lease, loan agreement, or other instrument to which the City is a party or by which the City is bound, or any law applicable to the City or this transaction.

Section 2.2. Representations and Warranties by the Developer.

The Developer represents and warrants that:

(a) The Developer is a limited liability company in good standing under the laws of Minnesota, is not in violation of any provisions of its articles or bylaws, is duly authorized to transact business within the State, has power to enter into this Agreement and has duly authorized the execution, delivery, and performance of this Agreement by proper action of its officers.

(b) The Developer will construct and maintain the commercial properties to be known as the Greenberg Addition and the Minimum Improvements in accordance with the terms of this Agreement and all local, state and federal laws and regulations (including, but not limited to, environmental, zoning, building code and public health laws and regulations).

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

(d) The Developer has received no notice or communication from any local, state or federal official that the activities of the Developer or the City in the Development District may be or will be in violation of any environmental law or regulation (other than those notices or communications of which the City is aware). The Developer is aware of no facts the existence of which would cause it to be in violation of or give any person a valid claim under any local, state or federal environmental law, regulation or review procedure.

(e) The Developer shall promptly advise the City in writing of all litigation or claims affecting any part of the Minimum Improvements and all written complaints and charges made by any governmental city materially affecting the Minimum Improvements or materially affecting Developer or its business which may delay or require changes in construction of the Minimum Improvements.

(f) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provisions of any corporate restriction or any evidences of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(g) The proposed development by the Developer hereunder would not occur but for the tax increment financing assistance being provided by the City hereunder.

(h) The Developer is not currently in default under any business subsidy agreement with any grantor, as such terms are defined in the Business Subsidy Act.

ARTICLE III
Status of Property; Public Development Costs

Section 3.1. Status of the Development Property. As of the date of this Agreement, the Developer has entered into a purchase agreement to acquire the Development Property. The City has no obligation to acquire any interest in the Development Property.

Section 3.2. Public Development Costs.

The Developer shall undertake and assume all necessary Public Development Costs with the exception of McKinley Street assessment. The City, however, will be constructing road improvements as provided in Article IX hereof.

Section 3.3. Reimbursement: TIF Note.

The City shall reimburse the payments made by the Developer for Public Development Costs through the issuance of the City's TIF Note in substantially the form attached to this Agreement as Exhibit D, subject to the following conditions:

- (1) The TIF Note shall be dated, issued and delivered when the Developer shall have demonstrated in writing to the reasonable satisfaction of the City that the construction of the Minimum Improvements has been completed and that the Developer has incurred and paid all costs of Public Development Costs, as described in and limited Exhibit B and shall have submitted paid invoices for the costs of construction of the Public Development Costs in an amount not less than the Reimbursement Amount.
- (2) The unpaid principal amount of the TIF Note shall bear simple, non-compounding interest from the date of issuance of the TIF Note, at 5% per annum. Interest shall be computed on the basis of a 360 day year consisting of twelve (12) 30-day months. The principal amount of the TIF Note and the interest thereon shall be payable solely from the Available Tax Increments.
- (3) The payment dates of the TIF Note shall be the Note Payment Dates. On each Note Payment Date and subject to the provisions of the TIF Note, the City shall pay, against the principal and interest outstanding on the TIF Note, the Available Tax Increments received by the City during the preceding six months. All such payments shall be applied first to accrued interest and then to reduce the principal of the TIF Note.
- (4) The TIF Note shall be a special and limited obligation of the City and not a general obligation of the City, and only Available Tax Increments shall be used to pay the principal of and interest on the TIF Note. If, on any Note Payment Date, the Tax Increments for the payment of the accrued and unpaid interest on the TIF Note are

insufficient for such purposes, the difference shall be carried forward, without interest accruing thereon, and shall be paid if and to the extent that on a future Note Payment Date there are Available Tax Increments in excess of the amounts needed to pay the accrued interest then due on the TIF Note.

- (5) The City's obligation to make payments on the TIF Note on any Note Payment Date or any date thereafter shall be conditioned upon the requirement that there shall not at that time be an Event of Default that has occurred beyond applicable cure periods and is continuing under this Agreement.
- (6) The TIF Note shall be governed by and payable pursuant to the additional terms thereof, as set forth in Exhibit D. In the event of any conflict between the terms of the TIF Note and the terms of this Section 3.3, the terms of the TIF Note shall govern. The issuance of the TIF Note pursuant and subject to the terms of this Agreement, and the taking by the City of such additional actions as bond counsel for the TIF Note may require in connection therewith, are hereby authorized and approved by the City.

Section 3.4. Payment of Administrative Costs.

The City acknowledges that Developer has deposited with the City \$15,000. The City will use such deposit to pay "Administrative Costs," which term means out of pocket costs incurred by the City (including without limitation attorney, TIF investigative services and fiscal consultant fees) in the negotiation and preparation of this Agreement and other documents and agreements in connection with the Development contemplated hereunder.

At Developer's request, but no more often than monthly, the City will provide Developer with a written report including invoices, time sheets or other comparable evidence of expenditures for Administrative Costs and the outstanding balance of funds deposited. If at any time the City determines that the deposit is insufficient to pay Administrative Costs, the Developer is obligated to pay such shortfall within 15 days after receipt of a written notice from the City containing evidence of the unpaid costs. If any balance of funds deposited remains upon issuance of the Certificate of Completion pursuant to Section 4.4 of this Agreement, the City shall promptly return such balance to Developer; provided that Developer remains obligated to pay subsequent Administrative Costs related to any amendments to this Agreement requested by Developer.

Section 3.5. Records.

The City and its representatives shall have the right at all reasonable times after reasonable notice to inspect, examine, and copy all books and records of Developer relating to the Minimum Improvements. Developer shall also use its best efforts to cause the contractor or contractors, all sub-contractors and their agents and lenders to make their books and records relating to the Project available to City, upon reasonable notice, for inspection, examination and audit. Such records shall be kept and maintained by Developer until the Maturity Date.

ARTICLE IV
Construction of Minimum Improvements

Section 4.1. Construction of Improvements.

The Developer agrees that it will construct the Minimum Improvements on the Development Property in accordance with the approved Construction Plans and at all times prior to the Maturity Date will maintain, preserve and keep the Minimum Improvements or cause such improvements to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in good repair and condition. The City shall have no obligation to operate or maintain the Minimum Improvements.

Section 4.2. Construction Plans.

Before commencement of construction of the Minimum Improvements, the Developer shall submit to the City the Construction Plans. The Construction Plans shall provide for the construction of the Minimum Improvements and shall be in conformity with this Agreement, and all applicable State and local laws and regulations. The City will approve the Construction Plans in writing if:

- (i) the Construction Plans conform to the terms and conditions of this Agreement;
- (ii) the Construction Plans conform to all applicable federal, state and local laws, ordinances, rules and regulations;
- (iii) the Construction Plans are adequate to provide for construction of the Minimum Improvements;
- (iv) the Construction Plans do not provide for expenditures in excess of the funds available to the Developer from all sources for construction of the Minimum Improvements; and
- (v) no Event of Default has occurred.

(a) Approval may be based upon a review by the City's Building Official of the Construction Plans. No approval by the City shall relieve the Developer of the obligation to comply with the terms of this Agreement, applicable federal, state and local laws, ordinances, rules and regulations, or to construct the Minimum Improvements in accordance therewith. No approval by the City shall constitute a waiver of an Event of Default. If approval of the Construction Plans is requested by the Developer in writing at the time of submission, such Construction Plans shall be deemed approved unless rejected in writing by the City, in whole or in part. Such rejections shall set forth in detail the reasons therefore, and shall be made within twenty (20) days after the date of their receipt by the City.

If the City rejects any Construction Plans in whole or in part, the Developer shall submit new or corrected Construction Plans within twenty (20) days after its receipt of written notification to the Developer of the rejection. The provisions of this Section relating to approval, rejection and resubmission of corrected Construction Plans shall continue to apply until the

Construction Plans have been approved by the City. The City's approval shall not be unreasonably withheld, conditioned or delayed. Said approval shall constitute a conclusive determination that the Construction Plans (and the Minimum Improvements constructed in accordance with said plans) comply to the City's satisfaction with the provisions of this Agreement relating thereto.

(b) If the Developer desires to make any material change in the Construction Plans after their approval by the City, the Developer shall submit the proposed change to the City for its approval. For the purposes of this Section, the term "material" means any change that decreases the total size of the Minimum Improvements by 1,000 square feet or more. If the Construction Plans, as modified by the proposed change, conform to the requirements of this Section 4.2 of this Agreement with respect to such previously approved Construction Plans, the City shall approve the proposed change and notify the Developer in writing of its approval. Such change in the Construction Plans shall, in any event, be deemed approved by the City unless rejected, in whole or in part, by written notice by the City to the Developer, setting forth in detail the reasons therefor. Such rejection shall be made within twenty (20) days after receipt of the notice of such change. The City's approval of any such change in the Construction Plans will not be unreasonably withheld.

Section 4.3. Commencement and Completion of Construction.

Subject to Unavoidable Delays, the Developer shall commence construction of the Minimum Improvements on or before June 30, 2016. Subject to Unavoidable Delays, the Developer shall complete the construction of the Minimum Improvements by December 31, 2016. All work with respect to the Minimum Improvements to be constructed or provided by the Developer on the Development Property shall be in conformity with the Construction Plans as submitted by the Developer and approved by the City.

The Developer agrees for itself, its successors and assigns, and every successor in interest to the Development Property, or any part thereof, that the Developer, and such successors and assigns, shall promptly begin and diligently prosecute to completion the Development of the Development Property through the construction of the Minimum Improvements thereon, and that such construction shall in any event be commenced and completed within the period specified in this Section 4.3 of this Agreement. After the date of this Agreement and until construction of the Minimum Improvements has been completed, the Developer shall make reports, in such detail and at such times as may reasonably be requested by the City, as to the actual progress of the Developer with respect to such construction.

Section 4.4. Certificate of Completion.

(a) Promptly after completion of the Minimum Improvements in accordance with those provisions of the Agreement relating solely to the obligations of the Developer to construct the Minimum Improvements (including the dates for beginning and completion thereof), the City will furnish the Developer with a Certificate shown as Exhibit C. Such certification and such determination shall not constitute evidence of compliance with or satisfaction of any obligation

of the Developer to any Holder of a Mortgage, or any insurer of a Mortgage, securing money loaned to finance the Minimum Improvements, or any part thereof.

(b) If the City shall refuse or fail to provide any certification in accordance with the provisions of this Section 4.4 of this Agreement, the City shall, within thirty (30) days after written request by the Developer, provide the Developer with a written statement, indicating in adequate detail in what respects the Developer has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement, or is otherwise in default, and what measures or acts it will be necessary, in the reasonable opinion of the City, for the Developer to take or perform in order to obtain such certification.

(c) The construction of the Minimum Improvements shall be deemed to be complete upon issuance of a certificate of occupancy by the City, and the issuance of such certificate shall not be unreasonably withheld, conditioned, or delayed.

ARTICLE V **Insurance and Subordination**

Section 5.1. Insurance.

(a) The Developer will provide and maintain at all times during the process of constructing the Minimum Improvements an All Risk Broad Form Basis Insurance Policy and, from time to time during that period, at the request of the City, furnish the City with proof of payment of premiums on policies covering the following:

- (i) builder's risk insurance, written on the so-called "Builder's Risk – Completed Value Basis," in an amount equal to one hundred percent (100%) of the insurable value of the Minimum Improvements at the date of completion, and with coverage available in non-reporting form on the so-called "all risk" form of policy. The interest of the City shall be protected in accordance with a clause in form and content satisfactory to the City;
- (ii) commercial general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) with limits against bodily injury and property damage of not less than \$2,000,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used). The City shall be listed as an additional insured on the policy; and
- (iii) workers' compensation insurance, with statutory coverage, provided that the Developer may be self-insured with respect to all or any part of its liability for workers' compensation.

(b) Upon completion of construction of the Minimum Improvements and prior to the Maturity Date, the Developer shall maintain, or cause to be maintained, at its cost and expense,

and from time to time at the request of the City shall furnish proof of the payment of premiums on, insurance as follows:

- (i) Insurance against loss and/or damage to the Minimum Improvements under a policy or policies covering such risks as are ordinarily insured against by similar businesses.
- (ii) Commercial general public liability insurance, including personal injury liability (with employee exclusion deleted), against liability for injuries to persons and/or property, in the minimum amount for each occurrence and for each year of \$2,000,000, and shall be endorsed to show the City as additional insured.
- (iii) Such other insurance, including workers' compensation insurance respecting all employees of the Developer, in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure; provided that the Developer may be self-insured with respect to all or any part of its liability for workers' compensation.

(c) All insurance required in Article V of this Agreement shall be taken out and maintained in responsible insurance companies selected by the Developer which are authorized under the laws of the State to assume the risks covered thereby. Upon request, the Developer will deposit annually with the City policies evidencing all such insurance, or a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect. Unless otherwise provided in this Article V of this Agreement each policy shall contain a provision that the insurer shall not cancel nor modify it in such a way as to reduce the coverage provided below the amounts required herein without giving written notice to the Developer and the City at least thirty (30) days before the cancellation or modification becomes effective. In lieu of separate policies, the Developer may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein, in which event the Developer shall deposit with the City a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Minimum Improvements.

(d) The Developer will notify the City immediately in the case of damage exceeding \$10,000 in amount to, or destruction of, the Minimum Improvements or any portion thereof resulting from fire or other casualty. In such event the Developer will promptly repair, reconstruct and restore the Minimum Improvements to substantially the same or an improved condition or value as it existed prior to the event causing such damage and, to the extent necessary to accomplish such repair, reconstruction and restoration, the Developer will apply the net proceeds of any insurance relating to such damage received by the Developer to the payment or reimbursement of the costs thereof.

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

(e) All of the insurance provisions set forth in this Article V shall terminate upon the termination of this Agreement.

Section 5.2. Subordination.

Notwithstanding anything to the contrary contained in this Article V, the rights of the City with respect to the receipt and application of any proceeds of insurance shall, in all respects, be subject and subordinate to the rights of any lender under a Mortgage approved pursuant to Article VII of this Agreement.

ARTICLE VI

Taxes

Section 6.1. Right to Collect Delinquent Taxes.

The Developer acknowledges that the City is providing substantial aid and assistance in furtherance of the Development District through the reimbursement of Public Development Costs under this Agreement. The Developer understands that the Available Tax Increment pledged to payment on the Note is derived from real estate taxes on the Development Property, which taxes must be promptly and timely paid. To that end, the Developer agrees for itself in addition to the obligation pursuant to statute to pay real estate taxes, it is also obligated by reason of this Agreement to pay before delinquency all real estate taxes assessed against the Development Property and the Minimum Improvements. The Developer acknowledges that this obligation creates a contractual right on behalf of the City to sue the Developer to collect delinquent real estate taxes and any penalty or interest thereon and to pay over the same as a tax payment to the county auditor, provided, however, that Developer shall have the right to contest taxes in the manner provided by law. In any such suit, the City shall also be entitled to recover its costs, expenses and reasonable attorney fees.

Section 6.2. Reduction of Taxes.

The Developer agrees that prior to the Maturity Date:

(1) it will not seek administrative review or judicial review of the applicability of any real property tax statute determined by any Tax Official to be applicable to the Minimum Improvements or the Developer or raise the inapplicability of any such tax statute as a defense in any proceedings, including delinquent tax proceedings;

(2) it will not seek administrative review or judicial review of the constitutionality of any real property tax statute determined by any Tax Official to be applicable to the Minimum Improvements or the Developer or raise the unconstitutionality of any such real property tax statute as a defense in any proceedings, including delinquent tax proceedings;

(3) it will not:

(A) cause willful destruction of the Minimum Improvements or any part thereof;

- (B) willfully refuse to reconstruct damaged or destroyed property pursuant to Section 5.1, except as provided in Section 5.1(e) of this Agreement;
- (C) apply to the Commissioner of Revenue of the State requesting an abatement of real property taxes pursuant to Minnesota Statutes, Chapter 270;
- (D) transfer the Development Property or Minimum Improvements, or any part thereof, to an entity exempt from the payment of real property taxes under State law;
- (E) engage in any other proceedings, whether administrative, legal or equitable, with any administrative body within the County or the State or with any court of the State or the federal government to reduce or defer the amount of real property taxes assessed against the Development Property and the Minimum Improvements, except that:
 - (i) the Developer shall have the right to object to the valuation of the Development Property if it reasonably believes the assessed value of the property is inaccurate or unreasonable but if the assessed value is reduced, the Developer agrees the City has no obligation to make up any reduction in the projected Available Tax Increment, and the Developer shall then be eligible to receive only the then Available Tax Increment as computed in light of the new assessed value; and
 - (ii) nothing in this Section 6.2 shall prevent the Developer from taking any action it may choose with respect to any income tax matters.

ARTICLE VII
Financing

Section 7.1. Developer Financing.

In the event the Developer requires construction financing, Developer shall submit to the City evidence of one or more commitments for financing which, together with committed equity, is sufficient for construction of the Minimum Improvements. If the City finds that the financing is sufficiently committed and adequate in amount to provide for the undertakings described in paragraph (a), then the City shall notify the Developer in writing of its approval. Such approval shall not be unreasonably withheld and either approval or rejection shall be given within ten (10) days from the date when the City is provided the evidence of financing. A failure by the City to respond to such evidence of financing shall be deemed to constitute an approval hereunder. If the City rejects the evidence of financing as inadequate, it shall do so in writing specifying the basis for the rejection. In any event the Developer shall submit adequate evidence of financing within ten (10) days after such rejection. In the event that there occurs a default under any Mortgage, the Developer shall cause the City to receive copies of any notice of default received by the Developer from the holder of such Mortgage or the Developer shall have the right to

terminate this Agreement by giving the City written notice, and the Developer shall have no further obligations hereunder.

Section 7.2. Subordination.

In order to facilitate the Developer obtaining financing for the Development of the Minimum Improvements, the City shall subordinate its rights under this Agreement to the Holder of any Mortgage, provided that such subordination shall be subject to such reasonable terms and conditions as required by the Holder of a Mortgage.

Section 7.3. Land and Site Improvement Costs.

The City agrees to reimburse Developer for Public Development Costs. The City will reimburse the Developer solely for Public Development Costs in an amount not to exceed \$690,637.00, plus interest for the Minimum Improvements to be secured solely by the Available Tax Increment from TIF District 6-17. Payments are not a general obligation of the City. Available Tax Increment is subject to great variation due to factors outside the City's control, including but not limited to assessor's estimated market values, tax rates, legislative changes, and payment of taxes by other parcels in TIF District 6-17.

(b) The obligation to make payments on the reimbursement is conditioned in addition on the following:

- (1) the Developer having submitted and the City having approved Construction Plans for the Minimum Improvements;
- (2) the Developer having executed this Agreement;
- (3) the Developer having provided evidence satisfactory to the City of documentation of the total amount of Public Development Costs;
- (4) the Developer making timely payment in full of all property tax, special assessment and public utility payments;
- (5) the Developer having not filed a tax petition for the Development Property
- (6) there being no uncured Event of Default by Developer under this Agreement;

(c) Payments. Payments of Available Tax Increment will be paid in semi-annual installments on August 1 and February 1, commencing August 1, 2018 and concluding no later than February 1, 2034 (the "Maturity Date").

(d) Termination of Right to Reimbursement. Notwithstanding anything to the contrary in this Agreement, if the conditions in Section 7.3(b) are not met by March 31, 2017, subject to Unavoidable Delays or the extension of this date by the City, the City may terminate

this Agreement by ten days written notice to the Developer. Thereafter neither party shall have any obligations or liability to the other hereunder, except that any obligations of the Developer under Section 8.3 of this Agreement survive such termination.

(e) Issuance to Third Parties. (i) If the Developer chooses to assign payments of the Available Tax Increment to third parties, the Developer shall notify the City in writing at least 30 days prior to the next payment date.

(f) Qualifications. The Developer understands and acknowledges that the City makes no representations or warranties regarding the amount of Available Tax Increment. Developer expressly acknowledges that estimates of Tax Increment prepared by the City or its financial advisors in connection with the TIF District or this Agreement are for the benefit of the City, and are not intended as representations on which the Developer may rely. If the Public Development Costs exceed the net proceeds of the Note, such excess is the sole responsibility of Developer.

ARTICLE VIII **Prohibitions Against Assignment and Transfer; Indemnification**

Section 8.1. Representation as to Development.

The Developer's construction of the Minimum Improvements on the Development Property, and its other undertakings pursuant to the Agreement, are, and will be used, for the purpose of Development of the Development Property and not for speculation in land holding.

Section 8.2. Prohibition Against Developer's Transfer of Property and Assignment of Agreement.

Prior to the issuance of a Certificate of Completion for the Minimum Improvements:

(a) Except only by way of security for, and only for, the purpose of obtaining financing necessary to enable the Developer or any successor in interest to the Development Property, or any part thereof, to perform its obligations with respect to making the Minimum Improvements under this Agreement, and any other purpose authorized by this Agreement, the Developer has not made or created and will not make or create or suffer to be made or created any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form of or with respect to the Agreement or the Development Property or any part thereof or any interest therein, or any contract or agreement to do any of the same ("Transfer"), except to an Affiliate of Developer, without the prior written approval of the City unless the Developer remains liable and bound by this Development Agreement in which event the City's approval is not required. Any such Transfer shall be subject to the provisions of this Agreement.

(b) In the event the Developer, upon Transfer of the Development Property or any portion thereof, seeks to be released from its obligations under this Development Agreement as to the portions of the Development Property that is transferred or assigned, the City shall be

entitled to require, except as otherwise provided in the Agreement, as conditions to any such release that:

- (i) Any proposed transferee shall have the qualifications and financial responsibility, in the reasonable judgment of the City, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Developer as to the portion of the Development Property to be transferred.
- (ii) Any proposed transferee, by instrument in writing satisfactory to the City and in form recordable in the public land records of Isanti County, Minnesota, shall, for itself and its successors and assigns, and expressly for the benefit of the City, have expressly assumed all of the obligations of the Developer under this Agreement as to the portion of the Development Property to be transferred and agreed to be subject to all the conditions and restrictions to which the Developer is subject as to such portion; provided, however, that the fact that any transferee of, or any other successor in interest whatsoever to, the Development Property, or any part thereof, shall not, for whatever reason, have assumed such obligations or so agreed, and shall not (unless and only to the extent otherwise specifically provided in this Agreement or agreed to in writing by the City) deprive the City of any rights or remedies or controls with respect to the Development Property or any part thereof or the construction of the Minimum Improvements; it being the intent of the parties as expressed in this Agreement that (to the fullest extent permitted at law and in equity and excepting only in the manner and to the extent specifically provided otherwise in this Agreement) no transfer of, or change with respect to, ownership in the Development Property or any part thereof, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, shall operate, legally or practically, to deprive or limit the City of or with respect to any rights or remedies or controls provided in or resulting from this Agreement with respect to the Minimum Improvements that the City would have had, had there been no such transfer or change. In the absence of specific written agreement by the City to the contrary, no such transfer or approval by the City thereof shall be deemed to relieve the Developer, or any other party bound in any way by this Agreement or otherwise with respect to the construction of the Minimum Improvements, from any of its obligations with respect thereto.
- (iii) Any and all instruments and other legal documents involved in effecting the transfer of any interest in this Agreement or the Development Property governed by this Article VIII, shall be in a form reasonably satisfactory to the City.

In the event the foregoing conditions are satisfied then the Developer shall be released from its obligation under this Agreement, as to the portion of the Development Property that is

transferred, assigned or otherwise conveyed. The restrictions under this Section terminate upon issuance of the Certificate of Completion.

Notwithstanding anything herein to the contrary, the Developer shall have the right to assign or transfer its rights hereunder (including the TIF Note) to a third party without any consent requirement of the City, provided the third party has agreed, in writing, to assume all of the Developer's obligations hereunder.

Section 8.3. Release and Indemnification Covenants.

(a) The City and its governing body members, officers, agents, servants and employees (the "Indemnified Parties") shall not be liable for and the Developer shall indemnify and hold harmless the Indemnified Parties against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Development Property or the Minimum Improvements.

(b) Except for any willful misrepresentation or any willful or wanton misconduct or negligence of the Indemnified Parties, and except for any breach by any of the Indemnified Parties of their obligations under this Agreement, the Developer agrees to protect and defend the Indemnified Parties, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, maintenance and operation of the Development Property or the Minimum Improvements.

(c) The Indemnified Parties shall not be liable for any damage or injury to the persons or property of the Developer or its officers, agents, servants or employees or any other person who may be about the Development Property or Minimum Improvements.

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

ARTICLE IX **Events of Default**

Section 9.1. Events of Default Defined.

The following shall be "Events of Default" under this Agreement and the term "Event of Default" shall mean, whenever it is used in this Agreement, any one or more of the following events, after the non-defaulting party provides thirty (30) days written notice to the defaulting party of the event, but only if the event has not been cured within said 30 days or, if the event is by its nature incurable within thirty (30) days, the defaulting party does not, within such 30-day period, provide assurances reasonably satisfactory to the party providing notice of default that the event will be cured and will be cured as soon as reasonably possible:

(a) failure by either party to observe or perform any covenant, condition, obligation or agreement on its part to be observed or performed hereunder;

(b) commencement by the Holder of any Mortgage on the Development Property or any improvements thereon, or any portion thereof, of foreclosure proceedings as a result of default under the applicable Mortgage documents;

(c) if the Developer shall

(i) file any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act or under any similar federal or State law; or

(ii) make an assignment for benefit of its creditors; or

(iii) admit in writing its inability to pay its debts generally as they become due; or

(iv) be adjudicated a bankrupt or insolvent.

Section 9.2. Remedies on Default.

Whenever any Event of Default referred to in Section 9.1 of this Agreement by Developer occurs, the City may exercise any of the following rights under this Section 9.2 after providing thirty days written notice to the Developer of the Event of Default, but only if the Event of Default has not been cured within said thirty (30) days or, if the Event of Default is by its nature incurable within thirty (30) days, the Developer does not, within such 30-day period, provide assurances reasonably satisfactory to the party providing notice of default that the Event of Default will be cured and will be cured as soon as reasonably possible:

(a) Withhold payments under Section 7.3 in accordance with its terms pending cure of the Event of Default.

(b) Terminate this Agreement.

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

(d) Notwithstanding anything to the contrary herein, in the case of defaults by Developer described in Section 3.3, the City has the additional remedies specified therein, subject to the qualification described in Section 10.3.

Section 9.3. No Remedy Exclusive.

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

Section 9.4. No Additional Waiver Implied by One Waiver.

In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by another party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 9.5. Attorneys Fees.

Whenever any Event of Default occurs and if the City shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer under this Agreement, the Developer shall, within ten (10) days of written demand by the City, pay to the City the reasonable fees of such attorneys and such other expenses so incurred by the City.

ARTICLE X
Additional Provisions

Section 10.1. Conflict of Interests; Representatives Not Individually Liable.

The City and the Developer, to the best of their respective knowledge, represent and agree that no member, official, or employee of the City shall have any personal interest, direct or indirect, in the Agreement, nor shall any such member, official, or employee participate in any decision relating to the Agreement which affects his personal interests or the interests of any corporation, partnership, or association in which he is, directly or indirectly, interested. No member, official, or employee of the City shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Developer or successor or on any obligations under the terms of the Agreement.

Section 10.2. Equal Employment Opportunity.

The Developer, for itself and its successors and assigns, agrees that during the construction of the Minimum Improvements provided for in the Agreement it will comply with

all applicable federal, state and local equal employment and non-discrimination laws and regulations.

Section 10.3. Restrictions on Use.

Until the Maturity Date the Developer shall not discriminate upon the basis of race, color, creed, sex or national origin in the sale, lease, or rental or in the use or occupancy of the Development Property or any improvements erected or to be erected thereon, or any part thereof.

Section 10.4. Provisions Not Merged With Deed.

None of the provisions of this Agreement are intended to or shall be merged by reason of any deed transferring any interest in the Development Property and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement.

Section 10.5. Titles of Articles and Sections.

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

Section 10.6. Notices and Demands.

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

- (a) in the case of the Developer, is addressed to or delivered personally to the Developer at KTJ 267, LLC, 400 Water Street, Suite 200, Excelsior, MN 55331; and
- (b) in the case of the City, is addressed to or delivered personally to the City at City Hall, 300 3rd Avenue NE, Cambridge, MN 55008. Attn: City Administrator

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

Section 10.7. Counterparts.

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

Section 10.8. Recording.

The City may record this Agreement and any amendments thereto with the Isanti County recorder. The Developer shall pay all costs for recording.

Section 10.9. Amendment.

This Agreement may be amended only by a written agreement approved by all parties hereto.

Section 10.10. Governing Law.

This Agreement is made and shall be governed in all respects by the laws of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

Section 10.11. Severability.

If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications that can be given effect, and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby.

Section 10.12. Entire Agreement.

This Agreement, together with its Schedules, which are incorporated by reference, constitutes the complete and exclusive statement of all mutual understandings between the parties with respect to this Agreement, superseding all prior or contemporaneous proposals, communications, and understandings, whether oral or written, concerning this Agreement, provided that nothing contained herein shall impair the rights of the City or the obligations of the Developer under any other agreement between the City and the Developer. This Agreement may not be amended nor any of its terms modified except by a writing authorized and executed by both parties hereto.

ARTICLE XI
Site Area Road Improvements

Section 11.1 McKinley Street Improvements.

The City has, contemporaneously with this Agreement, ordered the improvement of McKinley Street, on the eastern edge of the Development Property. The City shall assess the Development Property One Hundred Eighteen Thousand Dollars (\$118,000) for the Development Property's fixed share of the improvement work, inclusive of design, engineering and administration costs associated therewith. Developer shall pay this assessment in a lump sum payment at completion of the street project when billed by the City at which time such

amount will be added to the Public Development Costs. Payment shall be made within 30 days of billing by the City.

Section 11.2 2nd Ave. NE Improvements.

The City, in the future, intends to improve 2nd Ave. NE, which runs along the northern edge of the Development Property. Developer shall convey to the City the right-of-way needed by the City to improve 2nd Ave. NE, as shown on the plat. The Development Property shall not be assessed for the 2nd Ave. NE Improvements.

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and behalf and its seal to be hereunto duly affixed and the Developer has caused this Agreement to be duly executed in its name and behalf on or as of the date first above written.

CITY OF CAMBRIDGE, MINNESOTA

By _____
Its Mayor

By _____
Its City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF ISANTI)

The foregoing instrument was acknowledged before me this ___ day of _____, 2015 by Marlys A. Palmer and Lynda Woulfe, the Mayor and Administrator of the City of Cambridge Minnesota, on behalf of the City.

Notary Public

KTJ 267, LLC

By _____

Its _____

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this ____ day of _____, 2015 by _____, the _____ of KTJ 267, LLC, on behalf of the company.

Notary Public

EXHIBIT A Development Property

EXHIBIT B Minimum Improvements

“ Minimum Improvements” means the construction of approximately 32,500 square feet of retail commercial building to be known as The Greenberg Addition, including the Public Development Costs limited to demolition of one building and associated parking lot, soil remediation, asbestos remediation, right of way acquisition and underground storm water treatment and the McKinley Street assessments.

EXHIBIT C Certificate of Completion

EXHIBIT D FORM OF TIF NOTE

No. R-1

\$ _____

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF ISANTI
CITY OF CAMBRIDGE

TAX INCREMENT REVENUE NOTE
(KTJ 267, LLC RRETAIL REDEVELOPMENT PROJECT)

The City of Cambridge, Minnesota (the "City"), hereby acknowledges itself to be indebted and, for value received, hereby promises to pay the amounts hereinafter described (the "Payment Amounts") to KTJ 267, LLC, or its registered assigns (the "Registered Owner"), but only in the manner, at the times, from the sources of revenue, and to the extent hereinafter provided. The principal amount of this Note shall equal from time to time the principal amount stated above, as reduced to the extent that such principal installments shall have been paid in whole or in part pursuant to the terms hereof; provided that the sum of the principal amount listed above shall in no event exceed \$690,637 as provided in that certain Development Agreement, dated as of _____, 2015, as the same may be amended from time to time (the "Development Agreement"), by and between the City and KTJ 267, LLC. The unpaid principal amount hereof shall bear interest from the date of this Note at the simple, non-compounding interest at a rate of five and zero hundredths percent (5.00%) per annum. Interest shall be computed on the basis of a 360 day year consisting of twelve (12) 30-day months.

The amounts due under this Note shall be payable on August 1, 2018, and on each August 1 and February 1 thereafter to and including February 1, 2034 or, if the first should not be a Business Day (as defined in the Development Agreement) the next succeeding Business Day (the "Payment Dates"). On each Payment Date the City shall pay by check or draft mailed to the person that was the Registered Owner of this Note at the close of the last business day of the City preceding such Payment Date an amount equal to the Available Tax Increments (hereinafter defined) received by the City during the six month period preceding such Payment Date. All

payments made by the Authority under this Note shall first be applied to accrued interest and then to principal. This Note is prepayable by the Authority, in whole or in part, on any date.

The Payment Amounts due hereon shall be payable solely from 90% of the tax increments (the "Available Tax Increments") from the Development Property (as defined in the Contract for Private Development) within the City's Tax Increment Financing District Tax Increment Financing District No. 6-17 (the "Tax Increment District") within its Development District No. 6 which are paid to the City and which the City is entitled to retain pursuant to the provisions of Minnesota Statutes, Sections 469.174 through 469.179, as the same may be amended or supplemented from time to time (the "Tax Increment Act"). This Note shall terminate and be of no further force and effect following the termination of the Tax Increment District, on any date upon which the City shall have terminated the Development Agreement under Section 9.2 thereof, or on the date that all principal and interest payable hereunder shall have been paid in full, whichever occurs earliest.

The City makes no representation or covenant, expressed or implied, that the Available Tax Increments will be sufficient to pay, in whole or in part, the amounts which are or may become due and payable hereunder.

The City's payment obligations hereunder shall be further conditioned on the fact that no Event of Default under the Development Agreement shall have occurred and be continuing at the time payment is otherwise due hereunder, but such unpaid amounts shall become payable, without interest accruing thereon in the meantime, if said Event of Default shall thereafter have been cured; and, further, if pursuant to the occurrence of an Event of Default under the Development Agreement the City elects to cancel and rescind the Development Agreement, the City shall have no further debt or obligation under this Note whatsoever. Reference is hereby made to all of the provisions of the Development Agreement, including without limitation Section 3.3 thereof, for a fuller statement of the rights and obligations of the City to pay the principal of this Note, and said provisions are hereby incorporated into this Note as though set out in full herein.

This Note is a special, limited revenue obligation and not a general obligation of the City and is payable by the City only from the sources and subject to the qualifications stated or referenced herein. This Note is not a general obligation of the City of Cambridge, Minnesota, and neither the full faith and credit nor the taxing powers of the City are pledged to the payment of the principal of this Note and no property or other asset of the City, save and except the above-referenced Available Tax Increments, is or shall be a source of payment of the City's obligations hereunder.

This Note is issued by the City in aid of financing a project pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including the Tax Increment Act. This Note may be assigned only under the provisions specified in Section 8.2 or with the consent of the City which consent will not be unreasonably withheld. In order to assign the Note, the assignee shall surrender the same to the City either in exchange for a new fully registered note or for transfer of this Note on the registration records for the Note maintained by the City. Each permitted assignee shall take this Note subject to the foregoing conditions and subject to all provisions stated or referenced herein.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to have happened, and to be performed precedent to and in the issuance of this Note have been done, have happened, and have been performed in regular and due form, time, and manner as required by law; and that this Note, together with all other indebtedness of the City outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional, statutory or charter limitation thereon.

IN WITNESS WHEREOF, City of Cambridge, Minnesota, by its City Council, has caused this Note to be executed by the manual signatures of its Mayor and City Administrator and has caused this Note to be issued on and dated _____, 2015.

Mayor

Administrator

CERTIFICATION OF REGISTRATION

It is hereby certified that the foregoing Note, as originally issued on _____, 20__, was on said date registered in the name of KTJ 267, LLC, and that, at the request of the Registered Owner of this Note, the undersigned has this day registered the Note in the name of such Registered Owner, as indicated in the registration blank below, on the books kept by the undersigned for such purposes.

NAME AND ADDRESS OF REGISTERED OWNERS

DATE OF REGISTRATION

SIGNATURE OF CITY ADMINISTRATOR

KTJ 267, LLC
400 Water Street, Suite 200
Excelsior, Minnesota 55331

_____, 20__

NOTICE OF PUBLIC HEARING

**CITY OF CAMBRIDGE
ISANTI COUNTY
STATE OF MINNESOTA**

NOTICE IS HEREBY GIVEN that the City Council of the City of Cambridge, Isanti County, State of Minnesota, will hold a public hearing on December 21, 2015 at approximately 3:00 P.M. at the City Council Chambers in City Hall, 300 Third Ave NE, Cambridge, Minnesota, relating to the City of Cambridge's (the "City") proposed adoption of a Modification to the Development Program for Development District No. 6 (the "Development Program Modification"), the proposed establishment of Tax Increment Financing District No. 6-17 (a renewal and renovation tax increment financing district) within Development District No. 6, and the proposed adoption of a Tax Increment Financing Plan (the "TIF Plan") therefor (collectively, the "Program and Plan"), pursuant to Minnesota Statutes, 469.124 to 469.133 and Sections 469.174 to 469.1794, all inclusive, as amended. Copies of the Program and Plan are on file and available for public inspection at the office of the City Administrator at City Hall.

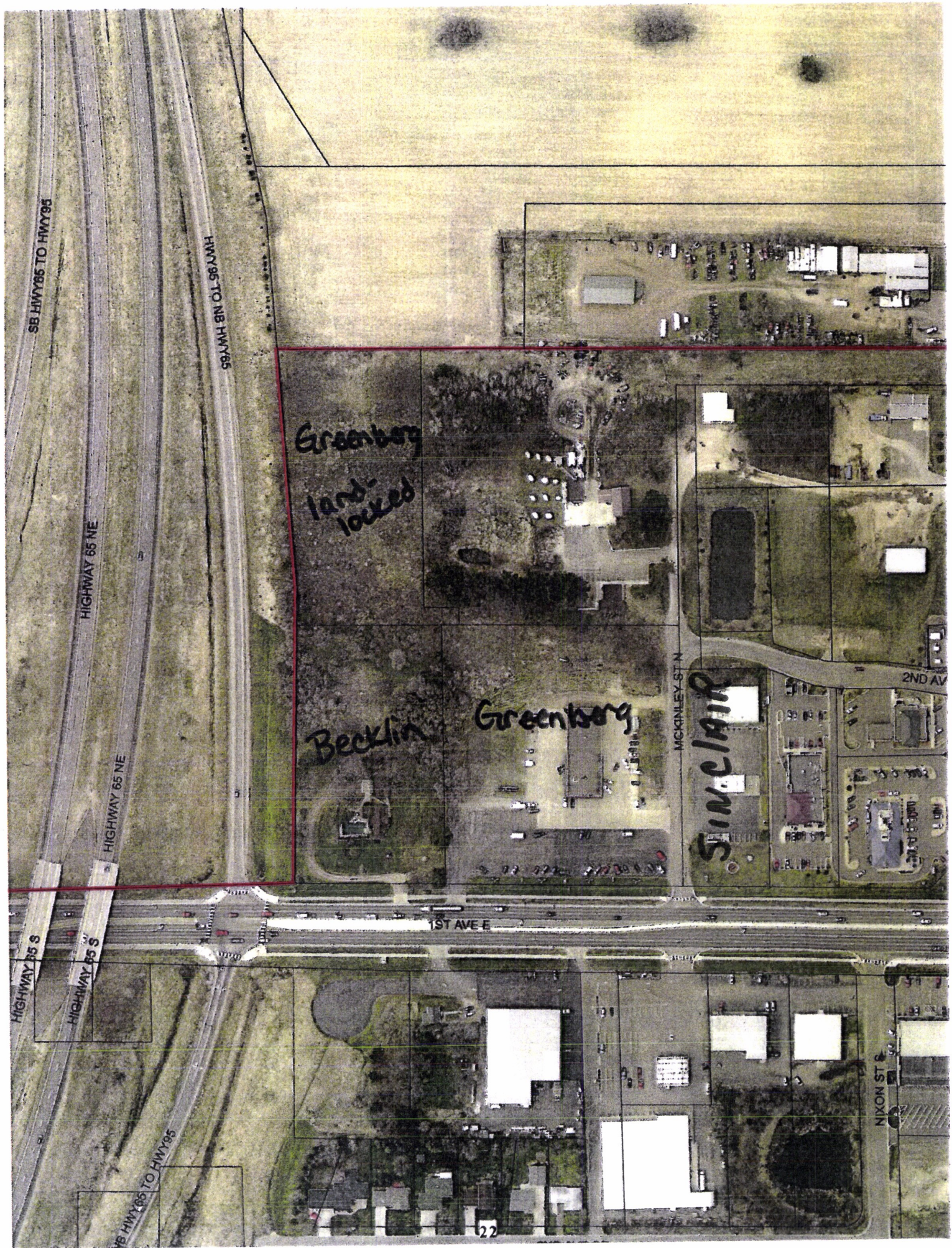
The property to be included in Tax Increment Financing District No. 6-17 is located within Development District No. 6 and the City of Cambridge. A map of Development District No. 6 and Tax Increment Financing District No. 6-17 therein is set forth below. Subject to certain limitations, tax increment from Tax Increment Financing District No. 6-17 may be spent on eligible uses within the boundaries of Development District No. 6.

[INSERT MAP of Development District No. 6,
and Tax Increment Financing District No. 6-17]

All interested persons may appear at the hearing and present their views orally or prior to the meeting in writing.

BY ORDER OF THE CITY COUNCIL OF
THE CITY OF CAMBRIDGE, MINNESOTA

/s/ _____
City Administrator



6A & 6B EDA 2015 Budget Adoption 12/7/2015

Attached are the budgets for the EDA Admin and EDA Housing Divisions.

The 2016 EDA Housing Division budget reflects that housing staff will be continue at part-time status and the section 8 vouchers will be administered by the Mora HRA for 90% of our admin fee subsidy received from HUD. Remainder of Housing Division is consistent with 2015.

The 2016 proposed EDA Admin budget relies on mall rental income to support it. The EDA Admin budget also includes one half of the City Center maintenance worker position. Mall revenues are expected to exceed mall expenditures. The excess earning is to be accumulated for future capital projects as defined in the long range financial/capital improvement plan.

Recommended EDA Board Action:

Approve adoption of 2016 budgets as presented.

Prepared by: Caroline Moe, Director of Finance

EDA Resolution No. EDA15-006

*Resolution Adopting the 2016 Economic Development Authority
Special Revenue Fund Budget*

NOW THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CAMBRIDGE, ISANTI COUNTY, STATE OF MINNESOTA, that the annual budget of the City of Cambridge for the fiscal year beginning January 1, 2016, is hereby adopted for the Economic Development Authority Special Revenue Fund as follows:

ECONOMIC DEVELOPMENT AUTHORITY FUND

Revenues:

Rental Income & Interest Income	<u>\$ 225,100</u>
Total Revenues	<u>\$225,100</u>

Expenditures:

Personal Services	\$2,691
Other Charges & Services	\$28,850
Mall Operations	<u>\$173,736</u>
Total Expenditures	<u>\$205,277</u>

Adopted this 7th day of December, 2015.

Lisa Iverson, President

ATTEST:

Lynda J. Woulfe, Executive Director

City of Cambridge EDA- Fund #205
Budget for year ended December 31, 2015

11/30/15

	Proposed Budget 2016	Proposed Budget 2015	YTD Actual 2015	Actual 2014
OTHER FINANCING SOURCES				
205-36210 Interest Earnings	100	100	0.00	3,858.46
205-37200 Miscellaneous			38,590.26	123.60
205-37220 Rental Fees	225,000	225,000	198,493.81	226,395.50
205-33632 Design Team Grant			4,000.00	
205-36510 Broadband Grant				
TOTAL OTHER FINANCING SOURCES	225,100	225,100	241,084.07	230,377.56
Transfer from Bldg Fund	0	0	0.00	7,400.00
205-39200 General Fund Transfer In	0	0	0.00	0.00
TOTAL TRANSFERS IN	0	0	0.00	7,400.00
TOTAL REVENUES AND TRANSFER	225,100	225,100	241,084.07	237,777.56
EDA Admin #41930				
Personal Services				
205-41930-101 Salaries				
205-41930-102 Overtime				
205-41930-112 EDA Meeting Payments	2,500	2,500	455.00	595.00
205-41930-121 PERA Employer Share				
205-41930-122 FICA/Medicare Employer Share/Emp	191	191	34.83	45.55
205-41930-131 Medical/Dental/Life Employer Share				
205-41930-151 Workers' Compensation Insurance				
Total Personal Services	2,691	2,691	489.83	640.55
Supplies				
205-41930-201 Office Supplies - Accessories	0	0	0.00	87.61
205-41930-204 Stationary, Forms and Envelopes	0	0	0.00	0.00
205-41930-209 Software Updates	0	0	0.00	0.00
205-41930-210 Miscellaneous Operating Supplies	0	0	0.00	0.00
205-41930-212 Gasoline/Fuel/Lubricants/Additivs	0	0	0.00	0.00
205-41930-221 Repair and Maintenance Supplies - V	0	0	0.00	0.00
205-41930-240 Small Tools and Minor Equipment	0	0	0.00	0.00
Total Supplies	0	0	0.00	87.61
Other Services and Charges				
205-41930-304 Miscellaneous Professional Services	5000	5000	650.00	0.00
205-41930-306 McComb's Study/Hotel Study				
205-41930-321 Telephone/Cellular Phones	0	0		0.00
205-41930-331 Travel/Meals/Lodging	750	750	711.73	112.97
205-41930-334 Mileage Reimbursement	250	250		147.84
205-41930-340 Advertising				
205-41930-351 Legal Notices/Ordinance Publishing	200	200	15.54	
205-41930-360 Insurance	2000	2800	1,195.43	1,067.47
205-41930-381 Electric--Church			236.32	33.54
205-41930-383 Gas--Church			34.48	
205-41930-404 Repairs and Maintenance	0	0		
205-41930-409 Maintenance Contracts - Office Equip	0	0		
205-41930-430 Miscellaneous	0	0		
205-41930-433 Dues and Subscriptions	2,000	2,000	1,000.00	250.00
205-41930-440 Schools and Meetings	2,050	2,050	658.00	893.00
205-41930-485 Property taxes on acquired land	3,000	3,000	7,160.43	8,830.00
205-41930-488 Downtown Task Force			600.00	5,620.56
EDA Web Maintenance	3,000			
MN Design Team	6,000		2,500.00	
205-41930-489 Other Contracted Services--marketing	4,600	13,600	19,175.01	12,668.53
Total Other Services and Charges	28,850	29,650	33,936.94	29,623.91
Total EDA Administration	31,541	32,341	34,426.77	30,352.07

City of Cambridge EDA- Fund #205
Budget for year ended December 31, 2015

11/30/15

	Proposed Budget 2016	Proposed Budget 2015	YTD Actual 2015	Actual 2014	
Mall Management					
Personal Services					
7000-101	Salaries	25,000	22,907	20,855.45	19,946.37
7000-102	Overtime	1,000	1,000		
7000-103	Temporary Employee	3,000			
7000-121	PERA Employer Share	1,875	1,734	1,519.50	1,482.84
7000-122	FICA/Medicare Employer Share/Employ	2,143	1,829	1,545.16	1,510.19
7000-131	Medical/Dental/Life Employer Share	7,047	6,910	6,886.08	6,004.48
7000-133	Deductible Contribution	600	600		
7000-151	Workers' Compensation Insurance	1,871	1,389	1,089.59	820.97
7000-154	HRA/Flex Fees	100	100	34.50	34.85
Total Personal Services		42,636	36,468	31,930.28	29,799.70
Miscellaneous Operating Supplies					
205-47000-211	Miscellaneous Operating Supplies	7,000	7,000	5,870.60	13,519.66
205-47000-221	Repair and Maintenance Supplies	7,000	7,000	5,870.60	13,519.66
Total Supplies		7,000	7,000	5,870.60	13,519.66
Other Services and Charges					
205-47000-321	Telephone/Cellular Phones	1,600	1,600	163.24	847.68
205-47000-351	Legal Notices/Ordinance Publishing				
205-47000-360	Insurance	7,000	7,000	5,205.00	5,478.75
205-47000-381	Electric Utilities	21,000	23,010	15,270.04	18,210.76
205-47000-382	Water/Wastewater Utilities	5,700	5,700	4,716.58	4,643.84
205-47000-383	Gas Utilities	6,000	6,000	2,746.76	5,006.15
205-47000-384	Refuse Hauling	4,500	4,500	3,466.96	4,109.24
205-47000-401	Rep & Maint.-Building/Structures	10,500	2,500	11,538.19	1,484.43
205-47000-413	BNSF Parking Lot Lease	800	800	(1,268.66)	2,765.16
205-47000-489	Other Contracted Services	12,000	12,000	7,727.68	8,147.61
(1) 205-47000-490	Mall Cap Fund & Gen Fund Contribu	55,000	50,000	50,000.00	50,000.00
205-47000-491	Work Force Center Remodel			38,453.00	
205-47000-49X	Senior Center Remodel				88,634.86
205-47000-494	Landscaping/Front Exterior Project			0.00	17,788.00
205-47000-495	Mall Lighting Project			0.00	0.00
205-47000-496	Mall Capital Equipment			3,051.47	11,785.72
205-47000-611	Mall Cap Fund Interest Exp--Interfund loan				
Total Other Services and Charges		124,100	113,110	141,070.26	218,902.20
Total Mall Management		173,736	156,578	178,871.14	262,221.56
Total EDA Admin & Mall Management Expenditures		205,277	188,919	213,297.91	292,573.63
NET INCREASE (DECREASE) IN FUND BALANCE		19,823	36,181	27,786.16	(54,796.07)

* Building fund balance for future capital needs.

EDA Resolution No. EDA R15-007

*Resolution Adopting the 2016 Economic Development Authority
Housing Division Budget*

NOW THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CAMBRIDGE, ISANTI COUNTY, STATE OF MINNESOTA, that the budget for the year beginning January 1, 2016, and ending December 31, 2015, is hereby adopted for the Economic Development Authority—Housing Division as follows:

EDA HOUSING DIVISION

Revenues:

Intergovernmental	\$411,371
Dwelling Rent	\$140,000
Other Income	\$52,400
Transfers In	<u>\$35,000</u>
Total Revenues	<u>\$638,771</u>

Expenditures:

Administration	\$88,288
Tenant Services	\$200
Utilities	\$51,700
Maintenance & Labor	\$54,098
General Expense	\$24,714
Carpet & appliance replacement	\$8,000
Housing Assistance Payments	\$294,371
Depreciation	\$70,000
Transfers Out	<u>\$35,000</u>
Total Expenditures	<u>\$626,371</u>

Adopted this 7th day of December, 2015.

Lisa Iverson, President

ATTEST:

Lynda J. Woulfe, Executive Director

Cambridge EDA Housing Division Operating Budget For FYE 12/31/2016	2016			2015			2016			2015			2016			2015		
	Proposed Budget	Budget	Actual Results to 11/30/2015	Proposed Budget	Budget	Actual Results to 11/30/2015	Proposed Budget	Budget	Actual Results to 11/30/2015	Proposed Budget	Budget	Actual Results to 11/30/2015	Proposed Budget	Budget	Actual Results to 11/30/2015	Original Budget	2015 Budget	
	Low Rent	Low Rent		Section 8	Section 8		Non-Fed Hsg	Non-Fed Hsg		Capital Fund	Capital Fund	Capital Fund	Capital Fund	Capital Fund	Total	Total		
Operating Income																		
Dwelling Rents	140,000	145,000	128,409.25												140,000.00	145,000.00		
Laundry Income	5,800	6,000	6,153.50												5,800.00	6,000.00		
Admin Fees - Bridges 1								4,000	6,446.00							4,000.00		
Admin Fees - 7E								4,200	72,109.00							4,200.00		
HAP - Bridges 1																		
HAP - 7E																42,000.00		
HUD Grant Revenue	72,000	70,000	67,344.00	304371	304371	270,982.00									376,371.00	374,371.00		
Interest Income	1,500	1,500	1,191.08			48.12		500	832.21						1,500.00	2,000.00		
Other Income	100	100	-	30000	30000	9,603.83	15000	15000	18,980.77						45,100.00	44,900.00		
CFP Operations Funds													35,000	35,000	6,000.00	35,000.00		
Transfer In	35,000	35,000	-												35,000.00	35,000.00		
Total Operating Income	254,400	257,600	203,345.83	334371	334371	280,633.95	15000	61500	96,367.98	35,000	35,000	6,000.00	636,771.00	638,271.00	638,271.00	688,271.00		
Operating Expenses																		
Administration																		
Administrative Salaries-FT		31,048	3,024.92					0	0								31,048.00	
Administrative Salaries-PT	28,330	-	21,895.52					0	0				28,330.00	-				
Legal Expense	100	100	-										100.00	-			100.00	
Board Pay								2100	2100	1,400.00			2,100.00	-			2,100.00	
Staff Training	500	500	-					0	0				500.00	-			500.00	
Copier Lease	400	3,000	285.30					0	0				400.00	-			3,000.00	
Audit Fees	3,000	3,000	2,000.00	3000	3000	2,000.00		0	0				6,000.00	-			6,000.00	
FICA	2,168	2,375	1,906.36					0	0	107.07			2,168.00	-			2,375.00	
PERA	-	2,251	48.08					0	0				-	-			2,251.00	
Insurance	-	52	-					0	0				-	-			52.00	
Work Comp	240	288	183.28					0	0				240.00	-			288.00	
Telephone	6,000	3,000	5,731.14					0	0				6,000.00	-			3,000.00	
Office Supply	1,500	1,500	157.30					0	0				1,500.00	-			1,500.00	
Postage	250	250	147.00					0	0				250.00	-			250.00	
Dues & Subscriptions	1,000	1,000	2,018.00					0	0	587.00			1,000.00	-			1,000.00	
Travel/Meals/Lodging	100	100	-					500	500	376.39			600.00	-			600.00	
Advertising	100	100	30.80										100.00	-			100.00	
Contracted Voucher Administration				36000	36000	32,833.08							36,000.00	-			36,000.00	
License & Support	2,000	2,000	-	1000	1000	-		0	0				3,000.00	-			3,000.00	
Total Administration	45,688	50,542	37,427.70	40000	40000	34,833.08	2600	2600	2,450.46	-	-	-	88,288.00	-	-	-	57,142.00	
Tenant Services																		
Salaries								0	0									
Services	200	200	1,379.92					0	0				200.00	-			200.00	
Employee Benefits								0	0				0	-			0	
Total Tenant Services	200	200	1,379.92	0	0	0	0	0	0	0	0	0	200.00	-	200.00	200.00	200.00	
Utilities																		
Water	10,000	10,000	7,980.46					0	0				10,000.00	-			10,000.00	
Electricity	35,700	35,700	24,426.22					0	0				35,700.00	-			35,700.00	
Gas	6,000	6,000	3,629.95					0	0				6,000.00	-			6,000.00	
Total Utilities	51,700	51,700	36,046.63	0	0	0	0	0	0	0	0	0	51,700.00	-	51,700.00	51,700.00		
Maintenance & Labor																		
Salaries and Wages	25,802	25,764	25,809.92					0	0				25,802.00	-			25,764.00	
Materials	4,400	4,400	1,821.30					0	0				4,400.00	-			4,400.00	
Fuel Purchase	200	200	110.35					0	0				200.00	-			200.00	
Contract Costs	18,000	16,000	12,434.94					0	0				18,000.00	-			16,000.00	
Garbage Removal	2,100	2,100	1,846.32					0	0				2,100.00	-			2,100.00	
FICA	1,975	1,971	1,974.47					0	0				1,975.00	-			1,971.00	
PERA	-	1,868	43.78					0	0				-	-			1,868.00	
Insurance-Health & Dental & Life								0	0				0	-			0	
Insur Deductible Contribution								0	0				-	-			-	
HRA/Flex Fees								0	0				-	-			-	
Work Comp	1,821	1,190	1,353.92					0	0				1,821.00	-			1,190.00	
Total Maintenance	54,098	53,493	45,195.00	0	0	0	0	0	0	0	0	0	54,098.00	-	54,098.00	53,293.00		
General Expense																		
Insurance-Property	13,500	13,500	11,622.75					0	0				13,500.00	-			13,500.00	
PILOT	11,100	11,100	-					0	0				11,100.00	-			11,100.00	
Other General Expenses	114	65	-	0	0	-		0	0				114.00	-			65.00	
Total General Expense	24,714	24,665	11,622.75	0	0	0	0	0	0	0	0	0	24,714.00	-	24,714.00	24,665.00		
Extraordinary Maintenance																		
Contract Costs	4,000	3,000	-					0	16900				4,000.00	-			19,900.00	
Replacements (carpet & appliances)	4,000	4,000	2,736.00					0	0				4,000.00	-			4,000.00	
Betterments & Additions								0	0				-	-			-	
Total Ext. Maintenance	8,000	7,000	2,736.00	0	0	0	0	16900	0	0	0	0	8,000.00	-	8,000.00	23,900.00		
Hsg. Assist. Payments																		
Vouchers				294371	294371	250,672.33							294,371.00	-			294,371.00	
Bridges 1								42000	71,913.00				-	-			42,000.00	
Bridges 2													-	-			-	
7E													-	-			-	
Total HAP	-	-	-	294371	294371	250,672.33	0	42000	71,913.00	-	-	-	294,371.00	-	294,371.00	336,371.00		
Total Expenses	184,400	187,600	134,408.00	334371	334371	285,505.41	2600	61500	74,363.46	-	-	-	521,371.00	-	521,371.00	547,271.00		
Profit/(Loss)-Operations	70,000	70,000	68,937.83	0	0	(4,871.46)	12400	0	24,004.52	35,000	35,000	6,000.00	117,400.00	-	117,400.00	141,000.00		
Other Expenses																		
Transfer between funds										35,000	35,000	43,715.00	35,000.00	-			35,000.00	
Depreciation-Less add-back	70,000	70,000	-	0	0	-	0	0	-	0	0	-	70,000.00	-			70,000.00	
Total Other Expenses	70,000	70,000	-	0	0	0	0	0	0	35,000	35,000	43,715.00	105,000.00	-	105,000.00	105,000.00		
Profit/(Loss)	-	-	68,937.83	0</														