

## AGENDA

### **Economic Development Commission Meeting** **In-Person Meeting with Public Electronic Access**

**August 4, 2021 | 7:30 a.m.**

**City Hall Upper Level Conference Room**

• **Attend the meeting in Person:** Members of the public may attend the meeting in person. Attendees who are not vaccinated are encouraged to wear masks and comply with social distancing parameters.

• **Watch the meeting electronically:** To observe the meeting electronically, visit [www.newbrightonmn.gov](http://www.newbrightonmn.gov) or tune into CTV Channel 8023 (CenturyLink) or Channel 16 (Comcast).

• **Join the meeting electronically:** If you need to interact with our elected officials or staff but are not comfortable attending the meeting in person, you may join the meeting electronically. Visit: <https://us02web.zoom.us/j/82196592215?pwd=VGZVZE9DU2xjMUtVQlVIRGNKVTA1dz09> (no app needed) or use your Zoom app to join by entering: Meeting ID: 821 9659 2215 and Passcode: 672150

#### **I. Call to Order**

#### **II. Roll Call\***

- |                               |                                |
|-------------------------------|--------------------------------|
| ▪ Chair Harry Carter          | ▪ Commissioner Anthony Pledger |
| ▪ Commissioner Bob Benke      | ▪ Commissioner Jacqui Sauter   |
| ▪ Commissioner Bret Fynewever | ▪ Commissioner Paul Zisla      |
| ▪ Commissioner Mike Murlowski | ▪ Appointment Pending          |
| ▪ Commissioner Max Nundahl    |                                |

#### **III. Approval of Agenda**

#### **IV. Approval of Minutes**

1. June 2, 2021 EDC Minutes

#### **V. Report from City Council Liaison**

#### **VI. Business Items**

1. Financial Needs Analysis for proposed Tax Increment Financing Redevelopment (TIF) District No. 35 (US Bank Redevelopment Project)

*\* A quorum of the City Council may be present.*

## 2. Business Outreach Program Updates

## VII. Adjournment



**MINUTES**  
**New Brighton Economic Development Commission**  
**Regular Meeting – June 2, 2021**  
**7:30 a.m.**

**Call to Order**

Chair Carter called the meeting to order at 7:30 a.m. Due to the COVID-19 pandemic this meeting was held virtually.

**I. Roll Call**

Members Present.....Chair Harry Carter, Commissioners Bob Benke, Bret Fyneweaver, Clint Kuipers, Mike Murlowski, Max Nundahl, Anthony Pledger, Jacqui Sauter, and Paul Zisla

Members Absent.....None

Also Present .....Ben Gozola-Assistant Director of Community Assets & Development, Jill Cady – DCAD Technician, and Councilmember Pam Axberg

**II. Approval of Agenda**

Motion by Commissioner Fyneweaver, seconded by Commissioner Sauter to approve the agenda as presented.

A roll call vote was taken. Approved 9-0

**III. Approval of Minutes**

Motion by Commissioner Fyneweaver, seconded by Commissioner Pledger to approve the minutes from the March 3, 2021 meeting.

A roll call vote was taken. Approved 9-0

#### **IV. Report from Council Liaison**

Councilmember Axberg provided the EDC with an update from the City Council. She commented on the joint meeting the Council held with the EDC in May that addressed housing in New Brighton. She explained the Council discussed the Parks Comprehensive Plan at their last work session meeting and was working to advance and fund the plan. She reported the Council has also been addressing zoning issues surrounding short term rentals and manufactured home parks.

#### **V. Business Items**

##### **A. Housing Market, Trends and Initiatives**

Gozola stated the City of New Brighton's 2040 Comp plan includes an entire chapter on housing and economic development. After learning from the Urban Land Institute about the effects of COVID-19 on the current housing market staff would like the commissioners to revisit our previous housing goals to check in on progress and how the City could shift our strategy moving forward.

Cady provided the Commission with an update on new housing units that have been built in the community which included 32 townhouses built by Pulte Homes, 154 affordable workforce units in the Dominion Brighton Oaks, and 204 affordable senior units within the Dominion Oaks Landing. It was noted the Benedictine Health Center would be renovating their site and would be adding 128 new units. In addition, the Comp Plan now allows for tiny homes within manufactured home parks.

Gozola commented further on the 2040 Comp Plan noting the housing goals included which were to maintain and enhance existing housing stock, providing a wide variety of housing types, promoting neighborhoods that are walkable, safe and connected to amenities, and ensuring an adequate supply of quality affordable housing.

Discussion included:

- The Commission supported the City encouraging commercial focused mixed use housing developments in the future.
- How commercial/residential developments have worked in the community and it was noted the market would drive the types of developments that were brought into the City.
- The future plans for Old Highway 8 were discussed.
- The themes from the Urban Land Institute meeting were summarized for the Commission.
- The Commission discussed how to protect naturally occurring affordable housing in the community.



- The importance of investing in the City's existing housing stock was discussed.
- It was noted the feedback from the Commission would be brought back to the City Council.

**B. Adopt Final 2021/2022 Work Plan**

Gozola reviewed the 2021/2022 Work Plan in detail with the Commission.

**VI. Adjourn**

Motion by Commissioner Zisla, seconded by Commissioner Pledger to adjourn the meeting.

A roll call vote was taken. 9 Ayes, 0 Nays, Motion carried

Meeting adjourned at 8:31 am

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ben Gozola". The signature is stylized with a large, looped "B" and a cursive "G".

Ben Gozola  
Assistant Director of Community Assets and Development



<b>Agenda Section:</b>	<b>VI</b>
<b>Item:</b>	<b>1</b>
<b>Report Date:</b>	<b>7/29/21</b>
<b>Commission Meeting Date:</b>	<b>8/4/21</b>

## REQUEST FOR COMMISISON CONSIDERATION

<b>ITEM DESCRIPTION:</b>	<b>Financial Needs Analysis</b> for proposed Tax Increment Financing Redevelopment (TIF) District No. 35 – US Bank Redevelopment Project
<b>DEPARTMENT HEAD’S APPROVAL:</b>	
<b>CITY MANAGER’S APPROVAL:</b>	
<b>No comments to supplement this report</b>	<b>Comments attached</b>

**15.99 Deadline:** None

- Recommendations:**
- Staff believes the SUP can be approved with conditions.
  - Template motions, recommended findings, and suggested conditions can be found on pages 11 & 12.

- Legislative History:**
- Application received on 7/1/21
  - Planning Commission review scheduled for 7/20/21

**Financial Impact:** None

**Summary:** The City of New Brighton received an application from North Shore Development Partners requesting financial assistance through Tax Increment Financing (TIF) to assist with financing redevelopment of the former US Bank building located at 2299 Palmer Drive.

As part of the project the developer is proposing that 14 of the units (approximately 10%) will be affordable to occupants with incomes no greater than 60% median income. TIF is requested to support these affordable units and to help with some extraordinary development costs like demolition.

The developer has identified TIF-eligible expenditures equaling approximately \$5,422,000 (breakdown included in the report). Staff’s financial analysis of the project has identified approximately \$2,650,000 of eligible expenditures that could be considered ‘extraordinary’ to the project and a barrier to redevelopment occurring. Based on current tax increment projections, we estimate it would take approximately 9-11 years of increment collections to repay staff’s identified costs. If approved for TIF, the developer would finance the total development costs of \$33 million upfront and would be reimbursed for a portion of those costs on an annual basis using future tax increment revenues.

**Requested Action:** The EDC is asked to review the requested level of TIF support along with staff's analysis of the request, and make a recommendation on what, if any, support should be considered by the City Council.

**Attachments:** 1) *Staff Report*  
2) *Applicant's TIF Application Materials*

A handwritten signature in black ink, appearing to read "Ben Gozola", written over a horizontal line.

Ben Gozola, AICP  
*Assistant Director of Community Assets and Development*

# Memo – Draft for Review

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To: Members of Economic Development Commission  
Craig Schlichting and Ben Gozola, City of New Brighton

From: Mikaela Huot, Director

Date: July 29, 2021

Subject: Financial Needs Analysis for proposed Tax Increment Financing  
Redevelopment (TIF) District No. 35 (US Bank Redevelopment Project)

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## **Executive Summary**

The City of New Brighton received an application from North Shore Development Partners for financial assistance through Tax Increment Financing (TIF) to assist with financing redevelopment of the existing blighted building located at 2299 Palmer Drive through the offset of a portion of the costs necessary for redevelopment of the site and subsequent construction of 132 units of rental housing units. As part of the project the developer is proposing that 14 of the units (approximately 10%) will be affordable to occupants with incomes no greater than 60% median income. The application includes a request for 90% of the incremental revenues for the maximum term of 26 years. The current taxable value of the project is \$1.725 million and generates total taxes of \$57,394. The estimated taxable value of the project upon construction completion would be approximately \$27 million and would generate approximately \$482,404 in taxes.

The developer has identified TIF-eligible expenditures equalling approximately \$5,422,000 (breakdown included in Table 2 on the following page). Financial analysis of the project, as further described within this memo, has resulted in the identification of approximately \$2,650,000 of eligible expenditures that could be considered 'extraordinary' to the project and a barrier to redevelopment occurring. Based on current tax increment projections, it is estimated to take approximately 9-11 years of increment collections to repay those costs. The developer would finance the total development costs of \$33 million (Table 1 on page 2) upfront and would be reimbursed for a portion of those costs on an annual basis using future tax increment revenues.

## **Background**

The purpose of this memorandum is to provide a summary of Baker Tilly's review of the development project costs and operating pro forma as provided by the applicant (North Shore Development Partners) to assist the City with making a determination 1) if the project as proposed would be unlikely to proceed "but-for" the requested Tax Increment Financing (TIF) assistance, and 2) if assistance was necessary, to determine the appropriate amount and terms, if any, of public assistance. Prior to establishing a tax increment financing district, there are findings that need to be made by the City that include: 1) determination that the project qualifies as a TIF district and 2) determination that the project as proposed would not proceed without public assistance (meeting the "but-for" test). When reviewing requests for financial assistance it is important to understand how the level of financial assistance would impact the ability of the project to proceed as proposed and maximize new value created on the current project site.

### **Project Summary and Qualifications**

The City of New Brighton has received an application from North Shore Development Partners for redevelopment of the project site and is proposing to construct 132 residential apartment buildings with underground parking. The developer has proposed that 14 of those units (approximately 10%) would be affordable. This action would require the establishment of a Tax Increment Financing Redevelopment District. Tax increment financing is a tool the City may consider using to support financial assistance for the project, subject to meeting the but-for test and need for public financial participation. A blight inspection confirming qualification of the building as substandard for inclusion in a Tax Increment Financing District was completed and would provide the basis for which a Redevelopment TIF District could be established.

### **Applicant Request for Assistance**

The developer has requested assistance that includes 90% of incremental revenues for up to 26 years related to redevelopment of the project site and has identified approximately \$5.632M in TIF eligible costs. The application includes an approximate \$33.096 million project funded through a combination of debt and equity. The applicant's supporting financial information includes sources and uses of funds with 65% as debt financing and 21% as private equity (including deferred developer fee) with 14% supported by TIF. Financial assistance through pay-as-you-go tax increment financing from the City of New Brighton has been requested to provide additional revenues to support the required level of debt and project cash flow to repay annual debt service payments. Typical extraordinary redevelopment costs that cannot be supported solely by the project alone could justify the need for public financial assistance and allow the project to proceed as proposed to provide appropriate upfront funding and meet the minimum debt coverage requirements. The applicant has indicated the receipt of City financial assistance is necessary for the project to proceed.

**Table 1: Sources and Uses of Funds**

Sources	Amount		Uses	Amount	
First Mortgage	\$21,657,912	65%	Acquisition	\$1,500,000	5%
Equity	\$6,088,450	18%	Site Development	\$750,000	2%
Deferred Developer Fee	\$850,000	3%	Construction	\$25,080,000	75%
TIF	\$4,500,000	14%	Construction Contingency	\$752,400	2%
			Developer Fee	\$1,000,000	3%
			Soft Costs	\$2,504,150	8%
			Financing	\$1,509,812	5%
Total	\$33,096,362		Total	\$33,096,362	

*Tax increment financing has been requested as pay-as-you-go and would not be an upfront funding source*

**Table 2: Estimated Total TIF Eligible Costs**

	Eligible	Extraordinary
Affordability (including 14 parking stalls)		\$1,900,000
Acquisition	\$1,500,000	\$0
Demolition	\$750,000	\$750,000
Site Preparation	\$2,737,000	TBD
Utilities/Streets	\$435,000	TBD
Total	\$5,432,000	\$2,650,000

### **Project Financing**

There are generally two ways in which assistance can be provided for most projects, either upfront or on a pay-as-you-go basis. With upfront financing, the City would finance a portion of the applicant's initial project costs through the issuance of bonds or as an internal loan. Future tax increment would be collected by the City and used to pay debt service on the bonds or repayment of the internal loan. With pay-as-you-go financing, the applicant would finance all project costs upfront and would be reimbursed over time for a portion of those costs as revenues are available.

Pay-as-you-go-financing is generally more acceptable than upfront financing for the City because it shifts the risk for repayment to the applicant. If tax increment revenues are less than originally projected, the applicant

receives less and therefore bears the risk of not being reimbursed the full amount of their financing. However, in some cases pay as you go financing may not be financially feasible. With bonds, the City would still need to make debt service payments and would have to use other sources to fill any shortfall of tax increment revenues. With internal financing, the City reimburses the loan with future revenue collections and may risk not repaying itself in full if tax increment revenues are not sufficient. The project financing as requested includes pay-as-you-go for reimbursement of eligible costs.

### **Tax Increment Revenue Assumptions**

To estimate the amount of available TIF revenues generated by the proposed project, certain assumptions were made based on the value of the project, construction schedule, and anticipated financing terms.

- Total existing value of \$1,725,000
  - Parcel ID: 19.30.23.43.0034
  - Base value as of Jan. 1, 2021
  - Original net tax capacity (ONTC) of \$21,563
  - Assuming classification as residential rental
    - Rental classification is 1.25%
- Estimated total market value upon completion
  - \$27,720,000
  - 132 new units at \$210,000/unit
- Classification for all units as rental
  - Rental class rate (1.25% per unit)
- Incremental value based on difference between existing and new land/building value
- Construction commences in 2021 and is completed in 2022
  - Project values 100% complete for assess 2023 and taxes payable 2024
- First increment collected in 2024
  - Election to delay first increment by up to 4 years
- Net present value (discount) rate of 4%
- 0% annual market value inflation

**Table 3: Tax Increment Revenue Estimates**

	Scenario 1	Scenario 2
Existing 'Base' Value	\$1,725,000	\$1,725,000
Estimated Total Taxable Value	\$27,720,000	\$27,720,000
Annual Market Value Inflator	0%	3%
Estimated Annual Increment (full buildout 2024)	\$385,251	\$385,251
Estimated Amount of Financial Assistance	\$2,650,000	\$2,650,000
Estimated Number of Years	11 years	9 years
Estimated Taxable Value at Decertification	\$27,720,000	\$35,114,867

### **Financial Needs (Pro forma Analysis) including But-For**

Upon approval of a TIF district and project, the City must make several findings, including the "but for" test: that the proposed redevelopment would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future. The applicant has stated that but for the provision of tax increment financing, the project as proposed would not occur. Based on the applicant's stated position relative to the need for tax increment financing assistance, the City could make its "but for" finding and provide tax increment assistance. We recommend, however, that the City review the provided assumptions to consider if the project meets the but-for test and, if so, what an appropriate level and type of TIF assistance may be based on the information submitted by the applicant.

Following thorough evaluation of the project as provided allows the City to be prepared to make an informed "but-for" decision based on the likelihood of the project needing assistance, as well as the appropriate level of assistance. To complete this analysis, we reviewed the applicant's provided operating proforma and

constructed similar ten-year project proformas, showing a result if the project received financial assistance as pay-as-you-go (reimbursement for TIF eligible costs) and showing a result if the project did not receive assistance. Our analysis of the proformas include a review of the development budget, projected operating revenues and expenditures, and the project's capacity to support annual debt service on outstanding debt. The purpose of evaluating the operating proformas is to understand the potential cash flow performance through initial development of the project and the annual operations of the project over a 10-year period to assist with determining if the project is financially feasible and in need of public participation.

Measuring project feasibility is typically accomplished by analyzing a combination of 1) projected rate of return – both annual and cumulative and 2) estimated debt coverage ratio (DCR). Rate of return analysis illustrates the projected return to the investor using the available cash flow after payment of operating expenses and debt as a measurement to the initial equity investment. Industry standards for development types indicate the level of investment a developer is willing to make based on projected returns from the project. Should the projected annual and cumulative returns fall below those standards, the project would require a reduced level of equity participation and/or increased cash flow to be feasible. Debt Coverage Ratio (DCR) is a calculation detailing the ratio by which operating income exceeds the debt payments for the project. If the DCR is greater than 1.0 it indicates the project has operating income that is greater than the debt-service payment by some margin; conversely if the DCR is less than 1.0, it indicates the project is incapable of meeting its debt-service payment and would need to seek additional revenue sources in order to pay its debt. Typical lending standards will require a DCR of greater than 1.0 as a measure of cushion in the event actual revenues and expenses are different than projected.

We reviewed the financial information as provided by the applicant to assist with making the determination 1) that tax increment assistance is necessary and 2) what is an appropriate level of assistance. We analysed the financial information as provided by the applicant including total development costs as compared to operating income to estimate both the projected rate of return and debt coverage ratios. The level of debt financing the project can obtain and support is based on the net operating income (NOI) and approximately 65% of total project costs. The annual lease and other (parking) revenues and operating expenses have been provided by the applicant to project the stabilized NOI.

Review of the operating proformas based on with assistance as pay-as-you-go and with no assistance provides the range of financial feasibility for this project and what the estimated gap would be without assistance. It is important to note that certain assumptions were made based on the applicant's provided information and market industry standards for annual lease rates, vacancy rates and annual revenue and operating expense inflators in order to understand the project performance. Adjustments made to those assumptions assist in understanding potential impact on project performance and what a required level of assistance (number of years and total amounts) may be. Below is a summary of the applicant's financial assumptions related to the operating proforma:

- 1) 2% annual revenue and 3% expense inflator
- 2) 5% vacancy rate
- 3) 38% operating expense ratio
- 4) 132 rental units average \$1.98/SF rent
- 5) Parking income
  - a. \$100/stall underground per month (132 stalls)
  - b. \$40/stall surface per month (34 stalls)

To understand viability of the project and need for an appropriate level of public assistance, we provided a sensitivity analysis to the proformas with adjustments made to the total project costs (including land/building acquisition, construction costs, soft costs, developer and other related construction management fees and contingency) and corresponding funding sources, as well as projected annual lease rates and operating expenses. Realizing any adjustments is all subject to market conditions. The purpose of the sensitivity analysis is to test the level of assistance that may be needed using those assumptions to understand if the recommended level of assistance could be consistent with the City's objectives resulting in less assistance than what has been requested. The below table is a summary of the projected performance of the project based on current assumptions:

**Table 4: Estimated Developer Returns**

Projected Performance Metrics *	Without Assistance	With Assistance
Cash-on-Cash	4.00%	7.20%
Return on Cost	5.10%	6.10%
Leveraged IRR	6.66%	13.50%

*\* calculated using stabilized net operating income and net project costs financed by the developer*

### **Conclusion**

The applicant has requested financial assistance related to redevelopment of the existing blighted building and subsequent construction of 132 units of apartment units, of which 10% would be affordable. Through submission of the tax increment financing application and supporting financial information, the applicant has indicated that the project would not occur as proposed without financial assistance from the City due to below market rates of return.

Based on the financial analysis and available financing assumptions, without financial assistance, the project does not appear to be feasible. Without assistance, the projected annual and cumulative rate of return is below industry standards for this type of project and with annual public assistance the project is projected to achieve marketable returns. The rate of return analysis indicates that the provided financing structure would not be financially viable without one or more of the following: 1) reduction in project costs 2) additional annual cash flow, and/or 3) additional funding sources.

Parameters for an appropriate level of public assistance that were considered when understanding what the extraordinary project costs are that may be financed through tax increment revenues included the following:

- Return on Investment
- Purchase price and other development costs
- Public to private investment
- Public assistance (TIF) and private equity
- Extraordinary costs
- Financial gap
- Term of collection (district)
- Other necessary public improvements

### **Estimated Total TIF Eligible Costs**

	Eligible	Extraordinary
Affordability (including 14 parking stalls)		\$1,900,000
Acquisition	\$1,500,000	\$0
Demolition	\$750,000	\$750,000
Site Preparation	\$2,737,000	TBD
Utilities/Streets	\$435,000	TBD
Total	\$5,422,000	\$2,650,000

The applicant has requested tax increment financing from the City as a method of providing additional cash flow revenues required to achieve financial feasibility. The request is for 90% of the tax increments generated over the maximum 26-year term of the TIF District. The project will be privately financed through debt and equity and the increment would provide additional annual revenues to support a secondary TIF mortgage, enhance cash flow and increase the developer's return. We typically review both the annual (upon stabilization) and long-term (10-15-year period) investment returns to understand financial performance and verification of need for public assistance.

Thank you for the opportunity to be of assistance to the City of New Brighton. Please contact me at 651.368.2533 or [Mikaela.huot@bakertily.com](mailto:Mikaela.huot@bakertily.com) with any questions or comments.



## APPLICATION FOR TAX INCREMENT FINANCING

**PROJECT:**     **2299 Palmer Drive, New Brighton MN**

1. Business Name: [North Shore Development Partners](#)  
Address: [641 East Lake Street #207 Wayzata, MN 55391](#)  
Telephone: [651.485.5062](#)  
Contact: [Katelyn Murray](#)
2. Description of the business specific to this project – what are the business operations that will occur onsite at this location you are requesting TIF for (Manufacturing, warehousing, retail, or any combination of these three):  
[Multifamily](#)

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3. Present ownership of the site:  
[U.S. Bank National Association](#)

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4. Property address and parcel identification number(s):  
[2299 Palmer Dr. New Brighton, MN 55112-2464](#)

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[PID: 193023430034](#)

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5. Proposed project: Building(s) square footage, property size, description of buildings – materials, etc.  
[Property Size: 1.86 Acres + an Easement Area of 0.4 Acres for a total of 2.26 Acres](#)

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[Total Square Footage: 177,549 – 2 levels of parking \(1 below ground and 1 at grade\) with 5 stories of framing.](#)

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[Thoughtfully designed, first class, class A building featuring exterior materials consisting of significant glazing, brick, concrete masonry, and fiber cement panel.](#)

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6. Total Estimated Project Costs:

a.	Land Acquisition	\$1,500,000.00
b.	Site Development	\$750,000.00
c.	Building Cost	\$25,080,000.00
d.	Soft Costs	\$3,300,860.00
e.	Financing Costs	\$1,663,102.00
f.	Contingencies	\$802,400.00
	Total:	\$33,096,362
7. Estimated Project Costs Eligible for TIF Assistance

- |    |                   |             |
|----|-------------------|-------------|
| a. | Acquisition Costs | \$1,700,000 |
| b. | Demolition        | \$750,000   |
| c. | Site Improvements | \$2,737,000 |
| d. | Utilities/Streets | \$435,000   |

Total: \$5,622,000

8. PLEASE SUBMIT PROJECT PROFORMAS SHOWING NEED FOR ASSISTANCE (I.E. WITH ASSISTANCE AND WITHOUT).

9. Total Estimated Market Value at completion: \$28,380,000

10. Estimated real estate taxes upon completion: \$476,250

11. Source of Financing

- |       |                                 |  |
|-------|---------------------------------|--|
| a.    | Equity + Deferred Developer Fee | \$6,938,450                                  |
| b.    | Bank Loan                       | \$21,657,912                                 |
| c.    | TIF (Gap)                       | \$5,000,000 financed at<br>90% for 4,500,000 |
| Total |                                 | \$33,096,362                                 |

12. Amount of Assistance (Estimated Gap): 5,000,000

13. Type of Assistance Requested (Upfront or PayGO): PayGO

14. Name & Address of architect, engineer, and general contractor:

Architect: Kaas-Wilson Architects – 1301 American Blvd E, Bloomington, MN 55425

Engineer: Wenck now part of Stantec – 1800 Pioneer Creek Center, Maple Plain, MN 55359

GC: North Shore Contractors – 641 East Lake Street #214, Wayzata, MN 55391

15. Project construction schedule:

- |    |                              |                                |
|----|------------------------------|--------------------------------|
| a. | Construction Start Date      | Fall 2021                      |
| b. | Construction Completion Date | Fifteen (15) months            |
| c. | If phase project:            | _____Year      _____% Complete |
|    |                              | _____Year      _____% Complete |

16. State specific reasons why assistance is necessary for the project (the “but for” test).

For a new construction multifamily project with a non-institutional equity provider, equity requires a leveraged IRR to be at a minimum of low-mid teens. For this project, without TIF assistance, the leveraged IRR is 6.66%. With TIF assistance, the returns are 13.50% which establishes our “but for” proposition and makes this opportunity feasible. We believe with the requested TIF assistance, the proposed returns are adequate to provide economic incentives to undertake this type of risk. The largest risks are construction and lease up. Assumptions in the underwriting consider the full development timeline (from construction and lease up) to be 2-3 years. For an institutional equity source, the projected returns would be higher, but we are providing our own equity. Additionally, we are incorporating 14 units within the project to be offered at 60% AMI rents consistent with affordability guidelines established by HUD (the US Department of Housing and Urban Development) for Ramsey County and as administered by Minnesota Housing Finance Agency. This is an expensive component to provide without additional support.

17. Please indicate how the project would meet one or more of the following: Public Purpose Goals; enhance economic growth, create and retain high quality jobs, and enhance the value of surrounding properties.

We believe we can provide the City of New Brighton with its first class A apartment project which will welcome approximately 200 market rate renters to the New Brighton area who will contribute to the local economy and support local business nearby. With the current lack of new construction, market-rate, multifamily buildings in New Brighton, this \$30+ million-dollar development also diversifies the City’s housing stock while promoting many goals of the City’s 2040 Comprehensive Plan. As mentioned above, providing 14 affordable units in the project supports the City’s Public Purpose Goals of offering diversifying the housing mix.

18. Municipal Reference (if applicable). Please name any other municipalities wherein the applicant, or other corporations the applicant has been involved with, has completed developments within the last five years.

St. Louis Park

Wayzata

Plymouth

Minnetonka

St. Paul

Cottage Grove

19. Additional Comments:

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20. Submit this form along with an application fee of \$5,500. This fee is used to defray the cost of financial and legal consultation on processing and analyzing the application.

## ADDITIONAL DOCUMENTATION AND CHECKLIST

- Applicants will also be required to provide the following documentation.
  - All personal financial information will be kept private and confidential.
- ☐ 1. Written business plan or a description of the business, ownership/ management, date established, products and services, and future plans.
  - ☐ 2. Two year financial projections, or if housing project, or leased space, include a 10-year operating pro-forma.
  - ☐ 3. Letter of commitment from other sources of financing, stating terms and conditions of their participation in the project.
  - ☐ 4. Initial refundable application fee of \$5,500. In addition to defraying the cost of staff time, the fee will be used to pay costs associated with processing this request for financial assistance such as legal, engineering and financial analysis. The City reserves the right to stop the processing of the request until additional fees are paid should the original amount be insufficient to pay such costs. That portion which remains unspent, if any, will be returned only if the project is denied approval.
  - ☐ 5. Attach the following documentation:
 

<u>North Shore Development Partners (NSDP)</u>	Part 1 – Corporation/Partnership Description
<u>NSDP</u>	Part 2 – List of Shareholders/Partners
<u>Multifamily Apartment Development</u>	Part 3 – Description of Project
<u>See Below</u>	Part 4 – <i>But For</i> Analysis
<u>N/A</u>	Part 5 – List of Prospective Lessees
<u>Tract C, Registered Land Survey No. 237</u>	Part 6 – Legal Description, Property Identification Numbers, maps of the project area, and project renderings
<u>Public Narrative</u>	Part 7 – Public Purpose Narrative
<u>See Below</u>	Part 8 – Sources & Uses of Funds – Additional Information

The undersigned certifies that all information provided in this application is true and correct to the best of the undersigned's knowledge. The undersigned authorizes the City to check credit references, verify financial and other information, and share this information with other political subdivisions as needed. The undersigned also agrees to provide any additional information as may be requested by the City after the filing of this application.

Applicant Name Katelyn Murray

Date 7/23/2021

By

Its

  
VP

## ***BUT-FOR ANALYSIS***

	WITH NO Assistance SOURCES AND USES SOURCES	WITH Assistance SOURCES AND USES SOURCES
Mortgage + Deferred Developer Fee	22,507,912	22,507,912
Equity	10,098,762	6,088,450
Tax Increment Financing	-	4,500,000
<b>TOTAL SOURCES</b>	<b>32,606,674</b>	<b>33,096,362</b>
	<b>USES</b>	<b>USES</b>
Acquisition Price	1,500,000	1,500,000
Building Demo, Site Prep., Enviro Rem. Allowance	750,000	750,000
Hard Construction Cost	25,080,000	25,080,000
Construction Contingency	752,400	752,400
Builders Risk, Other Const Costs	110,000	110,000
FF&E	275,000	275,000
Professional Consultants Fees - Arch, Struc, Civil, Int.	628,250	628,250
Borrower & Lender Legal	100,000	100,000
Municipal Fees	408,820	408,820
SACWAC	341,616	341,616
Third Party Reports	25,000	25,000
Title, Closing, MRT	54,182	65,432
1st Mortgage Origination Fee	108,290	108,290
TIF Loan Fees	0	45,000
Easement Rights Fee to KA	75,000	75,000
Real Estate Taxes During Construction	71,743	71,743
Capitalized Interest - 1st Mortgage (21 months) (see draw)	1,076,374	1,076,374
Capitalized Interest - TIF (24 months) (see draw sched)	0	433,438
Marketing & Lease Up	200,000	200,000
Soft Cost Contingency	50,000	50,000
Developer Fee	1,000,000	1,000,000
	<b>32,606,674</b>	<b>33,096,362</b>
	<b>Income Statement - Year 5</b>	<b>Income Statement - Year 5</b>
	<b>132 Units</b>	<b>132 Units</b>
Total Income \$	2,701,149.27	\$ 2,701,149.27
Total Expenses	1,036,986	1,036,986
Annual TIF Revenue	-	340,673
NOI \$	1,664,163.66	\$ 2,004,836.46
Cash-on-Cash	4.00%	7.20%
Return on Cost	5.10%	6.10%
Leveraged IRR	6.66%	13.50%

# EXHIBIT 1

# NORTH SHORE

## DEVELOPMENT PARTNERS

### ABOUT US

---

North Shore Development Partners represents the partnership of David Juran and Todd Urness for over 20 years in the real estate industry which has built a solid track record of consistent success and has developed and owned several multifamily housing projects throughout Minnesota.

David Juran and Todd Urness collectively have over 50 years of experience working in affordable housing industry. Mr. Urness has been a shareholder with Winthrop & Weinstine law firm in Minneapolis for over 30 years primarily practicing in the areas of real estate and corporate finance with an emphasis on multifamily housing development and finance, specifically complex development and finance related projects including the use of tax exempt bonds, tax increment financing, tax credits, joint ventures, etc. Mr. Juran is currently CEO of Colliers Mortgage, formerly Dougherty & Company LLC which was acquired by Colliers in 2020, and has been financing affordable housing projects for over 20 years. Additionally, Mr. Juran and Mr. Urness have owned and developed multi-family affordable housing both individually and separately for over 20 years.

Sample projects which have been developed and owned include:

### URBAN PARK APARTMENTS – PHASE I & PHASE II, ST. LOUIS PARK

*3601 Philips Parkway, St. Louis Park, 55426 (Hwy 169 & 36<sup>th</sup> St., behind Knollwood Target)*

Originally acquired as vacant land along the Cedar Lake Trail, Urban Park Apartments was developed in 2003 into a market rate and affordable housing project consisting of 90 units, including 25% of the units at 50% of the area median income. Phase I (photo on right below) is financed with tax exempt bonds from the City of St. Louis Park. A majority of the interior units have been updated since originally constructed.

In late summer of 2020, a second phase was added within the existing parcel that houses Phase I which consists of 61-unit market rate units. Phase II includes an abundance of outdoor amenities that are available and accessible by all residents in Phase I. The City approved this project with high regard in 2018 due to advancing many city objectives, including equality housing.





## THE AXIS, PLYMOUTH

*350 Nathan Lane, Plymouth, MN (Southwest quadrant of Hwy 169 & Hwy 55)*

Acquired as vacant land after several failed development attempts, The Axis was developed, constructed, and opened in 2017. Consisting of 157 units, with 10% of the units at 60% of the area median income, The Axis features abundant amenities for its residents including an outdoor amenity deck with a pool, grills, games, etc. The project was partially financed with TIF from the City of Plymouth and environmental remediation grants from the City of Plymouth and Metropolitan Council. Senior Section 8 vouchers are accepted at The Axis, per an agreement with the City of Plymouth HRA.





## OVERLOOK ON THE CREEK, MINNETONKA

9731 Minnetonka Blvd, Minnetonka, MN (Southwest quadrant of Hwy 169 & Minnetonka Blvd/Cty Hwy 5)

Also acquired as vacant land after several failed development attempts, Overlook on the Creek was developed, constructed, and opened in 2015. Consisting of 100 units, with 20% of the units at 50% of the area median income, Overlook on the Creek features abundant amenities for its residents including spacious floor plans, 9 foot ceilings, and a rooftop amenity deck with grills and firepits. The project was partially financed with TIF from the City of Minnetonka, an allocation of tax-exempt bonds and 4% low income housing tax credits.



## OSCEOLA PLACE APARTMENTS, ST. PAUL

260 Osceola Avenue South, St. Paul, MN (St. Claire Ave & 35E)

Originally developed in 2003, this 89-unit building is an independent, affordable senior housing complex with 100% of the units at affordable rents including 30%, 50%, and 60% of the area median income was acquired in August of 2019. Various capital improvements plans were executed in 2020 including new furniture in the common area spaces, new carpet throughout all common areas & hallways, and a new outdoor patio featuring a grill, seating area, and planter boxes.





## WAYZATA BLU CONDOMINIUMS

*275 Lake Street East, Wayzata, MN*

Completed in 2020, Wayzata Blu Condominiums brings 18 residential homes just steps away from the shores of Lake Minnetonka in beautiful downtown Wayzata. In the sold-out project, Wayzata Blu is a premier condominium building offering post tension construction with metal stud framing where the construction quality on the inside matches the state-of-the-art design on the outside. It's contemporary, forward thinking design is a perfect blend with the lively downtown lake front lifestyle, simply what drew the residents to Wayzata Blu.







## GROVE80 APARTMENTS

7550 80<sup>th</sup> Street South, Cottage Grove, MN

With a strong desire to bring the first market rate multi family project to Cottage Grove in several decades, the city of Cottage Grove sold their former City Hall site to North Shore Development Partners in July 2020. North Shore stepped into the project after a previous partnership who had been working on the site preliminarily with the city for two years was unable to finance the project. After redesigning the unit floor plans, exterior façade, and the amenity package, North Shore broke ground in August 2020. 120 market rate units will be open the Cottage Grove community in the fall of 2021.



# EXHIBIT 2



## David Juran, Partner

In addition to his work at North Shore Development Partners, David is President and Chief Executive Officer of Colliers Mortgage, a full-service nationwide mortgage banking firm. He serves on the Board of Directors of Colliers Mortgage Holdings, and is a director of Bridgewater Bancshares, a three billion dollar publicly held bank holding company headquartered in St. Louis Park, Minnesota.

When he's not working, David finds time to lend his leadership to the boards of several non-profits, including Summit Academy and Minnesota Attainable Housing. He also enjoys spending time with his family, traveling, and an occasional round of golf.

## Todd B. Urness, Partner

Todd has been a shareholder with the law firm of Winthrop & Weinstine, P.A. for more than 30 years, where he focuses on real estate development and corporate finance. At North Shore Development Partners, Todd applies his expertise to all aspects of real estate development, including land acquisition and assembly, joint venture relationships, construction, mezzanine and permanent financing matters, as well as the negotiation, documentation and monetization of subsidies such as tax increment financing and tax credits.

As if two leadership roles weren't enough, Todd is a founding member of the Board of Directors of Bridgewater Bancshares. He's also a self-proclaimed football fanatic, loves traveling with his family, and has a passion for sportscars.







## **Katelyn Murray, Principal & Director of Development**

Katelyn drives all aspects of North Shore Development Partners, from acquisitions to development and asset management of the portfolio. As the primary source of communication between cities, lenders and other stakeholders, she helps ensure every development is successfully executed and continues to thrive.

Prior to joining North Shore Development Partners, Katelyn worked in acquisitions and development for another real estate development firm serving the Twin Cities and Boston markets. Katelyn earned a Bachelor of Business Administration from the University of Wisconsin – Madison with a double major in Real Estate and Urban Land Economics; and Finance, Investment, and Banking. She’s an active member of the Wisconsin Real Estate Alumni Association and Urban Land Institute—but she’s not all about real estate. When she’s not at work, you can find her cheering on the Wisconsin Badgers and exploring all corners of her ancestral home of Ireland.

# EXHIBIT 3



# New Brighton Multifamily Apartments

2299 Palmer Dr, St Paul, MN 55112  
07/16/21  
#21-04-H



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RENDERINGS	5.4
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EXTERIOR ELEVATIONS	6.2



GROSS AREA - TOTAL	
<i>Level</i>	<i>Area</i>
Level 6	24,444 ft²
Level 5	24,444 ft²
Level 4	24,444 ft²
Level 3	24,444 ft²
Level 2	23,613 ft²
Level 1	24,364 ft²
Level -1	31,853 ft²
Grand total	177,606 ft²

PARKING		
<i>Level</i>	<i>Type</i>	<i>Count</i>
Level -1	Parking - Garage	86
Level 1	Parking - Garage	46
Level 1	Parking - Surface	34
		166

UNIT MIX - GROSS AREA				
Name	Count	Unit Gross Area	Total Area	%
		Main Floor		
0 BR (Alcove)				
Unit 0-0	15	515 ft²	7,726 ft²	11.3%
Unit 0-4	5	572 ft²	2,861 ft²	3.8%
Unit 0-5	15	532 ft²	7,979 ft²	11.3%
Unit 0-6	5	592 ft²	2,961 ft²	3.8%
40			21,528 ft²	30.1%

1BR				
Unit 1-1	30	687 ft²	20,602 ft²	22.6%
Unit 1-3	15	744 ft²	11,160 ft²	11.3%
Unit 1-6	9	831 ft²	7,475 ft²	6.8%
		54	39,237 ft²	40.6%

1BR + D				
Unit 2-3	10	831 ft²	8,307 ft²	7.5%
		10	8,307 ft²	7.5%

2BR				
Unit 2-3	10	1,030 ft²	10,301 ft²	7.5%
Unit 3-1	10	1,102 ft²	11,020 ft²	7.5%
Unit 3-2	9	1,167 ft²	10,499 ft²	6.8%
		29	31,820 ft²	21.8%
Grand total	133		100,893 ft²	100.0%

# MEMORANDUM



Date: July 16, 2021  
Ben Gozola, Assistant Director of Community  
Assets and Development for the City of New  
Attention: Brighton  
Re: 2299 Palmer Drive

---

## Summary

The To-Be Named Development is a proposal to add 133 units, with 14 units being at 60% of area median income, and 119 units being market rate, and abundant amenities to New Brighton. Currently home to a 69-stall surface parking lot and a vacant U.S. Bank building, the site was originally developed in 1974 and is currently owned by U.S. Bank National Association. The subject site sits on Palmer Drive and Silver Lake Rd. in the Mixed-Use Regional Node and sits adjacent to Crossroads of New Brighton. The proposed development would be constructed on the existing 69-stall surface parking lot and U.S. Bank building, and has been thoughtfully designed to revitalize and diversify New Brighton's housing stock. This proposed development not only meets, but progresses the housing goals of New Brighton by removing a vacant building, adding a new, attractive building and bringing roughly 200 renters to the community. The newly constructed amenities, such as a pool, community room, fitness center, and roof deck are available for use by the residents.

## Density

The Mixed-Use Regional Node currently allows for 50-Units per acre. An amendment to the 2040 Comprehensive Plan has been made to adjust this ratio to 60-Units per acre. The proposed development's density will be greater than 50-Units per acre and less than 60-Units per acre.

## Exterior Design and Materials

The exterior massing and materials feature a modern aesthetic that elevates the contemporary character of the site while remaining complementary to the existing commercial and multi-family buildings. The building consists of 5-stories of housing above an first floor with both amenities and enclosed parking and one level of below-grade garage. To activate the first floor and provide a dramatic pedestrian entrance, a two-story lobby was located on first floor with glazing sweeping the corner. Other key exterior design elements include large windows with floor to ceiling glass at corners, metal balconies, and a rooftop trellis with integrated signage. The exterior cladding materials include brick and concrete masonry with accents of fiber cement panel and lap siding.

## Balancing the Unit Mix

The proposed unit mix consists of studios, 1-bedroom units, 1-bedroom + den units, and 2-bedroom units. Marquette Advisors 1<sup>st</sup> Quarter 2021 Trends Report shows that there's a need in the New Brighton market for studio apartments and 1-bedroom units due to the prevailing, low vacancy rate associated with these style units. To balance the unit mix and meet the needs of New Brighton residents, 2-bedroom units are also included with roughly 20% of units being the 2-bedroom style.

## Parking

With enclosed parking both on first floor and in the below-grade, the total number of garage stalls is 132 spaces. With an additional 34 surface parking spaces, a total of 166 parking spaces for 133 units achieves a ratio of 1.25 parking spaces per unit, which is in alignment with the anticipated parking demands of the residents considering roughly 80% of the units are studio or 1-bedroom units.

# EXHIBIT 4

	WITH NO Assistance SOURCES AND USES SOURCES	WITH Assistance SOURCES AND USES SOURCES
Mortgage + Deferred Developer Fee	22,507,912	22,507,912
Equity	10,098,762	6,088,450
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	<b>USES</b>	<b>USES</b>
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Builders Risk, Other Const Costs	110,000	110,000
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	<b>32,606,674</b>	<b>33,096,362</b>
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Cash-on-Cash	4.00%	7.20%
Return on Cost	5.10%	6.10%
Leveraged IRR	6.66%	13.50%



# EXHIBIT 6

ALTA/NSPS LAND TITLE SURVEY FOR:  
North Shore Development Partners

LEGAL DESCRIPTION:

Tract C, Registered Land Survey No. 237, files of Registrar of Titles, County of Ramsey.  
(Torrens Property, Certificate of Title No. 337544)

GENERAL SURVEY NOTES:

- The orientation of this bearing system is based on the Ramsey County coordinate grid (NAD 83–2011 Adj.).
- The property described hereon is the same property described in the Commitment for Title Insurance prepared by First American Title Insurance Company, Commitment No. NCS–1069252–MPLS dated May 13, 2021 at 7:30 AM.
- The surveyed property has direct access to Palmer Drive, a public right of way.
- No evidence of cemeteries, burial grounds or gravesites were observed in the process of conducting the fieldwork.

OPTIONAL TABLE A ITEMS:

- Monuments have been placed at all major corners of the surveyed property described hereon, unless already marked or referenced by existing monuments or witnesses in close proximity to the corner.
- The address of the property described hereon is 2299 Palmer Drive, New Brighton, Minnesota 55112
- The property described hereon lies within Flood Zone X (areas determined to be outside the 0.2% annual chance flood plain) per Federal Insurance Rate Map No. 27123C 0004 G, dated June 04, 2010.
- The total area of the property described hereon is 90,086 square feet or 2.06809 acres.
- The contours depicted hereon are per elevation data collected while conducting the fieldwork. The contour interval is 1 foot.  
  
BENCHMARK: Top of Minnesota Department of Transportation Geodetic Monument "NEW" GSID Station #101275  
Elevation = 882.73 feet. (NAVD88)  
  
SITE BENCHMARK: Top nut of hydrant located near the southerly side of Palmer Drive.  
Elevation = 936.17 feet. (NAVD88)
- No zoning report or letter was received from the insurer pursuant to Optional Table A Item 6(a), as set forth in the 2021 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys.
- No zoning report or letter was received from the insurer pursuant to Optional Table A Item 6(b), as set forth in the 2021 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys.
- Exterior building dimensions are depicted hereon.
- The exterior building footprint areas at ground level are depicted hereon.
- The measured building height is depicted hereon.
- Substantial features observed in the process of conducting the fieldwork are depicted hereon.
- As of the date of this survey the property described hereon contains a total of 69 parking spaces of which 66 are standard spaces and 3 are handicapped spaces.
- Existing utilities, services and underground structures shown hereon were located either physically, from existing records made available to us, by resident testimony, or by locations provided by Gopher State One Call, per Ticket No. 211403349. However, lacking excavation, the exact location of underground features cannot be accurately, completely and reliably depicted. Where additional or more detailed information is required, the client is advised that excavation may be necessary. Other utilities and services may be present and verification and location of all utilities and services should be obtained from the owners of the respective utilities prior to any design, planning or excavation.
- The names of adjoining owners according to current tax records are depicted hereon.
- As of the date of this survey there is no observable evidence of current earth moving work, building construction or building additions on the property described hereon.
- The surveyor is unaware of any completed or proposed changes in street right-of-way lines. As of the date of this survey there is no observable evidence of recent street or sidewalk construction or repairs that affect the property described hereon.
- The plottable offsite easements or servitudes disclosed in documents provided to the surveyor are depicted hereon.
- Professional Liability Insurance policy obtained by the surveyor to be in effect throughout the contract term.

SURVEY ITEMS PER SCHEDULE B:

- ITEM 09: Highway Easement running in favor of the Village of New Brighton as contained in Document No. 512745, dated July 17, 1967, filed July 26, 1967.  
Said easement affects the surveyed property and is depicted hereon.
- ITEM 10: Mutual Parking Easement Agreement as contained in Document No. 577687, dated October 24, 1972, filed November 07, 1972.  
Said easement affects the surveyed property and is blanket in nature. No plottable items to depict.
- ITEM 11: Storm Sewer Agreement as contained in Document No. 747172, dated July 28, 1983, filed November 09, 1983.  
Said storm sewer easement benefits the surveyed property and is depicted hereon.
- ITEM 12: Right-of-way for Palmer Drive as shown on Registered Land Survey No. 237, Ramsey County, Minnesota.  
Said easement affects the surveyed property and is depicted hereon.
- ITEM 13: Construction and Easement Agreement as contained in Document No. 2011256, dated May 15, 2007, filed July 17, 2007.  
Said access easement affects the surveyed property and is depicted hereon. The temporary construction easement has since expired.

CERTIFICATION:

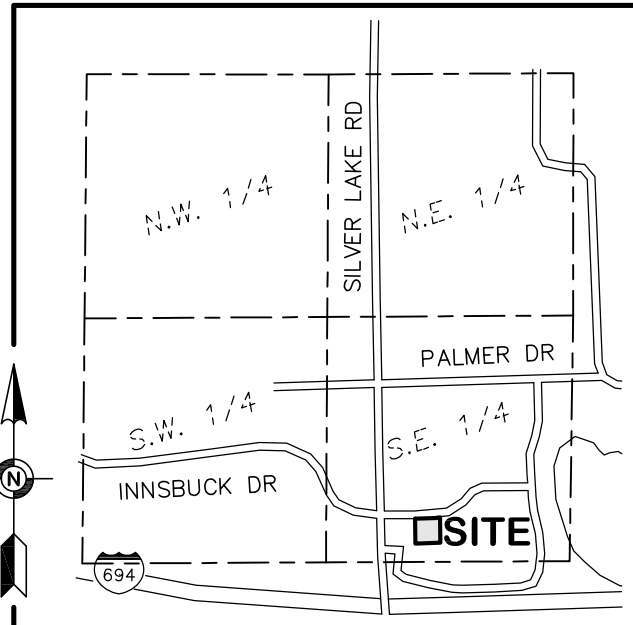
To North Shore Development Partners LLC, a Minnesota limited liability company, U.S. Bank National Association, a national banking association and First American Title Insurance Company:

This is to certify that this map or plat and the survey on which it is based were made in accordance with the 2021 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes Items 1, 2, 3, 4, 5, 6(a), 6(b), 7(a), 7(b)(1), 7(c), 8, 9, 11(a), 13, 16, 17, 18 and 19 of Table A thereof. The fieldwork was completed on June 02, 2021.

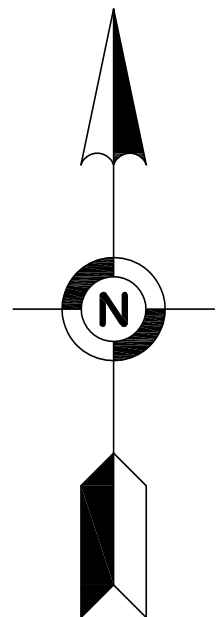
Date of Plat or Map: June 07, 2021

*Christopher A. Terwedo*  
Christopher A. Terwedo  
Minnesota License No. 53536  
cterwedo@efnsurvey.com

SECTION 19, T 30 N, R 23 W



VICINITY MAP  
NO SCALE



0 30 60 90  
SCALE IN FEET

(123.45)  
(N01°02'03"E)  
FOUND IRON MONUMENT (AS NOTED)  
RECORD DISTANCE PER REGISTERED LAND SURVEY NO. 237  
RECORD BEARING PER REGISTERED LAND SURVEY NO. 237

LEGEND:

	BENCHMARK		GAS METER
	CLEAN OUT		SIGN
	SANITARY MANHOLE		FLAGPOLE
	STORM MANHOLE		BOLLARD
	CATCH BASIN		HANDICAPPED PARKING SPACE
	ROOF DRAIN (OUTLET)		HANDICAPPED PARKING SIGN
	AUTO SPRINKLER		PARKING COUNT
	GATE VALVE		CHAIN LINK FENCE
	HYDRANT		WIRE FENCE
	AIR CONDITIONER		WATERMAIN
	ELECTRIC BOX		UNDERGROUND ELECTRIC
	HANDHOLE		UNDERGROUND FIBER OPTIC
	LIGHT		UNDERGROUND GAS
	EXISTING CONTOUR LINE		TREE
	BITUMINOUS SURFACE		CONCRETE SURFACE
	GRAVEL SURFACE		

FIELD BOOK	PAGE	FIELDWORK CHIEF:	REVISIONS		
		TV	NO.	DATE	DESCRIPTION
		DRAWN BY:			
		RRR			
DRAWING NAME:		CHECKED BY:			
39791.dwg		CAT			
JOB NO. 39791					
FILE NO.					

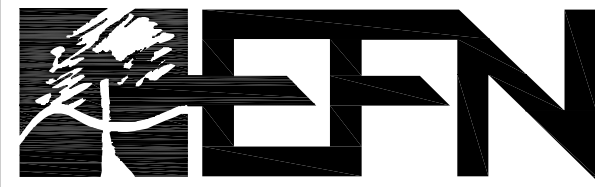
ALTA/NSPS  
LAND TITLE SURVEY

SURVEY FOR:

North Shore Development Partners

PROPERTY ADDRESS:

2299 Palmer Drive  
New Brighton, Minnesota 55112



Egan, Field & Nowak, Inc.  
land surveyors since 1872

1229 Tyler Street NE, Suite 100  
Minneapolis, Minnesota 55413  
PHONE: (612) 466-3300  
FAX: (612) 466-3383  
WWW.EFNSURVEY.COM

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# EXHIBIT 7



# NORTH SHORE

DEVELOPMENT PARTNERS

641 EAST LAKE STREET #207 WAYZATA MN 55391

## Public Purpose Narrative

We believe we can provide the City of New Brighton with its first-class A apartment project which will welcome approximately 200 market rate renters to the New Brighton area who will contribute to the local economy and support local business nearby. With the current lack of new construction, market-rate, multifamily buildings in New Brighton, this \$30+ million-dollar development also diversifies the City's housing stock while promoting many goals of the City's 2040 Comprehensive Plan.

Additionally, we are providing 14 units within the project to be offered at 60% AMI rents consistent with affordability guidelines established by HUD (the US Department of Housing and Urban Development) for Ramsey County and as administered by Minnesota Housing Finance Agency. This is an expensive product to provide but willing to do so in order to advance the City's Public Purpose Goals by diversifying the offerings in the City's housing mix.

# EXHIBIT 8

\*See Proformas Attached\*

With TIF Pro Forma

NO TIF Pro Forma

**New Brighton Apartments**  
**NO TIF Scenario**  
**Sources and Uses of Funds**  
132 units

Sources of Funds:		TOTAL	Per Unit
1st Mortgage (Property Portion)		\$ 21,657,912	\$ 164,075
TIF Loan Amount (90% of TIF Note)		-	-
Deferred Developer Fee	85.0%	850,000	6,439
Borrower Equity Required at Closing	31.0%	10,098,762	76,506

<b>TOTAL SOURCES</b>		<b>\$ 32,606,674</b>	<b>\$ 247,020</b>
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Uses of Funds:		TOTAL	Per Unit
Acquisition Price		\$ 1,500,000	\$ 11,364
Building Demo, Site Prep., Enviro Rem. Allowance		750,000	5,682
Hard Construction Cost		25,080,000	190,000
Construction Contingency	3.0%	752,400	5,700
Builders Risk, Other Const Costs		110,000	833
FF&E		275,000	2,083
Professional Consultants Fees - Arch, Struc, Civil, Int.		628,250	4,759
Borrower & Lender Legal		100,000	758
Municipal Fees		408,820	3,097
SAC/WAC		341,616	2,588
Third Party Reports		25,000	189
Title, Closing, MRT		54,182	410
1st Mortgage Origination Fee	0.50%	108,290	820
TIF Loan Fees	1.00%	-	-
Easement Rights Fee to KA		75,000	568
Real Estate Taxes and Insurance During Construction		71,743	544
Capitalized Interest - 1st Mortgage (21 months) (see draw sched)		1,076,374	8,154
Capitalized Interest - TIF (24 months) (see draw sched)		-	-
Marketing & Lease Up		200,000	1,515
Soft Cost Contingency		50,000	379
Developer Fee		1,000,000	7,576

<b>TOTAL USES</b>		<b>\$ 32,606,674</b>	<b>\$ 247,020</b>
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## New Brighton Apartments

### Unit Mix

Unit Type	Type	% of Mix	# of Units	Total Gross SF	Max 60% AMI rent	Less Utility Allow	Concluded Net Rent	Rent PSF	Monthly GPI
0-0 - Studio			15	515	n/a	n/a	\$ 1,225	\$ 2.38	18,375
0-4 - Studio			5	572	n/a	n/a	\$ 1,300	\$ 2.27	6,500
0-5 - Studio		30%	11	532	n/a	n/a	\$ 1,225	\$ 2.30	13,475
0-6 - Studio			5	592	n/a	n/a	\$ 1,400	\$ 2.36	7,000
0-5 - Studio - Affordable			4	532	1,000	(69)	\$ 931	\$ 1.75	3,724
1-1 - 1 Bedroom			24	687	n/a	n/a	\$ 1,400	\$ 2.04	33,600
1-3 - 1 Bedroom			15	744	n/a	n/a	\$ 1,475	\$ 1.98	22,125
1-6 - 1 Bedroom		45%	9	831	n/a	n/a	\$ 1,650	\$ 1.99	14,850
2-3 - 1 Bedroom + Den			5	831	n/a	n/a	\$ 1,650	\$ 1.99	8,250
1-1 - 1BR - Affordable			6	687	1,181	(78)	\$ 1,103	\$ 1.61	6,618
2-3 - 2 Bedroom			11	950	n/a	n/a	\$ 1,805	\$ 1.90	19,855
3-1 - 2 Bedroom		25%	10	1,102	n/a	n/a	\$ 2,094	\$ 1.90	20,940
3-2 - 2 Bedroom			8	1,167	n/a	n/a	\$ 2,217	\$ 1.90	17,736
2-3- 2 Bedroom Affordable			4	950	1,417	(95)	\$ 1,322	\$ 1.39	5,288
<b>TOTAL</b>		<b>100%</b>	<b>132</b>	<b>754</b>			<b>1,503</b>	<b>\$ 1.98</b>	<b>\$ 198,336</b>

Total Studios 40

Total 1-Bed 59

Total 2-Bed 33

Parking Matrix	
Total Units	132
Total Bedrooms	165
Parking Stalls - Underground	132
Parking Stalls - Surface	34
<b>Total Parking Stalls</b>	<b>166</b>
Parking Stalls Per Unit	1.26
Parking Stalls Per Bedroom	1.01

<b>Annual GPI =</b>	<b>\$ 2,380,032</b>
<i>PSF Average</i>	<i>\$ 1.99</i>
<i>Mkt PSF Average</i>	<i>\$ 2.08</i>

Total Affordable Units 14

% Affordable 10.61%

# New Brighton Apartments

## Base Pro-Forma

132 units

		Total	Per Unit	
Gross Potential Income		\$ 2,380,032	\$ 18,031	
Less Rent Loss	5.0%	(119,002)	(902)	
Net Rental Income		\$ 2,261,030	\$ 17,129	
Parking Revenue - underground	\$ 100	\$ 142,560	\$ 1,080	
Parking Revenue - surface	\$ 40	14,688	111	
Storage Income		9,450	72	
Utility Reimbursement		47,916	363	
Other Revenue		19,800	150	
Total Other Income		\$ 234,414	\$ 1,776	
<b>TOTAL INCOME</b>		<b>\$ 2,495,444</b>	<b>\$ 18,905</b>	
Utilities		\$ 85,800	\$ 650	
Payroll		165,000	1,250	
Repairs and Maintenance		66,000	500	
Marketing		16,500	125	
Administrative		16,500	125	
Insurance		39,600	300	
Management Fee	3.5%	87,341	662	
Real Estate Taxes		476,250	3,608	
Replacement Reserves		26,400	200	
<b>TOTAL EXPENSE</b>		<b>\$ 979,391</b>	<b>\$ 7,420</b>	39.2%
<b>NET OPERATING INCOME</b>		<b>\$ 1,516,054</b>	<b>\$ 11,485</b>	
Annual TIF Revenue		\$ -	0	
<b>NOI and TIF</b>		<b>\$ 1,516,054</b>		
Proposed Debt Service 1st Mortgage		1,259,580		
Proposed Debt Service TIF Loan		-		
DSCR - Total		1.20x		



# New Brighton Apartments

## Estimated Loan Sizing

Estimated NOI (see detail)	\$ 1,516,054
	\$ -
Total NOI	\$ 1,516,054

### Loan To Value Constrained Loan Assumptions:

Cap Rate	5.25%
Estimated Value - Property	\$ 28,877,216
Per Unit Value	\$ 218,767

<b>LTV Loan Amount - Property only</b>	<b>75% \$ 21,657,912</b>
--	--------------------------

### Loan To Cost Constrained Loan Assumptions:

Total Construction and Acquisition Costs	\$ 32,606,674
Per Unit Cost	\$ 247,020

<b>Loan to Cost Constrained Loan:</b>	<b>80% \$ 26,085,340</b>
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### Concluded 1st Mortgage Loan Amount - *Lesser of:*

LTV Constrained Loan	\$ 21,657,912
LTC Constrained Loan	\$ 26,085,340

<b>Concluded 1st Mortgage Loan Amount:</b>	<b>\$ 21,657,912</b>
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### PLUS - Estimated TIF Loan Amount

Estimated TIF Note from City of New Brighton	\$ -
Estimated Portion of TIF to be Monetized	0%

<b>Estimated TIF Loan Amount</b>	<b>\$ -</b>
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<b>Concluded 1st Mortgage Amount</b>	<b>\$ 21,657,912</b>
<b>Concluded TIF Loan Amount</b>	<b>\$ -</b>
<b>TOTAL 1st Mortgage and TIF Loan</b>	<b>\$ 21,657,912</b>

**New Brighton Apartments**  
NO TIF Scenario  
10-year Pro Forma and IRR Analysis

<b>LEVERAGED 10-YEAR HOLD IRR</b>	<b>6.66%</b>
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# RAMSEY COUNTY MARKET RATE TAX CALCULATION

For a different city, see instructions at bottom of page

Example of a tax calculation for FINAL taxes payable in 2021 on a market rate APARTMENT PROPERTY  
in District Code 8336 (Shoreview - 623 M (NB)).

<b>Enter Estimated Market Value:</b>	<b>215,000 p/u</b>	<b>\$28,380,000</b>
--------------------------------------	--------------------	---------------------

## STEP 1: CALCULATE THE NET TAX CAPACITY

1.25% x Estimated Market Value	\$354,750
	0
Total Net Tax Capacity	\$354,750

## STEP 2: CALCULATE THE LOCAL TAX

Local Tax =	114.018%	multiplied by	STEP 1		=	
			\$354,750			\$404,478.03

## STEP 3: CALCULATE THE MARKET TAX

Market Tax	0.25290%	multiplied by	Referendum Market Value		=	
			\$28,380,000			\$71,771.97

## STEP 4: ADD LOCAL & MARKET TAXES

Local Tax	\$404,478.03
Plus: Market Tax	\$71,771.97

<b>Total APARTMENT PROPERTY Tax</b>	<b>\$</b>	<b>3,608</b>	<b>\$476,250</b>
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Loan Amount	\$ 21,657,912
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Interest Rate	4.125%
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Interest Only Term (months) 36

Construction Period 14

Capitalized Interest Period (months) 21

Maturity Date	10 years	12/1/31
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Amortization Period	30.00
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Month #	Date	Rate	Capitalized				Draw Amount	Ending Principal Balance
			Principal	Interest	Interest	Net Debt Service		
			\$ 21,657,912	\$ 8,158,687	\$ 1,076,374	\$ 28,740,225	100.0%	\$ 21,657,912
0	12/1/21						10.0%	2,165,791
1	1/1/22	4.13%	-	7,693	(7,693)	-	6.4%	1,392,294
2	2/1/22	4.13%	-	12,639	(12,639)	-	6.4%	1,392,294
3	3/1/22	4.13%	-	15,882	(15,882)	-	6.4%	1,392,294
4	4/1/22	4.13%	-	22,530	(22,530)	-	6.4%	1,392,294
5	5/1/22	4.13%	-	26,589	(26,589)	-	6.4%	1,392,294
6	6/1/22	4.13%	-	32,421	(32,421)	-	6.4%	1,392,294
7	7/1/22	4.13%	-	36,161	(36,161)	-	6.4%	1,392,294
8	8/1/22	4.13%	-	42,312	(42,312)	-	6.4%	1,392,294
9	9/1/22	4.13%	-	47,257	(47,257)	-	6.4%	1,392,294
10	10/1/22	4.13%	-	50,519	(50,519)	-	6.4%	1,392,294
11	11/1/22	4.13%	-	57,149	(57,149)	-	6.4%	1,392,294
12	12/1/22	4.13%	-	60,091	(60,091)	-	6.4%	1,392,294
13	1/1/23	4.13%	-	67,040	(67,040)	-	6.4%	1,392,294
14	2/1/23	4.13%	-	71,985	(71,985)	-	6.4%	1,392,294
15	3/1/23	4.13%	-	69,486	(69,486)	-	0.0%	-
16	4/1/23	4.13%	-	76,931	(76,931)	-	0.0%	-
17	5/1/23	4.13%	-	74,449	(74,449)	-	0.0%	-
18	6/1/23	4.13%	-	76,931	(76,931)	-	0.0%	-
19	7/1/23	4.13%	-	74,449	(74,449)	-	0.0%	-
20	8/1/23	4.13%	-	76,931	(76,931)	-	0.0%	-
21	9/1/23	4.13%	-	76,931	(76,931)	-	0.0%	-
22	10/1/23	4.13%	-	74,449	-	74,449	0.0%	-
23	11/1/23	4.13%	-	76,931	-	76,931	0.0%	-
24	12/1/23	4.13%	-	74,449	-	74,449	0.0%	-
25	1/1/24	4.13%	-	76,931	-	76,931	-	-
26	2/1/24	4.13%	-	76,931	-	76,931	-	-
27	3/1/24	4.13%	-	71,967	-	71,967	-	-
28	4/1/24	4.13%	-	76,931	-	76,931	-	-
29	5/1/24	4.13%	-	74,449	-	74,449	-	-
30	6/1/24	4.13%	-	76,931	-	76,931	-	-
31	7/1/24	4.13%	-	74,449	-	74,449	-	-
32	8/1/24	4.13%	-	76,931	-	76,931	-	-
33	9/1/24	4.13%	-	76,931	-	76,931	-	-
34	10/1/24	4.13%	-	74,449	-	74,449	-	-
35	11/1/24	4.13%	-	76,931	-	76,931	-	-
36	12/1/24	4.13%	-	74,449	-	74,449	-	-
37	1/1/25	4.13%	28,034	76,931	-	104,965	-	-
38	2/1/25	4.13%	28,134	76,831	-	104,965	-	-
39	3/1/25	4.13%	35,659	69,306	-	104,965	-	-
40	4/1/25	4.13%	28,360	76,605	-	104,965	-	-
41	5/1/25	4.13%	30,929	74,036	-	104,965	-	-
42	6/1/25	4.13%	28,571	76,394	-	104,965	-	-
43	7/1/25	4.13%	31,134	73,831	-	104,965	-	-
44	8/1/25	4.13%	28,783	76,182	-	104,965	-	-
45	9/1/25	4.13%	28,885	76,080	-	104,965	-	-
46	10/1/25	4.13%	31,439	73,526	-	104,965	-	-
47	11/1/25	4.13%	29,100	75,865	-	104,965	-	-
48	12/1/25	4.13%	31,647	73,318	-	104,965	-	-
49	1/1/26	4.13%	29,315	75,650	-	104,965	-	-
50	2/1/26	4.13%	29,420	75,545	-	104,965	-	-
51	3/1/26	4.13%	36,825	68,140	-	104,965	-	-
52	4/1/26	4.13%	29,655	75,310	-	104,965	-	-
53	5/1/26	4.13%	32,186	72,779	-	104,965	-	-

54	6/1/26	4.13%	29,875	75,090	-	104,965	-	21,109,961
55	7/1/26	4.13%	32,400	72,565	-	104,965	-	21,077,561
56	8/1/26	4.13%	30,096	74,869	-	104,965	-	21,047,465
57	9/1/26	4.13%	30,203	74,762	-	104,965	-	21,017,263
58	10/1/26	4.13%	32,718	72,247	-	104,965	-	20,984,544
59	11/1/26	4.13%	30,426	74,539	-	104,965	-	20,954,118
60	12/1/26	4.13%	32,935	72,030	-	104,965	-	20,921,183
61	1/1/27	4.13%	30,651	74,314	-	104,965	-	20,890,532
62	2/1/27	4.13%	30,760	74,205	-	104,965	-	20,859,772
63	3/1/27	4.13%	38,040	66,925	-	104,965	-	20,821,732
64	4/1/27	4.13%	31,004	73,961	-	104,965	-	20,790,727
65	5/1/27	4.13%	33,497	71,468	-	104,965	-	20,757,230
66	6/1/27	4.13%	31,234	73,731	-	104,965	-	20,725,997
67	7/1/27	4.13%	33,719	71,246	-	104,965	-	20,692,277
68	8/1/27	4.13%	31,464	73,501	-	104,965	-	20,660,813
69	9/1/27	4.13%	31,576	73,389	-	104,965	-	20,629,237
70	10/1/27	4.13%	34,052	70,913	-	104,965	-	20,595,185
71	11/1/27	4.13%	31,809	73,156	-	104,965	-	20,563,376
72	12/1/27	4.13%	34,278	70,687	-	104,965	-	20,529,097
73	1/1/28	4.13%	32,044	72,921	-	104,965	-	20,497,054
74	2/1/28	4.13%	32,158	72,807	-	104,965	-	20,464,896
75	3/1/28	4.13%	36,962	68,003	-	104,965	-	20,427,934
76	4/1/28	4.13%	32,403	72,562	-	104,965	-	20,395,531
77	5/1/28	4.13%	34,855	70,110	-	104,965	-	20,360,675
78	6/1/28	4.13%	32,642	72,323	-	104,965	-	20,328,033
79	7/1/28	4.13%	35,087	69,878	-	104,965	-	20,292,946
80	8/1/28	4.13%	32,883	72,082	-	104,965	-	20,260,063
81	9/1/28	4.13%	33,000	71,965	-	104,965	-	20,227,063
82	10/1/28	4.13%	35,434	69,531	-	104,965	-	20,191,629
83	11/1/28	4.13%	33,243	71,722	-	104,965	-	20,158,386
84	12/1/28	4.13%	35,671	69,294	-	104,965	-	20,122,716
85	1/1/29	4.13%	33,487	71,478	-	104,965	-	20,089,228
86	2/1/29	4.13%	33,606	71,359	-	104,965	-	20,055,622
87	3/1/29	4.13%	40,620	64,345	-	104,965	-	20,015,002
88	4/1/29	4.13%	33,870	71,095	-	104,965	-	19,981,132
89	5/1/29	4.13%	36,280	68,685	-	104,965	-	19,944,852
90	6/1/29	4.13%	34,119	70,846	-	104,965	-	19,910,733
91	7/1/29	4.13%	36,522	68,443	-	104,965	-	19,874,211
92	8/1/29	4.13%	34,370	70,595	-	104,965	-	19,839,841
93	9/1/29	4.13%	34,492	70,473	-	104,965	-	19,805,348
94	10/1/29	4.13%	36,884	68,081	-	104,965	-	19,768,464
95	11/1/29	4.13%	34,746	70,219	-	104,965	-	19,733,718
96	12/1/29	4.13%	37,130	67,835	-	104,965	-	19,696,588
97	1/1/30	4.13%	35,001	69,964	-	104,965	-	19,661,587
98	2/1/30	4.13%	35,125	69,840	-	104,965	-	19,626,462
99	3/1/30	4.13%	41,997	62,968	-	104,965	-	19,584,465
100	4/1/30	4.13%	35,399	69,566	-	104,965	-	19,549,065
101	5/1/30	4.13%	37,765	67,200	-	104,965	-	19,511,300
102	6/1/30	4.13%	35,659	69,306	-	104,965	-	19,475,641
103	7/1/30	4.13%	38,017	66,948	-	104,965	-	19,437,624
104	8/1/30	4.13%	35,921	69,044	-	104,965	-	19,401,703
105	9/1/30	4.13%	36,049	68,916	-	104,965	-	19,365,654
106	10/1/30	4.13%	38,396	66,569	-	104,965	-	19,327,259
107	11/1/30	4.13%	36,313	68,652	-	104,965	-	19,290,946
108	12/1/30	4.13%	38,652	66,313	-	104,965	-	19,252,293
109	1/1/31	4.13%	36,579	68,386	-	104,965	-	19,215,714
110	2/1/31	4.13%	36,709	68,256	-	104,965	-	19,179,005
111	3/1/31	4.13%	43,432	61,533	-	104,965	-	19,135,572
112	4/1/31	4.13%	36,994	67,971	-	104,965	-	19,098,578
113	5/1/31	4.13%	39,314	65,651	-	104,965	-	19,059,265
114	6/1/31	4.13%	37,265	67,700	-	104,965	-	19,022,000
115	7/1/31	4.13%	39,577	65,388	-	104,965	-	18,982,423
116	8/1/31	4.13%	37,538	67,427	-	104,965	-	18,944,885
117	9/1/31	4.13%	37,671	67,294	-	104,965	-	18,907,214
118	10/1/31	4.13%	39,971	64,994	-	104,965	-	18,867,242
119	11/1/31	4.13%	37,947	67,018	-	104,965	-	18,829,295
120	12/1/31	4.13%	18,829,295	64,726	-	18,894,021	-	-
121	1/1/32	4.13%	-	-	-	-	-	-

**New Brighton Apartments**  
**TIF Scenario**  
**Sources and Uses of Funds**  
132 units

Sources of Funds:		TOTAL	Per Unit
1st Mortgage (Property Portion)		21,657,912	\$ 164,075
TIF Loan Amount (90% of TIF Note)		4,500,000	34,091
Deferred Developer Fee	85.0%	850,000	6,439
Borrower Equity Required at Closing	18.4%	6,088,450	46,125
<b>TOTAL SOURCES</b>		<b>\$ 33,096,362</b>	<b>\$ 250,730</b>

Uses of Funds:		TOTAL	Per Unit
Acquisition Price		\$ 1,500,000	\$ 11,364
Building Demo, Site Prep., Enviro Rem. Allowance		750,000	5,682
Hard Construction Cost		25,080,000	190,000
Construction Contingency	3.0%	752,400	5,700
Builders Risk, Other Const Costs		110,000	833
FF&E		275,000	2,083
Professional Consultants Fees - Arch, Struc, Civil, Int.		628,250	4,759
Borrower & Lender Legal		100,000	758
Municipal Fees		408,820	3,097
SAC/WAC		341,616	2,588
Third Party Reports		25,000	189
Title, Closing, MRT		65,432	496
1st Mortgage Origination Fee	0.50%	108,290	820
TIF Loan Fees	1.00%	45,000	341
Easement Rights Fee to KA		75,000	568
Real Estate Taxes During Construction		71,743	544
Capitalized Interest - 1st Mortgage (21 months) (see draw sched)		1,076,374	8,154
Capitalized Interest - TIF (24 months) (see draw sched)		433,438	3,284
Marketing & Lease Up		200,000	1,515
Soft Cost Contingency		50,000	379
Developer Fee		1,000,000	7,576
<b>TOTAL USES</b>		<b>\$ 33,096,362</b>	<b>\$ 250,730</b>

## New Brighton Apartments

### Unit Mix

Unit Type	Type	% of Mix	# of Units	Total Gross SF	Max 60% AMI rent	Less Utility Allow	Concluded Net Rent	Rent PSF	Monthly GPI
0-0 - Studio			15	515	n/a	n/a	\$ 1,225	\$ 2.38	18,375
0-4 - Studio			5	572	n/a	n/a	\$ 1,300	\$ 2.27	6,500
0-5 - Studio		30%	11	532	n/a	n/a	\$ 1,225	\$ 2.30	13,475
0-6 - Studio			5	592	n/a	n/a	\$ 1,400	\$ 2.36	7,000
0-5 - Studio - Affordable			4	532	1,000	(69)	\$ 931	\$ 1.75	3,724
1-1 - 1 Bedroom			24	687	n/a	n/a	\$ 1,400	\$ 2.04	33,600
1-3 - 1 Bedroom			15	744	n/a	n/a	\$ 1,475	\$ 1.98	22,125
1-6 - 1 Bedroom		45%	9	831	n/a	n/a	\$ 1,650	\$ 1.99	14,850
2-3 - 1 Bedroom + Den			5	831	n/a	n/a	\$ 1,650	\$ 1.99	8,250
1-1 - 1BR - Affordable			6	687	1,181	(78)	\$ 1,103	\$ 1.61	6,618
2-3 - 2 Bedroom			11	950	n/a	n/a	\$ 1,805	\$ 1.90	19,855
3-1 - 2 Bedroom		25%	10	1,102	n/a	n/a	\$ 2,094	\$ 1.90	20,940
3-2 - 2 Bedroom			8	1,167	n/a	n/a	\$ 2,217	\$ 1.90	17,736
2-3- 2 Bedroom Affordable			4	950	1,417	(95)	\$ 1,322	\$ 1.39	5,288
<b>TOTAL</b>		<b>100%</b>	<b>132</b>	<b>754</b>			<b>1,503</b>	<b>\$ 1.98</b>	<b>\$ 198,336</b>

Total Studios 40

Total 1-Bed 59

Total 2-Bed 33

Parking Matrix	
Total Units	132
Total Bedrooms	165
Parking Stalls - Underground	132
Parking Stalls - Surface	34
<b>Total Parking Stalls</b>	<b>166</b>
Parking Stalls Per Unit	1.26
Parking Stalls Per Bedroom	1.01

<b>Annual GPI =</b>	<b>\$ 2,380,032</b>
<i>PSF Average</i>	<i>\$ 1.99</i>
<i>Mkt PSF Average</i>	<i>\$ 2.08</i>

Total Affordable Units 14

% Affordable 10.61%

# New Brighton Apartments

## Base Pro-Forma

132 units

		Total	Per Unit	
Gross Potential Income		\$ 2,380,032	\$ 18,031	
Less Rent Loss	5.0%	(119,002)	(902)	
Net Rental Income		\$ 2,261,030	\$ 17,129	
Parking Revenue - underground	\$ 100	\$ 142,560	\$ 1,080	
Parking Revenue - surface	\$ 40	14,688	111	
Storage Income		9,450	72	
Utility Reimbursement		47,916	363	
Other Revenue		19,800	150	
Total Other Income		\$ 234,414	\$ 1,776	
<b>TOTAL INCOME</b>		<b>\$ 2,495,444</b>	<b>\$ 18,905</b>	
Utilities		\$ 85,800	\$ 650	
Payroll		165,000	1,250	
Repairs and Maintenance		66,000	500	
Marketing		16,500	125	
Administrative		16,500	125	
Insurance		39,600	300	
Management Fee	3.5%	87,341	662	
Real Estate Taxes		476,250	3,608	
Replacement Reserves		26,400	200	
<b>TOTAL EXPENSE</b>		<b>\$ 979,391</b>	<b>\$ 7,420</b>	39.2%
<b>NET OPERATING INCOME</b>		<b>\$ 1,516,054</b>	<b>\$ 11,485</b>	
Annual TIF Revenue		\$ 340,673	TBD	
<b>NOI and TIF</b>		<b>\$ 1,856,727</b>		
Proposed Debt Service 1st Mortgage		1,259,580		
Proposed Debt Service TIF Loan		307,863		
DSCR - Total		1.18x		



# New Brighton Apartments

## Estimated Loan Sizing

Estimated NOI (see detail)	\$ 1,516,054
Annual TIF Revenue (Stabilized, estimate)	\$ 340,673
Total NOI plus TIF	\$ 1,856,727

### Loan To Value Constrained Loan Assumptions:

Cap Rate	5.25%
Estimated Value - Property	\$ 28,877,216
Per Unit Value	\$ 218,767

<b>LTV Loan Amount - Property only</b>	<b>75% \$ 21,657,912</b>
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### Loan To Cost Constrained Loan Assumptions:

Total Construction and Acquisition Costs	\$ 33,096,362
Per Unit Cost	\$ 250,730

<b>Loan to Cost Constrained Loan:</b>	<b>80% \$ 26,477,090</b>
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### Concluded 1st Mortgage Loan Amount - *Lesser of:*

LTV Constrained Loan	\$ 21,657,912
LTC Constrained Loan	\$ 26,477,090

<b>Concluded 1st Mortgage Loan Amount:</b>	<b>\$ 21,657,912</b>
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### PLUS - Estimated TIF Loan Amount

Estimated TIF Note from City of New Brighton	\$ 5,000,000
Estimated Portion of TIF to be Monetized	90%

<b>Estimated TIF Loan Amount</b>	<b>\$ 4,500,000</b>
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<b>Concluded 1st Mortgage Amount</b>	<b>\$ 21,657,912</b>
<b>Concluded TIF Loan Amount</b>	<b>\$ 4,500,000</b>
<b>TOTAL 1st Mortgage and TIF Loan</b>	<b>\$ 26,157,912</b>

# New Brighton Apartments

## TIF Scenario

### 10-year Pro Forma and IRR Analysis

		Income growth 2021 12/1/21	2.0% Expense growth 2022 12/1/22	2023 12/1/23	2024 12/1/24	2025 12/1/25	2026 12/1/26	2027 12/1/27	2028 12/1/28	2029 12/1/29	2030 12/1/30	2031 12/1/31									
Vacancy:		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10									
			100%	50%	5%	5%	5%	5%	5%	5%	5%	5%									
	\$	2,380,032	\$	2,427,633	\$	2,476,185	\$	2,525,709	\$	2,576,223	\$	2,627,748	\$	2,680,303	\$	2,733,909	\$	2,788,587	\$	2,844,359	
		(2,380,032)		(1,213,816)		(123,809)		(126,285)		(128,811)		(131,387)		(134,015)		(136,695)		(139,429)		(142,218)	
	\$	-	\$	1,213,816	\$	2,352,376	\$	2,399,424	\$	2,447,412	\$	2,496,360	\$	2,546,287	\$	2,597,213	\$	2,649,157	\$	2,702,141	
	\$	-	\$	119,551	\$	243,884	\$	248,762	\$	253,737	\$	258,812	\$	263,988	\$	269,268	\$	274,653	\$	280,146	
	\$	-	\$	1,333,367	\$	2,596,260	\$	2,648,186	\$	2,701,149	\$	2,755,172	\$	2,810,276	\$	2,866,481	\$	2,923,811	\$	2,982,287	
	\$	-	\$	85,800	\$	88,374	\$	91,025	\$	93,756	\$	96,569	\$	99,466	\$	102,450	\$	105,523	\$	108,689	
	-	-	-	165,000	-	169,950	-	175,049	-	180,300	-	185,709	-	191,280	-	197,019	-	202,929	-	209,017	
	-	-	-	66,000	-	67,980	-	70,019	-	72,120	-	74,284	-	76,512	-	78,807	-	81,172	-	83,607	
	-	-	-	16,500	-	16,995	-	17,505	-	18,030	-	18,571	-	19,128	-	19,702	-	20,293	-	20,902	
	-	-	-	16,500	-	16,995	-	17,505	-	18,030	-	18,571	-	19,128	-	19,702	-	20,293	-	20,902	
	-	-	-	39,600	-	40,788	-	42,012	-	43,272	-	44,570	-	45,907	-	47,284	-	48,703	-	50,164	
	-	-	-	46,668	-	90,869	-	92,686	-	94,540	-	96,431	-	98,360	-	100,327	-	102,333	-	104,380	
	\$	-	\$	436,068	\$	491,951	\$	505,801	\$	520,048	\$	534,704	\$	549,781	\$	565,291	\$	581,246	\$	597,660	
	\$	-	\$	47,625	\$	285,750	\$	476,250	\$	490,537	\$	505,254	\$	520,411	\$	536,024	\$	552,104	\$	568,667	
	-	-	-	26,400	-	26,400	-	26,400	-	26,400	-	26,400	-	26,400	-	26,400	-	26,400	-	26,400	
	\$	-	\$	74,025	\$	312,150	\$	502,650	\$	516,937	\$	531,654	\$	546,811	\$	562,424	\$	578,504	\$	595,067	
	\$	-	\$	510,093	\$	804,101	\$	1,008,451	\$	1,036,986	\$	1,066,358	\$	1,096,592	\$	1,127,714	\$	1,159,751	\$	1,192,728	
	-	-	-	7,113	-	104,905	-	268,129	-	340,673	-	340,673	-	340,673	-	340,673	-	340,673	-	340,673	
	\$	-	\$	830,387	\$	1,897,064	\$	1,907,863	\$	2,004,836	\$	2,029,487	\$	2,054,356	\$	2,079,440	\$	2,104,733	\$	2,130,232	
	\$	-	\$	225,829	\$	908,279	\$	1,259,580	\$	1,259,580	\$	1,259,580	\$	1,259,580	\$	1,259,580	\$	1,259,580	\$	1,259,580	
				3.68x		2.09x		1.51x		1.59x		1.61x		1.63x		1.65x		1.67x		1.69x	
	\$	-	\$	604,558	\$	988,786	\$	648,283	\$	745,256	\$	769,907	\$	794,776	\$	819,859	\$	845,153	\$	870,652	
	\$	-	\$	-	\$	217,313	\$	307,863	\$	307,863	\$	307,863	\$	307,863	\$	307,863	\$	307,863	\$	307,863	
				3.68x		1.69x		1.22x		1.28x		1.29x		1.31x		1.33x		1.34x		1.36x	
	\$	-	\$	604,558	\$	771,473	\$	340,420	\$	437,393	\$	462,044	\$	486,913	\$	511,996	\$	537,290	\$	562,789	
	\$	(1,500,000)	-																		
		(27,595,650)	-																		
		(3,000,712)	-																		
		(1,000,000)	-																		
5.70% cap			-																	31,846,650	
																				3,954,850	
	\$	(33,096,362)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	35,801,500	
		21,657,912																			
		4,500,000																			
		850,000																			
			-		(225,829)		(908,279)		(1,259,580)		(1,259,580)		(1,259,580)		(1,259,580)		(1,259,580)		(1,259,580)		(1,259,580)
			-		-		(217,313)		(307,863)		(307,863)		(307,863)		(307,863)		(307,863)		(307,863)		(307,863)
																				(18,829,295)	
																				(3,754,440)	
	\$	27,007,912	-		(225,829)		(1,125,591)		(1,567,444)		(1,567,444)		(1,567,444)		(1,567,444)		(1,567,444)		(1,567,444)		(24,151,179)
ity in)	\$	(6,088,450)	\$	-	\$	604,558	\$	771,473	\$	340,420	\$	437,393	\$	462,044	\$	486,913	\$	511,996	\$	537,290	
			0.0%		9.9%		12.7%		5.6%		7.2%		7.6%		8.0%		8.4%		8.8%		226.3%
					2.5%		5.7%		5.8%		6.1%		6.1%		6.2%		6.3%		6.4%		6.4%

**LEVERAGED 10-YEAR HOLD IRR** **13.50%**

# RAMSEY COUNTY MARKET RATE TAX CALCULATION

For a different city, see instructions at bottom of page

Example of a tax calculation for FINAL taxes payable in 2021 on a market rate APARTMENT PROPERTY  
in District Code 8336 (Shoreview - 623 M (NB)).

<b>Enter Estimated Market Value:</b>	<b>215,000 p/u</b>	<b>\$28,380,000</b>
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## STEP 1: CALCULATE THE NET TAX CAPACITY

1.25% x Estimated Market Value	\$354,750
	0
Total Net Tax Capacity	\$354,750

## STEP 2: CALCULATE THE LOCAL TAX

Local Tax =	114.018%	multiplied by	STEP 1		=	
			\$354,750			\$404,478.03

## STEP 3: CALCULATE THE MARKET TAX

Market Tax	0.25290%	multiplied by	Referendum Market Value		=	
			\$28,380,000			\$71,771.97

## STEP 4: ADD LOCAL & MARKET TAXES

Local Tax	\$404,478.03
Plus: Market Tax	\$71,771.97

<b>Total APARTMENT PROPERTY Tax</b>	<b>\$</b>	<b>3,608</b>	<b>\$476,250</b>
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New Brighton Apartments  
Estimated Amortization and Draw Schedule  
1st Mortgage (Property Portion)

Loan Amount      \$ 21,657,912

Interest Rate      4.125%  
Interest Only Term (months)      36  
Construction Period      14  
Capitalized Interest Period (months)      21

Maturity Date      10 years      12/1/31  
Amortization Period      30.00

Month #	Date	Rate	Principal	Interest	Capitalized Interest	Net Debt Service	Draw Amount	Ending Principal Balance
			\$ 21,657,912	\$ 8,158,687	\$ 1,076,374	\$ 28,740,225	100.0%	\$ 21,657,912
0	12/1/21						2,165,791	2,165,791
1	1/1/22	4.13%	-	7,693	(7,693)	-	6.4%	1,392,294
2	2/1/22	4.13%	-	12,639	(12,639)	-	6.4%	1,392,294
3	3/1/22	4.13%	-	15,882	(15,882)	-	6.4%	1,392,294
4	4/1/22	4.13%	-	22,530	(22,530)	-	6.4%	1,392,294
5	5/1/22	4.13%	-	26,589	(26,589)	-	6.4%	1,392,294
6	6/1/22	4.13%	-	32,421	(32,421)	-	6.4%	1,392,294
7	7/1/22	4.13%	-	36,161	(36,161)	-	6.4%	1,392,294
8	8/1/22	4.13%	-	42,312	(42,312)	-	6.4%	1,392,294
9	9/1/22	4.13%	-	47,257	(47,257)	-	6.4%	1,392,294
10	10/1/22	4.13%	-	50,519	(50,519)	-	6.4%	1,392,294
11	11/1/22	4.13%	-	57,149	(57,149)	-	6.4%	1,392,294
12	12/1/22	4.13%	-	60,091	(60,091)	-	6.4%	1,392,294
13	1/1/23	4.13%	-	67,040	(67,040)	-	6.4%	1,392,294
14	2/1/23	4.13%	-	71,985	(71,985)	-	6.4%	1,392,294
15	3/1/23	4.13%	-	69,486	(69,486)	-	0.0%	-
16	4/1/23	4.13%	-	76,931	(76,931)	-	0.0%	-
17	5/1/23	4.13%	-	74,449	(74,449)	-	0.0%	-
18	6/1/23	4.13%	-	76,931	(76,931)	-	0.0%	-
19	7/1/23	4.13%	-	74,449	(74,449)	-	0.0%	-
20	8/1/23	4.13%	-	76,931	(76,931)	-	0.0%	-
21	9/1/23	4.13%	-	76,931	(76,931)	-	0.0%	-
22	10/1/23	4.13%	-	74,449	-	74,449	0.0%	-
23	11/1/23	4.13%	-	76,931	-	76,931	0.0%	-
24	12/1/23	4.13%	-	74,449	-	74,449	0.0%	-
25	1/1/24	4.13%	-	76,931	-	76,931	-	-
26	2/1/24	4.13%	-	76,931	-	76,931	-	-
27	3/1/24	4.13%	-	71,967	-	71,967	-	-
28	4/1/24	4.13%	-	76,931	-	76,931	-	-
29	5/1/24	4.13%	-	74,449	-	74,449	-	-
30	6/1/24	4.13%	-	76,931	-	76,931	-	-
31	7/1/24	4.13%	-	74,449	-	74,449	-	-
32	8/1/24	4.13%	-	76,931	-	76,931	-	-
33	9/1/24	4.13%	-	76,931	-	76,931	-	-
34	10/1/24	4.13%	-	74,449	-	74,449	-	-
35	11/1/24	4.13%	-	76,931	-	76,931	-	-
36	12/1/24	4.13%	-	74,449	-	74,449	-	-
37	1/1/25	4.13%	28,034	76,931	-	104,965	-	-
38	2/1/25	4.13%	28,134	76,831	-	104,965	-	-
39	3/1/25	4.13%	35,659	69,306	-	104,965	-	-
40	4/1/25	4.13%	28,360	76,605	-	104,965	-	-
41	5/1/25	4.13%	30,929	74,036	-	104,965	-	-
42	6/1/25	4.13%	28,571	76,394	-	104,965	-	-
43	7/1/25	4.13%	31,134	73,831	-	104,965	-	-
44	8/1/25	4.13%	28,783	76,182	-	104,965	-	-
45	9/1/25	4.13%	28,885	76,080	-	104,965	-	-
46	10/1/25	4.13%	31,439	73,526	-	104,965	-	-
47	11/1/25	4.13%	29,100	75,865	-	104,965	-	-
48	12/1/25	4.13%	31,647	73,318	-	104,965	-	-
49	1/1/26	4.13%	29,315	75,650	-	104,965	-	-
50	2/1/26	4.13%	29,420	75,545	-	104,965	-	-
51	3/1/26	4.13%	36,825	68,140	-	104,965	-	-
52	4/1/26	4.13%	29,655	75,310	-	104,965	-	-
53	5/1/26	4.13%	32,186	72,779	-	104,965	-	-

54	6/1/26	4.13%	29,875	75,090	-	104,965	-	21,109,961
55	7/1/26	4.13%	32,400	72,565	-	104,965	-	21,077,561
56	8/1/26	4.13%	30,096	74,869	-	104,965	-	21,047,465
57	9/1/26	4.13%	30,203	74,762	-	104,965	-	21,017,263
58	10/1/26	4.13%	32,718	72,247	-	104,965	-	20,984,544
59	11/1/26	4.13%	30,426	74,539	-	104,965	-	20,954,118
60	12/1/26	4.13%	32,935	72,030	-	104,965	-	20,921,183
61	1/1/27	4.13%	30,651	74,314	-	104,965	-	20,890,532
62	2/1/27	4.13%	30,760	74,205	-	104,965	-	20,859,772
63	3/1/27	4.13%	38,040	66,925	-	104,965	-	20,821,732
64	4/1/27	4.13%	31,004	73,961	-	104,965	-	20,790,727
65	5/1/27	4.13%	33,497	71,468	-	104,965	-	20,757,230
66	6/1/27	4.13%	31,234	73,731	-	104,965	-	20,725,997
67	7/1/27	4.13%	33,719	71,246	-	104,965	-	20,692,277
68	8/1/27	4.13%	31,464	73,501	-	104,965	-	20,660,813
69	9/1/27	4.13%	31,576	73,389	-	104,965	-	20,629,237
70	10/1/27	4.13%	34,052	70,913	-	104,965	-	20,595,185
71	11/1/27	4.13%	31,809	73,156	-	104,965	-	20,563,376
72	12/1/27	4.13%	34,278	70,687	-	104,965	-	20,529,097
73	1/1/28	4.13%	32,044	72,921	-	104,965	-	20,497,054
74	2/1/28	4.13%	32,158	72,807	-	104,965	-	20,464,896
75	3/1/28	4.13%	36,962	68,003	-	104,965	-	20,427,934
76	4/1/28	4.13%	32,403	72,562	-	104,965	-	20,395,531
77	5/1/28	4.13%	34,855	70,110	-	104,965	-	20,360,675
78	6/1/28	4.13%	32,642	72,323	-	104,965	-	20,328,033
79	7/1/28	4.13%	35,087	69,878	-	104,965	-	20,292,946
80	8/1/28	4.13%	32,883	72,082	-	104,965	-	20,260,063
81	9/1/28	4.13%	33,000	71,965	-	104,965	-	20,227,063
82	10/1/28	4.13%	35,434	69,531	-	104,965	-	20,191,629
83	11/1/28	4.13%	33,243	71,722	-	104,965	-	20,158,386
84	12/1/28	4.13%	35,671	69,294	-	104,965	-	20,122,716
85	1/1/29	4.13%	33,487	71,478	-	104,965	-	20,089,228
86	2/1/29	4.13%	33,606	71,359	-	104,965	-	20,055,622
87	3/1/29	4.13%	40,620	64,345	-	104,965	-	20,015,002
88	4/1/29	4.13%	33,870	71,095	-	104,965	-	19,981,132
89	5/1/29	4.13%	36,280	68,685	-	104,965	-	19,944,852
90	6/1/29	4.13%	34,119	70,846	-	104,965	-	19,910,733
91	7/1/29	4.13%	36,522	68,443	-	104,965	-	19,874,211
92	8/1/29	4.13%	34,370	70,595	-	104,965	-	19,839,841
93	9/1/29	4.13%	34,492	70,473	-	104,965	-	19,805,348
94	10/1/29	4.13%	36,884	68,081	-	104,965	-	19,768,464
95	11/1/29	4.13%	34,746	70,219	-	104,965	-	19,733,718
96	12/1/29	4.13%	37,130	67,835	-	104,965	-	19,696,588
97	1/1/30	4.13%	35,001	69,964	-	104,965	-	19,661,587
98	2/1/30	4.13%	35,125	69,840	-	104,965	-	19,626,462
99	3/1/30	4.13%	41,997	62,968	-	104,965	-	19,584,465
100	4/1/30	4.13%	35,399	69,566	-	104,965	-	19,549,065
101	5/1/30	4.13%	37,765	67,200	-	104,965	-	19,511,300
102	6/1/30	4.13%	35,659	69,306	-	104,965	-	19,475,641
103	7/1/30	4.13%	38,017	66,948	-	104,965	-	19,437,624
104	8/1/30	4.13%	35,921	69,044	-	104,965	-	19,401,703
105	9/1/30	4.13%	36,049	68,916	-	104,965	-	19,365,654
106	10/1/30	4.13%	38,396	66,569	-	104,965	-	19,327,259
107	11/1/30	4.13%	36,313	68,652	-	104,965	-	19,290,946
108	12/1/30	4.13%	38,652	66,313	-	104,965	-	19,252,293
109	1/1/31	4.13%	36,579	68,386	-	104,965	-	19,215,714
110	2/1/31	4.13%	36,709	68,256	-	104,965	-	19,179,005
111	3/1/31	4.13%	43,432	61,533	-	104,965	-	19,135,572
112	4/1/31	4.13%	36,994	67,971	-	104,965	-	19,098,578
113	5/1/31	4.13%	39,314	65,651	-	104,965	-	19,059,265
114	6/1/31	4.13%	37,265	67,700	-	104,965	-	19,022,000
115	7/1/31	4.13%	39,577	65,388	-	104,965	-	18,982,423
116	8/1/31	4.13%	37,538	67,427	-	104,965	-	18,944,885
117	9/1/31	4.13%	37,671	67,294	-	104,965	-	18,907,214
118	10/1/31	4.13%	39,971	64,994	-	104,965	-	18,867,242
119	11/1/31	4.13%	37,947	67,018	-	104,965	-	18,829,295
120	12/1/31	4.13%	18,829,295	64,726	-	18,894,021	-	-
121	1/1/32	4.13%	-	-	-	-	-	-



Month #	Date	Rate	Capitalized					Ending Principal Balance	
			Principal	Interest	Interest	Net Debt Service	Draw Amount		
			\$ 4,500,000	\$ 2,049,440	\$ 433,438	\$ 6,116,002	100.0%	\$ 4,500,000	
0	12/1/21						100.0%	4,500,000	4,500,000
1	1/1/22	4.75%	-	18,406	(18,406)	-	0.0%	-	4,500,000
2	2/1/22	4.75%	-	18,406	(18,406)	-	0.0%	-	4,500,000
3	3/1/22	4.75%	-	16,625	(16,625)	-	0.0%	-	4,500,000
4	4/1/22	4.75%	-	18,406	(18,406)	-	0.0%	-	4,500,000
5	5/1/22	4.75%	-	17,813	(17,813)	-	0.0%	-	4,500,000
6	6/1/22	4.75%	-	18,406	(18,406)	-	0.0%	-	4,500,000
7	7/1/22	4.75%	-	17,813	(17,813)	-	0.0%	-	4,500,000
8	8/1/22	4.75%	-	18,406	(18,406)	-	0.0%	-	4,500,000
9	9/1/22	4.75%	-	18,406	(18,406)	-	0.0%	-	4,500,000
10	10/1/22	4.75%	-	17,813	(17,813)	-	0.0%	-	4,500,000
11	11/1/22	4.75%	-	18,406	(18,406)	-	0.0%	-	4,500,000
12	12/1/22	4.75%	-	17,813	(17,813)	-	0.0%	-	4,500,000
13	1/1/23	4.75%	-	18,406	(18,406)	-	0.0%	-	4,500,000
14	2/1/23	4.75%	-	18,406	(18,406)	-	0.0%	-	4,500,000
15	3/1/23	4.75%	-	16,625	(16,625)	-	0.0%	-	4,500,000
16	4/1/23	4.75%	-	18,406	(18,406)	-	0.0%	-	4,500,000
17	5/1/23	4.75%	-	17,813	(17,813)	-	0.0%	-	4,500,000
18	6/1/23	4.75%	-	18,406	(18,406)	-	0.0%	-	4,500,000
19	7/1/23	4.75%	-	17,813	(17,813)	-	0.0%	-	4,500,000
20	8/1/23	4.75%	-	18,406	(18,406)	-	0.0%	-	4,500,000
21	9/1/23	4.75%	-	18,406	(18,406)	-	0.0%	-	4,500,000
22	10/1/23	4.75%	-	17,813	(17,813)	-	0.0%	-	4,500,000
23	11/1/23	4.75%	-	18,406	(18,406)	-	0.0%	-	4,500,000
24	12/1/23	4.75%	-	17,813	(17,813)	-	0.0%	-	4,500,000
25	1/1/24	4.75%	-	18,406	-	18,406	-	-	4,500,000
26	2/1/24	4.75%	-	18,406	-	18,406	-	-	4,500,000
27	3/1/24	4.75%	-	17,219	-	17,219	-	-	4,500,000
28	4/1/24	4.75%	-	18,406	-	18,406	-	-	4,500,000
29	5/1/24	4.75%	-	17,813	-	17,813	-	-	4,500,000
30	6/1/24	4.75%	-	18,406	-	18,406	-	-	4,500,000
31	7/1/24	4.75%	-	17,813	-	17,813	-	-	4,500,000
32	8/1/24	4.75%	-	18,406	-	18,406	-	-	4,500,000
33	9/1/24	4.75%	-	18,406	-	18,406	-	-	4,500,000
34	10/1/24	4.75%	-	17,813	-	17,813	-	-	4,500,000
35	11/1/24	4.75%	-	18,406	-	18,406	-	-	4,500,000
36	12/1/24	4.75%	-	17,813	-	17,813	-	-	4,500,000
37	1/1/25	4.75%	7,249	18,406	-	25,655	-	-	4,492,751
38	2/1/25	4.75%	7,279	18,377	-	25,655	-	-	4,485,472
39	3/1/25	4.75%	9,084	16,571	-	25,655	-	-	4,476,388
40	4/1/25	4.75%	7,346	18,310	-	25,655	-	-	4,469,043
41	5/1/25	4.75%	7,965	17,690	-	25,655	-	-	4,461,077
42	6/1/25	4.75%	7,408	18,247	-	25,655	-	-	4,453,669
43	7/1/25	4.75%	8,026	17,629	-	25,655	-	-	4,445,643
44	8/1/25	4.75%	7,471	18,184	-	25,655	-	-	4,438,172
45	9/1/25	4.75%	7,502	18,153	-	25,655	-	-	4,430,670
46	10/1/25	4.75%	8,117	17,538	-	25,655	-	-	4,422,552
47	11/1/25	4.75%	7,566	18,089	-	25,655	-	-	4,414,987
48	12/1/25	4.75%	8,179	17,476	-	25,655	-	-	4,406,807
49	1/1/26	4.75%	7,630	18,025	-	25,655	-	-	4,399,177
50	2/1/26	4.75%	7,661	17,994	-	25,655	-	-	4,391,516
51	3/1/26	4.75%	9,431	16,224	-	25,655	-	-	4,382,085
52	4/1/26	4.75%	7,731	17,924	-	25,655	-	-	4,374,353
53	5/1/26	4.75%	8,340	17,315	-	25,655	-	-	4,366,013

54	6/1/26	4.75%	7,797	17,858	-	25,655	-	4,358,216
55	7/1/26	4.75%	8,404	17,251	-	25,655	-	4,349,812
56	8/1/26	4.75%	7,863	17,792	-	25,655	-	4,341,949
57	9/1/26	4.75%	7,896	17,760	-	25,655	-	4,334,053
58	10/1/26	4.75%	8,500	17,156	-	25,655	-	4,325,554
59	11/1/26	4.75%	7,963	17,693	-	25,655	-	4,317,591
60	12/1/26	4.75%	8,565	17,090	-	25,655	-	4,309,026
61	1/1/27	4.75%	8,030	17,625	-	25,655	-	4,300,996
62	2/1/27	4.75%	8,063	17,592	-	25,655	-	4,292,933
63	3/1/27	4.75%	9,795	15,860	-	25,655	-	4,283,138
64	4/1/27	4.75%	8,136	17,519	-	25,655	-	4,275,002
65	5/1/27	4.75%	8,733	16,922	-	25,655	-	4,266,268
66	6/1/27	4.75%	8,205	17,450	-	25,655	-	4,258,063
67	7/1/27	4.75%	8,800	16,855	-	25,655	-	4,249,263
68	8/1/27	4.75%	8,275	17,381	-	25,655	-	4,240,988
69	9/1/27	4.75%	8,308	17,347	-	25,655	-	4,232,680
70	10/1/27	4.75%	8,901	16,754	-	25,655	-	4,223,779
71	11/1/27	4.75%	8,379	17,276	-	25,655	-	4,215,400
72	12/1/27	4.75%	8,969	16,686	-	25,655	-	4,206,431
73	1/1/28	4.75%	8,450	17,205	-	25,655	-	4,197,981
74	2/1/28	4.75%	8,484	17,171	-	25,655	-	4,189,496
75	3/1/28	4.75%	9,625	16,031	-	25,655	-	4,179,872
76	4/1/28	4.75%	8,558	17,097	-	25,655	-	4,171,313
77	5/1/28	4.75%	9,144	16,511	-	25,655	-	4,162,170
78	6/1/28	4.75%	8,631	17,024	-	25,655	-	4,153,539
79	7/1/28	4.75%	9,214	16,441	-	25,655	-	4,144,324
80	8/1/28	4.75%	8,704	16,951	-	25,655	-	4,135,621
81	9/1/28	4.75%	8,739	16,916	-	25,655	-	4,126,881
82	10/1/28	4.75%	9,320	16,336	-	25,655	-	4,117,561
83	11/1/28	4.75%	8,813	16,842	-	25,655	-	4,108,748
84	12/1/28	4.75%	9,391	16,264	-	25,655	-	4,099,357
85	1/1/29	4.75%	8,888	16,768	-	25,655	-	4,090,469
86	2/1/29	4.75%	8,924	16,731	-	25,655	-	4,081,545
87	3/1/29	4.75%	10,576	15,079	-	25,655	-	4,070,969
88	4/1/29	4.75%	9,004	16,651	-	25,655	-	4,061,965
89	5/1/29	4.75%	9,577	16,079	-	25,655	-	4,052,388
90	6/1/29	4.75%	9,080	16,575	-	25,655	-	4,043,308
91	7/1/29	4.75%	9,651	16,005	-	25,655	-	4,033,658
92	8/1/29	4.75%	9,157	16,499	-	25,655	-	4,024,501
93	9/1/29	4.75%	9,194	16,461	-	25,655	-	4,015,307
94	10/1/29	4.75%	9,761	15,894	-	25,655	-	4,005,546
95	11/1/29	4.75%	9,271	16,384	-	25,655	-	3,996,274
96	12/1/29	4.75%	9,837	15,819	-	25,655	-	3,986,438
97	1/1/30	4.75%	9,350	16,306	-	25,655	-	3,977,088
98	2/1/30	4.75%	9,388	16,267	-	25,655	-	3,967,700
99	3/1/30	4.75%	10,997	14,658	-	25,655	-	3,956,703
100	4/1/30	4.75%	9,471	16,184	-	25,655	-	3,947,232
101	5/1/30	4.75%	10,031	15,624	-	25,655	-	3,937,201
102	6/1/30	4.75%	9,551	16,104	-	25,655	-	3,927,650
103	7/1/30	4.75%	10,108	15,547	-	25,655	-	3,917,542
104	8/1/30	4.75%	9,631	16,024	-	25,655	-	3,907,910
105	9/1/30	4.75%	9,671	15,984	-	25,655	-	3,898,239
106	10/1/30	4.75%	10,225	15,431	-	25,655	-	3,888,015
107	11/1/30	4.75%	9,752	15,903	-	25,655	-	3,878,263
108	12/1/30	4.75%	10,304	15,351	-	25,655	-	3,867,959
109	1/1/31	4.75%	9,834	15,821	-	25,655	-	3,858,124
110	2/1/31	4.75%	9,874	15,781	-	25,655	-	3,848,250
111	3/1/31	4.75%	11,438	14,217	-	25,655	-	3,836,812
112	4/1/31	4.75%	9,962	15,694	-	25,655	-	3,826,850
113	5/1/31	4.75%	10,507	15,148	-	25,655	-	3,816,343
114	6/1/31	4.75%	10,045	15,610	-	25,655	-	3,806,297
115	7/1/31	4.75%	10,589	15,067	-	25,655	-	3,795,709
116	8/1/31	4.75%	10,130	15,526	-	25,655	-	3,785,579
117	9/1/31	4.75%	10,171	15,484	-	25,655	-	3,775,408
118	10/1/31	4.75%	10,711	14,944	-	25,655	-	3,764,697
119	11/1/31	4.75%	10,257	15,399	-	25,655	-	3,754,440
120	12/1/31	4.75%	3,754,440	14,861	-	3,769,302	-	-
121	1/1/32	4.75%	-	-	-	-	-	-

# New Brighton Apartments

## Real Estate Tax Projection and TIF Estimate

	assessed %:	10%	60%	100%	100%	100%
		year 1	year 2	year 3	year 4	year 5
		2022 assessed 2023 payable	2023 assessed 2024 payable	2024 assessed 2025 payable	2025 assessed 2026 payable	2026 assessed 2027 payable
Local Tax Capacity Rate		114.01777%	114.01777%	114.018%	114.018%	114.018%
Market Value Tax Rate		0.25290%	0.25290%	0.25290%	0.25290%	0.25290%
<b>Residential Valuation:</b>						
Assessed Value - Per Unit	\$	215,000	\$ 215,000	215,000	215,000	215,000
# of Units		132	132	132	132	132
Total Assessed Value	\$	2,838,000	\$ 17,028,000	28,380,000	28,380,000	28,380,000
Per unit		21,500	129,000	215,000	215,000	215,000
Affordability for 4(d) Treatment		0.0%	0.0%	0.0%	0.0%	0.0%
Valuation Rate		1.25%	1.25%	1.25%	1.25%	1.25%
Total Net Tax Capacity - Residential	\$	35,475	\$ 212,850	\$ 354,750	\$ 354,750	\$ 354,750
<b>Commercial Portion:</b>						
Assessed Value	\$	-	\$ -	\$ -	\$ -	\$ -
Valuation Rate		2.00%	2.00%	2.00%	2.00%	2.00%
Total Net Tax Capacity - Commercial	\$	-	\$ -	\$ -	\$ -	\$ -
<b>Total Net Tax Capacity</b>	<b>\$</b>	<b>35,475</b>	<b>\$ 212,850</b>	<b>\$ 354,750</b>	<b>\$ 354,750</b>	<b>\$ 354,750</b>
Original Tax Capacity	\$	21,563	\$ 21,563	\$ 21,563	\$ 21,563	\$ 21,563
State Auditor		0.36%	0.36%	0.36%	0.36%	0.36%
Admin Fee		10.00%	10.00%	10.00%	10.00%	10.00%
Estimated TIF to be received =	\$	14,225	\$ 195,585	\$ 340,673	\$ 340,673	\$ 340,673
Estimated RE Tax Paid =	\$	47,625	\$ 285,750	\$ 476,250	\$ 476,250	\$ 476,250

Tax Year Payable	Date	Project Tax Capacity	Original Tax Capacity	Captured Tax Capacity	Annual Gross Increment	Semi-Annual Gross Increment	State Auditor	Administrative Fee	Net Semi Annual Increment to Project	Periods	PV Factor	PV of Increment
	growth:	0.00%			114.018%		0.36%	10.00%			4.50%	
	8/1/22											
	2/1/23									0.50	0.9782	-
2023	8/1/23	35,475	(21,563)	13,913	15,863	7,931	(29)	(790)	7,113	1.00	0.9569	6,806
2023	2/1/24	-	-	-	-	7,931	(29)	(790)	7,113	1.50	0.9361	6,658
2024	8/1/24	212,850	(21,563)	191,288	218,102	109,051	(393)	(10,866)	97,792	2.00	0.9157	89,551
2024	2/1/25	-	-	-	-	109,051	(393)	(10,866)	97,792	2.50	0.8958	87,602
2025	8/1/25	354,750	(21,563)	333,188	379,893	189,946	(684)	(18,926)	170,336	3.00	0.8763	149,265
2025	2/1/26	-	-	-	-	189,946	(684)	(18,926)	170,336	3.50	0.8572	146,016
2026	8/1/26	354,750	(21,563)	333,188	379,893	189,946	(684)	(18,926)	170,336	4.00	0.8386	142,838
2026	2/1/27	-	-	-	-	189,946	(684)	(18,926)	170,336	4.50	0.8203	139,728
2027	8/1/27	354,750	(21,563)	333,188	379,893	189,946	(684)	(18,926)	170,336	5.00	0.8025	136,687
2027	2/1/28	-	-	-	-	189,946	(684)	(18,926)	170,336	5.50	0.7850	133,711
2028	8/1/28	354,750	(21,563)	333,188	379,893	189,946	(684)	(18,926)	170,336	6.00	0.7679	130,801
2028	2/1/29	-	-	-	-	189,946	(684)	(18,926)	170,336	6.50	0.7512	127,953
2029	8/1/29	354,750	(21,563)	333,188	379,893	189,946	(684)	(18,926)	170,336	7.00	0.7348	125,168
2029	2/1/30	-	-	-	-	189,946	(684)	(18,926)	170,336	7.50	0.7188	122,443
2030	8/1/30	354,750	(21,563)	333,188	379,893	189,946	(684)	(18,926)	170,336	8.00	0.7032	119,778
2030	2/1/31	-	-	-	-	189,946	(684)	(18,926)	170,336	8.50	0.6879	117,171
2031	8/1/31	354,750	(21,563)	333,188	379,893	189,946	(684)	(18,926)	170,336	9.00	0.6729	114,620
2031	2/1/32	-	-	-	-	189,946	(684)	(18,926)	170,336	9.50	0.6583	112,125
2032	8/1/32	354,750	(21,563)	333,188	379,893	189,946	(684)	(18,926)	170,336	10.00	0.6439	109,684
2032	2/1/33	-	-	-	-	189,946	(684)	(18,926)	170,336	10.50	0.6299	107,297
2033	8/1/33	354,750	(21,563)	333,188	379,893	189,946	(684)	(18,926)	170,336	11.00	0.6162	104,961
2033	2/1/34	-	-	-	-	189,946	(684)	(18,926)	170,336	11.50	0.6028	102,676
2034	8/1/34	354,750	(21,563)	333,188	379,893	189,946	(684)	(18,926)	170,336	12.00	0.5897	100,441
2034	2/1/35	-	-	-	-	189,946	(684)	(18,926)	170,336	12.50	0.5768	98,255
2035	8/1/35	354,750	(21,563)	333,188	379,893	189,946	(684)	(18,926)	170,336	13.00	0.5643	96,116
2035	2/1/36	-	-	-	-	189,946	(684)	(18,926)	170,336	13.50	0.5520	94,024
2036	8/1/36	354,750	(21,563)	333,188	379,893	189,946	(684)	(18,926)	170,336	14.00	0.5400	91,977
2036	2/1/37	-	-	-	-	189,946	(684)	(18,926)	170,336	14.50	0.5282	89,975
2037	8/1/37	354,750	(21,563)	333,188	379,893	189,946	(684)	(18,926)	170,336	15.00	0.5167	88,016
2037	2/1/38	-	-	-	-	189,946	(684)	(18,926)	170,336	15.50	0.5055	86,100
2038	8/1/38	354,750	(21,563)	333,188	379,893	189,946	(684)	(18,926)	170,336	16.00	0.4945	84,226
2038	2/1/39	-	-	-	-	189,946	(684)	(18,926)	170,336	16.50	0.4837	82,393
2039	8/1/39	354,750	(21,563)	333,188	379,893	189,946	(684)	(18,926)	170,336	17.00	0.4732	80,599
2039	2/1/40	-	-	-	-	189,946	(684)	(18,926)	170,336	17.50	0.4629	78,845
2040	8/1/40	354,750	(21,563)	333,188	379,893	189,946	(684)	(18,926)	170,336	18.00	0.4528	77,128
2040	2/1/41	-	-	-	-	189,946	(684)	(18,926)	170,336	18.50	0.4429	75,449
2041	8/1/41	354,750	(21,563)	333,188	379,893	189,946	(684)	(18,926)	170,336	19.00	0.4333	73,807
2041	2/1/42	-	-	-	-	189,946	(684)	(18,926)	170,336	19.50	0.4239	72,200
2042	8/1/42	354,750	(21,563)	333,188	379,893	189,946	(684)	(18,926)	170,336	20.00	0.4146	70,629
2042	2/1/43	-	-	-	-	189,946	(684)	(18,926)	170,336	20.50	0.4056	69,091
2043	8/1/43	354,750	(21,563)	333,188	379,893	189,946	(684)	(18,926)	170,336	21.00	0.3968	67,587
2043	2/1/44	-	-	-	-	189,946	(684)	(18,926)	170,336	21.50	0.3882	66,116
2044	8/1/44	354,750	(21,563)	333,188	379,893	189,946	(684)	(18,926)	170,336	22.00	0.3797	64,677
2044	2/1/45	-	-	-	-	189,946	(684)	(18,926)	170,336	22.50	0.3714	63,269
2045	8/1/45	354,750	(21,563)	333,188	379,893	189,946	(684)	(18,926)	170,336	23.00	0.3634	61,892
2045	2/1/46	-	-	-	-	189,946	(684)	(18,926)	170,336	23.50	0.3554	60,544
2046	8/1/46	354,750	(21,563)	333,188	379,893	189,946	(684)	(18,926)	170,336	24.00	0.3477	59,227
2046	2/1/47	-	-	-	-	189,946	(684)	(18,926)	170,336	24.50	0.3401	57,937
2047	8/1/47	354,750	(21,563)	333,188	379,893	189,946	(684)	(18,926)	170,336	25.00	0.3327	56,676
2047	2/1/48	-	-	-	-	189,946	(684)	(18,926)	170,336	25.50	0.3255	55,442
					8,971,502							
										Estimated NPV of FULL TIF Income Stream \$ 4,556,181		
										Estimated of Actual TIF Note from City \$ 5,000,000		
										Estimated NPV of PROJECTED TIF Income Stream \$ 4,554,101		



Agenda Section: VI
Item: 2
Report Date: 7/29/21
Commission Meeting Date: 8/4/21

## REQUEST FOR COMMISISON CONSIDERATION

ITEM DESCRIPTION: Business Outreach Update
DEPARTMENT HEAD'S APPROVAL:
CITY MANAGER'S APPROVAL:
No comments to supplement this report ____ Comments attached ____

15.99 Deadline: None

**Recommendations:** ▪ Commissioners make decision on how they want to move forward with Business Outreach Program based on latest updates

**Legislative History:** ▪ N/A

**Financial Impact:** None

**Summary:** The city will be giving commissioners a brief update on the business outreach letters that were sent out in mid-July and requesting feedback on next steps.

**Requested Action:** The EDC will discuss how they want this new Business Outreach Initiative to function and how to garner more participation among business owners throughout the community.

**Attachments:** 1) Business Outreach Letter

Ben Gozola, AICP  
*Assistant Director of Community Assets and Development*





07/15/2021

Dear Employees & Business Owners,

New Brighton is continually striving to be a great place to do business. To that end, the City would like an opportunity to engage with you as a local business to find out what you need to succeed, and to hear your ideas on how the City could be of assistance.

The City is launching a new business outreach program to ensure you have access to timely updates on business-related matters of importance, and to give you a direct contact with the City for when questions arise. To opt-in to this program, please visit the City's Website, and click into the "Business Outreach" page within the "Tools for Business" tab at the top of the home page (or navigate to: [www.newbrightonmn.gov/business-outreach](http://www.newbrightonmn.gov/business-outreach)). There you will find a form to complete to become part of this exciting new program!

Are you thinking about expanding? Moving? Hiring? The City is in contact with people every day who are looking to sell property, rent space, or relocate their family to the City, and we may be in a position to help you make a connection that could otherwise be missed. We'd love to have the opportunity to participate in your success, and will happily forward prospects your way – just let us know your needs so we can work on your behalf.

Want to know what's happening in the City or learn about programs available to assist during the pandemic? Opting in to this program will ensure you receive timely email updates as new programs become available. Importantly, we'd also like to hear from you on what information we could provide that would be worthwhile to you, and also learn about things we do that aren't of help. Our goal is to improve, and we can only do so with your assistance.

Your presence in the City is important and valued, and we believe participation in this program will be mutually beneficial. **Should you have any questions, please reach out any time to our Assistant Director of Community Assets & Development, Ben Gozola, at [ben.gozola@newbrightonmn.gov](mailto:ben.gozola@newbrightonmn.gov) or call him at 651-638-2059.** He looks forward to learning more about your business needs, and will be a great first point of contact to your elected and appointed officials at City Hall.

Thank you,

**Mayor Kari Niedfeldt-Thomas**

651-260-3174

[Kari.Niedfeldt-Thomas@newbrightonmn.gov](mailto:Kari.Niedfeldt-Thomas@newbrightonmn.gov)



### **Business Outreach Initiative**

On Friday July 16<sup>th</sup> the City sent out a letter to all 450 businesses in New Brighton to gauge initial interest in a new Business Outreach Initiative. Employees and business owners were asked to go onto New Brighton's website and fill out a brief survey on whether they'd like to receive a quarterly newsletter with relevant updates and or be partnered with a business liaison from our Economic Development Committee.

Since then we have received a total of nine responses, all of whom would like to receive a quarterly newsletter about business updates, grant opportunities, and relevant city plans. Two of those nine businesses, Wilson Wolf & Johnson Screens, have also expressed interest in being paired with a commissioner to help them reach their specific business goals. As we all know this initiative is in its very preliminary stages and can still be shaped however the commission sees fit. We're looking forward to getting feedback from all of you on how you want this outreach program to function and how we can get more businesses involved in the coming months.