

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 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=VGVZZE9DU2xjMUtVQlVIRGNKVTA1dz09> (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 Bob Benke
- Commissioner Bret Fyneweaver
- Commissioner Mike Murlowski
- Commissioner Max Nundahl
- Commissioner Anthony Pledger
- Commissioner Jacqui Sauter
- Commissioner Paul Zisla
- Appointment Pending

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 PresentBen 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 and cursive.

Ben Gozola
Assistant Director of Community Assets and Development



| |
|--|
| Agenda Section: VI |
| Item: 1 |
| Report Date: 7/29/21 |
| Commission Meeting Date: 8/4/21 |

REQUEST FOR COMMISISON CONSIDERATION

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

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". The signature is written in a cursive style with a horizontal line underneath it.

Ben Gozola, AICP
Assistant Director of Community Assets and Development

Memo – Draft for Review

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)

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 Inflation | 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 with any questions or comments.

| | | |
|----|-------------------|-------------|
| 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 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:

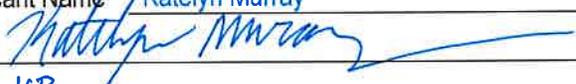
20. Submit this form along with an application fee of \$5,500. This fee is used to defray the cost of financial and legal consultation on processing and analyzing the application.

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:

| | |
|---|---|
| North Shore Development Partners (NSDP) | Part 1 – Corporation/Partnership Description |
| NSDP | Part 2 – List of Shareholders/Partners |
| Multifamily Apartment Development | Part 3 – Description of Project |
| See Below | Part 4 – <i>But For</i> Analysis |
| N/A | Part 5 – List of Prospective Lessees |
| Tract C, Registered Land Survey No. 237 | Part 6 – Legal Description, Property Identification Numbers, maps of the project area, and project renderings |
| Public Narrative | Part 7 – Public Purpose Narrative |
| See Below | 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 |
| TOTAL SOURCES | 32,606,674 | 33,096,362 |
| | USES | USES |
| 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 |
| | 32,606,674 | 33,096,362 |
| | Income Statement - Year 5 | Income Statement - Year 5 |
| | 132 Units | 132 Units |
| 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.

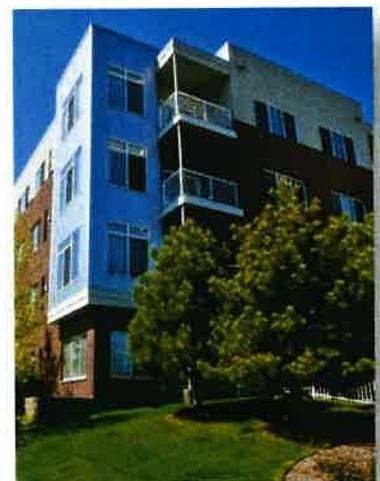
Sample projects which have been developed and owned include:

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

3601 Philips Parkway, St. Louis Park, 55426 (Hwy 169 & 36th 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 desk 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 80th 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



CONTENTS

| | |
|-----------------------------------|-----|
| COVER | 0.0 |
| PROJECT SUMMARY | 0.1 |
| SITE PLAN | 1.0 |
| PROJECT DATA | 1.1 |
| FLOOR PLANS - LEVEL 1 | 3.0 |
| FLOOR PLANS - LEVEL -1 & Level 2 | 3.1 |
| FLOOR PLANS - LEVEL 3-5 & LEVEL 6 | 3.3 |
| BUILDING SECTION | 4.0 |
| RENDERINGS | 5.0 |
| RENDERINGS | 5.1 |
| RENDERINGS | 5.2 |
| RENDERINGS | 5.3 |
| RENDERINGS | 5.4 |
| EXTERIOR MATERIALS | 6.0 |
| EXTERIOR ELEVATIONS | 6.1 |
| EXTERIOR ELEVATIONS | 6.2 |

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

| 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 | | | | |
|-----------------------|--------------|------------------------|------------------------|----------|
| <i>Name</i> | <i>Count</i> | <i>Unit Gross Area</i> | <i>Total Area</i> | <i>%</i> |
| | | <i>Main Floor</i> | | |
| 0 BR (Alcove) | | | | |
| Unit 0-0 | 15 | 515 ft ² | 7,726 ft ² | 11.3% |
| Unit 0-4 | 5 | 572 ft ² | 2,861 ft ² | 3.8% |
| Unit 0-5 | 15 | 532 ft ² | 7,979 ft ² | 11.3% |
| Unit 0-6 | 5 | 592 ft ² | 2,961 ft ² | 3.8% |
| | | 40 | 21,528 ft ² | 30.1% |

| 1BR | | | | |
|------------|----|---------------------|------------------------|-------|
| Unit 1-1 | 30 | 687 ft ² | 20,602 ft ² | 22.6% |
| Unit 1-3 | 15 | 744 ft ² | 11,160 ft ² | 11.3% |
| Unit 1-6 | 9 | 831 ft ² | 7,475 ft ² | 6.8% |
| | | 54 | 39,237 ft ² | 40.6% |

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

| 2BR | | | | |
|-------------|-----|-----------------------|-------------------------|--------|
| Unit 2-3 | 10 | 1,030 ft ² | 10,301 ft ² | 7.5% |
| Unit 3-1 | 10 | 1,102 ft ² | 11,020 ft ² | 7.5% |
| Unit 3-2 | 9 | 1,167 ft ² | 10,499 ft ² | 6.8% |
| | | 29 | 31,820 ft ² | 21.8% |
| Grand total | 133 | | 100,893 ft ² | 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 1st 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 | WITH Assistance |
|--|----------------------------------|----------------------------------|
| | SOURCES AND USES | SOURCES AND USES |
| | SOURCES | SOURCES |
| Mortgage + Deferred Developer Fee | 22,507,912 | 22,507,912 |
| Equity | 10,098,762 | 6,088,450 |
| Tax Increment Financing | - | 4,500,000 |
| TOTAL SOURCES | 32,606,674 | 33,096,362 |
| | USES | USES |
| 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 |
| | 32,606,674 | 33,096,362 |
| | Income Statement - Year 5 | Income Statement - Year 5 |
| | 132 Units | 132 Units |
| 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 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:

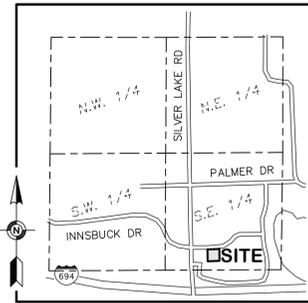
To North Shore Development Partners LLC, a Minnesota limited liability company, U.S. Bank National Association, a national banking association and First American Title Insurance Company.

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.

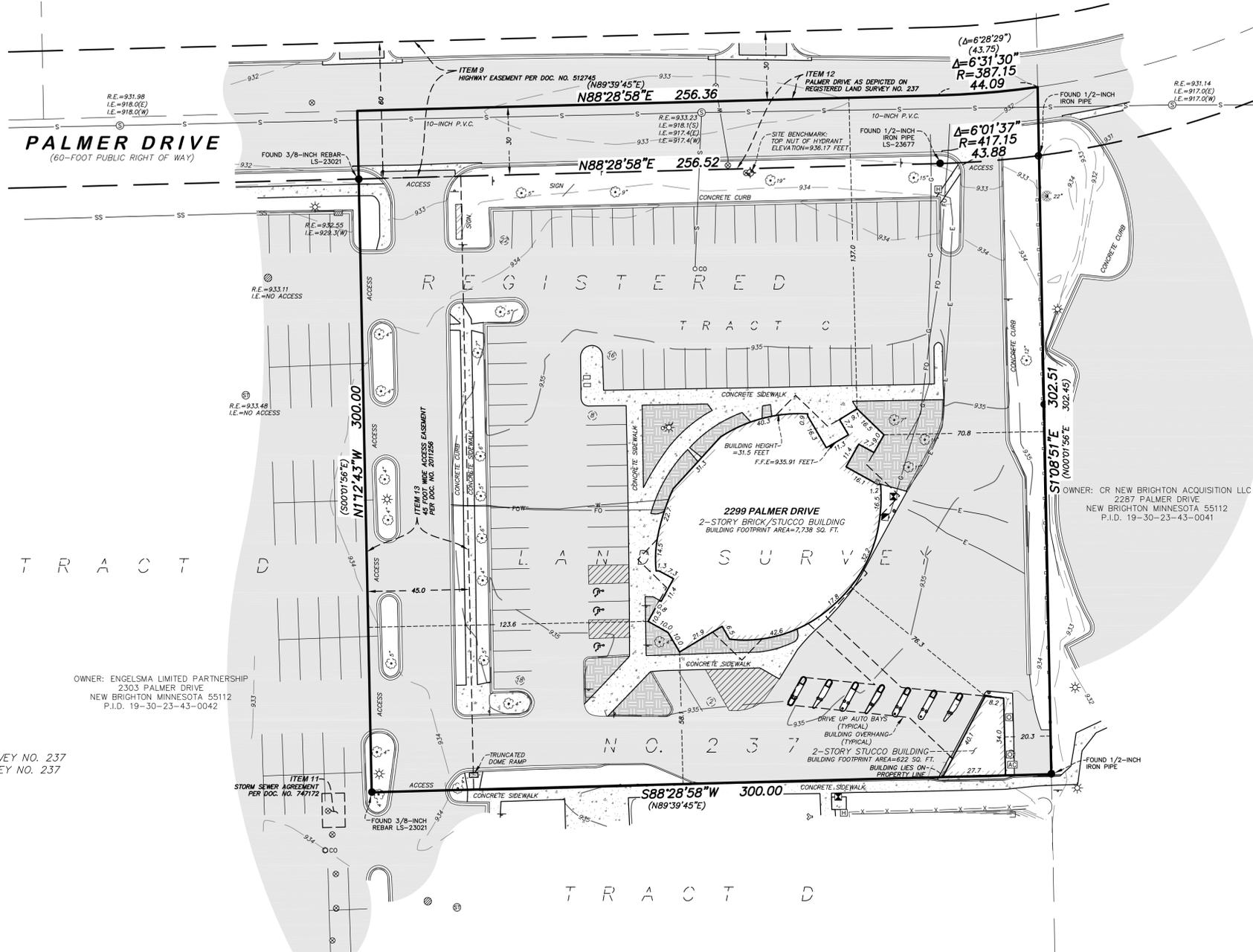
Date of Plat or Map: June 07, 2021

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

SECTION 19, T 30 N, R 23 W

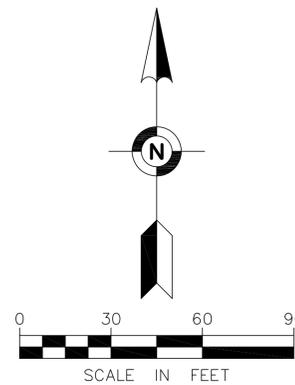


VICINITY MAP
NO SCALE



OWNER: ENGELSMAN LIMITED PARTNERSHIP
2303 PALMER DRIVE
NEW BRIGHTON, MINNESOTA 55112
P.I.D. 19-30-23-43-0042

OWNER: CR NEW BRIGHTON ACQUISITION LLC
2287 PALMER DRIVE
NEW BRIGHTON, MINNESOTA 55112
P.I.D. 19-30-23-43-0041



● (123.45) FOUND IRON MONUMENT (AS NOTED)
○ (N01°02'03\"/>

LEGEND:

- | | | |
|-----------------------|-----------------------------|-------------------------------|
| ⊕ BENCHMARK | ⊠ GAS METER | — 920 — EXISTING CONTOUR LINE |
| ○ CLEAN OUT | — SIGN | ☀ TREE |
| ⊙ SANITARY MANHOLE | — FLAGPOLE | ▭ BITUMINOUS SURFACE |
| ⊙ STORM MANHOLE | ⊠ BOLLARD | ▭ CONCRETE SURFACE |
| ⊠ CATCH BASIN | ♿ HANDICAPPED PARKING SPACE | ▭ GRAVEL SURFACE |
| ⊠ 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 | |

| FIELD BOOK | PAGE | FIELDWORK CHIEF: | REVISIONS | |
|---------------|------|------------------|-----------|------|
| | | | NO. | DATE |
| | | TV | | |
| | | DRAWN BY: | | |
| | | RRR | | |
| | | CHECKED BY: | | |
| | | CAT | | |
| DRAWING NAME: | | | | |
| 39791.dwg | | | | |
| 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
COPYRIGHT © 2021 BY EGAN, FIELD & NOWAK, INC.

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 |

| | | |
|----------------------|----------------------|-------------------|
| TOTAL SOURCES | \$ 32,606,674 | \$ 247,020 |
|----------------------|----------------------|-------------------|

| 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 |

| | | |
|-------------------|----------------------|-------------------|
| TOTAL USES | \$ 32,606,674 | \$ 247,020 |
|-------------------|----------------------|-------------------|

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 |
| TOTAL | | 100% | 132 | 754 | | | 1,503 | \$ 1.98 | \$ 198,336 |

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 |
| Total Parking Stalls | 166 |
| Parking Stalls Per Unit | 1.26 |
| Parking Stalls Per Bedroom | 1.01 |

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

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 | |
| TOTAL INCOME | | \$ 2,495,444 | \$ 18,905 | |
| 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 | |
| TOTAL EXPENSE | | \$ 979,391 | \$ 7,420 | 39.2% |
| NET OPERATING INCOME | | \$ 1,516,054 | \$ 11,485 | |
| Annual TIF Revenue | | \$ - | 0 | |
| NOI and TIF | | \$ 1,516,054 | | |
| 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 |

| | | |
|--|------------|----------------------|
| LTV Loan Amount - Property only | 75% | \$ 21,657,912 |
|--|------------|----------------------|

Loan To Cost Constrained Loan Assumptions:

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

| | | |
|---------------------------------------|------------|----------------------|
| Loan to Cost Constrained Loan: | 80% | \$ 26,085,340 |
|---------------------------------------|------------|----------------------|

Concluded 1st Mortgage Loan Amount - Lesser of:

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

| | | |
|--|-----------|-------------------|
| Concluded 1st Mortgage Loan Amount: | \$ | 21,657,912 |
|--|-----------|-------------------|

PLUS - Estimated TIF Loan Amount

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

| | | |
|----------------------------------|-----------|----------|
| Estimated TIF Loan Amount | \$ | - |
|----------------------------------|-----------|----------|

| | | |
|--|-----------|-------------------|
| Concluded 1st Mortgage Amount | \$ | 21,657,912 |
| Concluded TIF Loan Amount | \$ | - |
| TOTAL 1st Mortgage and TIF Loan | \$ | 21,657,912 |

New Brighton Apartments

NO TIF Scenario

10-year Pro Forma and IRR Analysis

| | | <i>Income growth</i> 2021 12/1/21 | <i>Expense growth</i> 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 |
|---|-----------|---|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------|
| | | 2.0% | 3.0% | | | | | | | | | |
| Vacancy: | | 100% | 50% | 5% | 5% | 5% | 5% | 5% | 5% | 5% | 5% | 5% |
| | | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| GPR (net of loss to lease) | \$ | 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 | |
| Total Rent Loss | | (2,380,032) | (1,213,816) | (123,809) | (126,285) | (128,811) | (131,387) | (134,015) | (136,695) | (139,429) | (142,218) | |
| Net Rental Income | \$ | - | \$ 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 | |
| Total Ancillary Income | \$ | - | \$ 119,551 | \$ 243,884 | \$ 248,762 | \$ 253,737 | \$ 258,812 | \$ 263,988 | \$ 269,268 | \$ 274,653 | \$ 280,146 | |
| TOTAL INCOME | \$ | - | \$ 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 | |
| Utilities | \$ | - | \$ 85,800 | \$ 88,374 | \$ 91,025 | \$ 93,756 | \$ 96,569 | \$ 99,466 | \$ 102,450 | \$ 105,523 | \$ 108,689 | |
| Payroll | | - | 165,000 | 169,950 | 175,049 | 180,300 | 185,709 | 191,280 | 197,019 | 202,929 | 209,017 | |
| Repairs and Maintenance | | - | 66,000 | 67,980 | 70,019 | 72,120 | 74,284 | 76,512 | 78,807 | 81,172 | 83,607 | |
| Marketing | | - | 16,500 | 16,995 | 17,505 | 18,030 | 18,571 | 19,128 | 19,702 | 20,293 | 20,902 | |
| Administrative | | - | 16,500 | 16,995 | 17,505 | 18,030 | 18,571 | 19,128 | 19,702 | 20,293 | 20,902 | |
| Insurance | | - | 39,600 | 40,788 | 42,012 | 43,272 | 44,570 | 45,907 | 47,284 | 48,703 | 50,164 | |
| Management Fee | | - | 46,668 | 90,869 | 92,686 | 94,540 | 96,431 | 98,360 | 100,327 | 102,333 | 104,380 | |
| Total Operating Expenses | \$ | - | \$ 436,068 | \$ 491,951 | \$ 505,801 | \$ 520,048 | \$ 534,704 | \$ 549,781 | \$ 565,291 | \$ 581,246 | \$ 597,660 | |
| Real Estate Taxes | \$ | - | \$ 47,625 | \$ 285,750 | \$ 476,250 | \$ 490,537 | \$ 505,254 | \$ 520,411 | \$ 536,024 | \$ 552,104 | \$ 568,667 | |
| Replacement Reserves (implied) | | - | 26,400 | 26,400 | 26,400 | 26,400 | 26,400 | 26,400 | 26,400 | 26,400 | 26,400 | |
| Total Non-Operating Expenses | \$ | - | \$ 74,025 | \$ 312,150 | \$ 502,650 | \$ 516,937 | \$ 531,654 | \$ 546,811 | \$ 562,424 | \$ 578,504 | \$ 595,067 | |
| TOTAL EXPENSE | \$ | - | \$ 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 | |
| NET OPERATING INCOME | \$ | - | \$ 823,275 | \$ 1,792,159 | \$ 1,639,735 | \$ 1,664,164 | \$ 1,688,814 | \$ 1,713,683 | \$ 1,738,767 | \$ 1,764,060 | \$ 1,789,559 | |
| Annual NET Debt Service - 1st mortgage | \$ | - | \$ 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 | \$ 1,259,580 |
| DSCR | | | 3.65x | 1.97x | 1.30x | 1.32x | 1.34x | 1.36x | 1.38x | 1.40x | 1.42x | |
| Excess Cash Flow for Subordinate Debt Service | \$ | - | \$ 597,446 | \$ 883,881 | \$ 380,154 | \$ 404,583 | \$ 429,234 | \$ 454,103 | \$ 479,187 | \$ 504,480 | \$ 529,979 | |
| DSCR after all debt service | | | 3.65x | 1.97x | 1.30x | 1.32x | 1.34x | 1.36x | 1.38x | 1.40x | 1.42x | |
| Excess Cash Flow after all Debt Service | \$ | - | \$ 597,446 | \$ 883,881 | \$ 380,154 | \$ 404,583 | \$ 429,234 | \$ 454,103 | \$ 479,187 | \$ 504,480 | \$ 529,979 | |
| IRR CALCULATION: | | | | | | | | | | | | |
| Acquisition Price | \$ | (1,500,000) | - | - | - | - | - | - | - | - | - | - |
| Hard and Soft Construction Related Cost | | (27,595,650) | - | - | - | - | - | - | - | - | - | - |
| Other Development and Financing Costs and Reserves | | (2,511,024) | - | - | - | - | - | - | - | - | - | - |
| Developer Fee | | (1,000,000) | - | - | - | - | - | - | - | - | - | - |
| Sales Price - Property | | | | | | | | | | | | 31,846,650 |
| Total | \$ | (32,606,674) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 31,846,650 |
| 1st Mortgage (Property) | | 21,657,912 | | | | | | | | | | |
| Deferred Developer Fee | | 850,000 | | | | | | | | | | |
| Net Debt Service - First Mortgage | | - | (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) | (1,259,580) |
| PAYOFF 1st Mortgage | | | | | | | | | | | | (18,829,295) |
| Total Leverage Related Activity | \$ | 22,507,912 | - | (225,829) | (908,279) | (1,259,580) | (1,259,580) | (1,259,580) | (1,259,580) | (1,259,580) | (1,259,580) | (20,088,876) |
| LEVERAGED NET CASH FLOW AFTER DEBT (Equity in) | \$ | (10,098,762) | \$ - | \$ 597,446 | \$ 883,881 | \$ 380,154 | \$ 404,583 | \$ 429,234 | \$ 454,103 | \$ 479,187 | \$ 504,480 | \$ 13,547,334 |
| LEVERAGED CASH ON CASH YIELD | | 0.0% | 5.9% | 8.8% | 3.8% | 4.0% | 4.3% | 4.5% | 4.7% | 5.0% | 5.0% | 134.1% |
| RETURN ON COST (NOI/COSTS) | | | 2.5% | 5.5% | 5.0% | 5.1% | 5.2% | 5.3% | 5.3% | 5.4% | 5.5% | |

LEVERAGED 10-YEAR HOLD IRR **6.66%**

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)).

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

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 |

| | | |
|-------------------------------------|-----------------|------------------|
| Total APARTMENT PROPERTY Tax | \$ 3,608 | \$476,250 |
|-------------------------------------|-----------------|------------------|

| | | | | | | | | |
|-----|---------|-------|------------|--------|---|------------|---|------------|
| 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 |
| TOTAL SOURCES | \$ 33,096,362 | \$ 250,730 |

| 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 |
| TOTAL USES | \$ 33,096,362 | \$ 250,730 |

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 |
| TOTAL | | 100% | 132 | 754 | | | 1,503 | \$ 1.98 | \$ 198,336 |

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 |
| Total Parking Stalls | 166 |
| Parking Stalls Per Unit | 1.26 |
| Parking Stalls Per Bedroom | 1.01 |

| | |
|------------------------|---------------------|
| Annual GPI = | \$ 2,380,032 |
| <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 | |
| TOTAL INCOME | | \$ 2,495,444 | \$ 18,905 | |
| 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 | |
| TOTAL EXPENSE | | \$ 979,391 | \$ 7,420 | 39.2% |
| NET OPERATING INCOME | | \$ 1,516,054 | \$ 11,485 | |
| Annual TIF Revenue | | \$ 340,673 | TBD | |
| NOI and TIF | | \$ 1,856,727 | | |
| 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 |

| | | |
|--|------------|----------------------|
| LTV Loan Amount - Property only | 75% | \$ 21,657,912 |
|--|------------|----------------------|

Loan To Cost Constrained Loan Assumptions:

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

| | | |
|---------------------------------------|------------|----------------------|
| Loan to Cost Constrained Loan: | 80% | \$ 26,477,090 |
|---------------------------------------|------------|----------------------|

Concluded 1st Mortgage Loan Amount - Lesser of:

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

| | | |
|--|-----------|-------------------|
| Concluded 1st Mortgage Loan Amount: | \$ | 21,657,912 |
|--|-----------|-------------------|

PLUS - Estimated TIF Loan Amount

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

| | | |
|----------------------------------|-----------|------------------|
| Estimated TIF Loan Amount | \$ | 4,500,000 |
|----------------------------------|-----------|------------------|

| | | |
|--|-----------|-------------------|
| Concluded 1st Mortgage Amount | \$ | 21,657,912 |
| Concluded TIF Loan Amount | \$ | 4,500,000 |
| TOTAL 1st Mortgage and TIF Loan | \$ | 26,157,912 |

New Brighton Apartments
TIF Scenario
10-year Pro Forma and IRR Analysis

| | Income growth Expense growth | | | | | | | | | | | |
|--|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--|
| | 2.0% 3.0% | | | | | | | | | | | |
| | 2021 12/1/21 | 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% | |
| GPR (net of loss to lease) | \$ | 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 | |
| Total Rent Loss | | (2,380,032) | (1,213,816) | (123,809) | (126,285) | (128,811) | (131,387) | (134,015) | (136,695) | (139,429) | (142,218) | |
| Net Rental Income | \$ | - | \$ 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 | |
| Total Ancillary Income | \$ | - | \$ 119,551 | \$ 243,884 | \$ 248,762 | \$ 253,737 | \$ 258,812 | \$ 263,988 | \$ 269,268 | \$ 274,653 | \$ 280,146 | |
| TOTAL INCOME | \$ | - | \$ 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 | |
| Utilities | \$ | - | \$ 85,800 | \$ 88,374 | \$ 91,025 | \$ 93,756 | \$ 96,569 | \$ 99,466 | \$ 102,450 | \$ 105,523 | \$ 108,689 | |
| Payroll | - | - | 165,000 | 169,950 | 175,049 | 180,300 | 185,709 | 191,280 | 197,019 | 202,929 | 209,017 | |
| Repairs and Maintenance | - | - | 66,000 | 67,980 | 70,019 | 72,120 | 74,284 | 76,512 | 78,807 | 81,172 | 83,607 | |
| Marketing | - | - | 16,500 | 16,995 | 17,505 | 18,030 | 18,571 | 19,128 | 19,702 | 20,293 | 20,902 | |
| Administrative | - | - | 16,500 | 16,995 | 17,505 | 18,030 | 18,571 | 19,128 | 19,702 | 20,293 | 20,902 | |
| Insurance | - | - | 39,600 | 40,788 | 42,012 | 43,272 | 44,570 | 45,907 | 47,284 | 48,703 | 50,164 | |
| Management Fee | - | - | 46,668 | 90,869 | 92,686 | 94,540 | 96,431 | 98,360 | 100,327 | 102,333 | 104,380 | |
| Total Operating Expenses | \$ | - | \$ 436,068 | \$ 491,951 | \$ 505,801 | \$ 520,048 | \$ 534,704 | \$ 549,781 | \$ 565,291 | \$ 581,246 | \$ 597,660 | |
| Real Estate Taxes | \$ | - | \$ 47,625 | \$ 285,750 | \$ 476,250 | \$ 490,537 | \$ 505,254 | \$ 520,411 | \$ 536,024 | \$ 552,104 | \$ 568,667 | |
| Replacement Reserves (implied) | - | - | 26,400 | 26,400 | 26,400 | 26,400 | 26,400 | 26,400 | 26,400 | 26,400 | 26,400 | |
| Total Non-Operating Expenses | \$ | - | \$ 74,025 | \$ 312,150 | \$ 502,650 | \$ 516,937 | \$ 531,654 | \$ 546,811 | \$ 562,424 | \$ 578,504 | \$ 595,067 | |
| TOTAL EXPENSE | \$ | - | \$ 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 | |
| Plus TIF Revenue | - | - | 7,113 | 104,905 | 268,129 | 340,673 | 340,673 | 340,673 | 340,673 | 340,673 | 340,673 | |
| NET OPERATING INCOME and TIF | \$ | - | \$ 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 | |
| Annual NET Debt Service - 1st mortgage | \$ | - | \$ 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 | |
| DSCR | | | 3.68x | 2.09x | 1.51x | 1.59x | 1.61x | 1.63x | 1.65x | 1.67x | 1.69x | |
| Excess Cash Flow for Subordinate Debt Service | \$ | - | \$ 604,558 | \$ 988,786 | \$ 648,283 | \$ 745,256 | \$ 769,907 | \$ 794,776 | \$ 819,859 | \$ 845,153 | \$ 870,652 | |
| Net Debt Service - TIF Loan | \$ | - | \$ - | \$ 217,313 | \$ 307,863 | \$ 307,863 | \$ 307,863 | \$ 307,863 | \$ 307,863 | \$ 307,863 | \$ 307,863 | |
| DSCR after all debt service | | | 3.68x | 1.69x | 1.22x | 1.28x | 1.29x | 1.31x | 1.33x | 1.34x | 1.36x | |
| Excess Cash Flow after all Debt Service | \$ | - | \$ 604,558 | \$ 771,473 | \$ 340,420 | \$ 437,393 | \$ 462,044 | \$ 486,913 | \$ 511,996 | \$ 537,290 | \$ 562,789 | |

IRR CALCULATION:

| | | | | | | | | | | | |
|--|-----------|--------------|------|------|------|------|------|------|------|------|---------------|
| Acquisition Price | \$ | (1,500,000) | - | - | - | - | - | - | - | - | - |
| Hard and Soft Construction Related Cost | | (27,595,650) | - | - | - | - | - | - | - | - | - |
| Other Development and Financing Costs and Reserves | | (3,000,712) | - | - | - | - | - | - | - | - | - |
| Developer Fee | | (1,000,000) | - | - | - | - | - | - | - | - | - |
| Sales Price - Property | 5.70% cap | - | - | - | - | - | - | - | - | - | 31,846,650 |
| Sales Price - NPV of Remaining TIF Stream | | - | - | - | - | - | - | - | - | - | 3,954,850 |
| Total | \$ | (33,096,362) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 35,801,500 |

| | | | | | | | | | | | |
|-----------------------------------|------------|------------|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| 1st Mortgage (Property) | 21,657,912 | | | | | | | | | | |
| TIF Loan Amount (90% of TIF Note) | 4,500,000 | | | | | | | | | | |
| Deferred Developer Fee | 850,000 | | | | | | | | | | |
| Net Debt Service - First Mortgage | - | (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) | (1,259,580) |
| Net Debt Service - TIF Loan | - | - | (217,313) | (307,863) | (307,863) | (307,863) | (307,863) | (307,863) | (307,863) | (307,863) | (307,863) |
| PAYOFF 1st Mortgage | | | | | | | | | | | (18,829,295) |
| PAYOFF TIF Loan | | | | | | | | | | | (3,754,440) |
| Total Leverage Related Activity | \$ | 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) |

| | | | | | | | | | | | | | | | | | | | | |
|--|----|-------------|------|---------|------|---------|------|---------|------|---------|--------|---------|----|---------|----|---------|----|---------|----|---------|
| LEVERAGED NET CASH FLOW AFTER DEBT (Equity in) | \$ | (6,088,450) | \$ | 604,558 | \$ | 771,473 | \$ | 340,420 | \$ | 437,393 | \$ | 462,044 | \$ | 486,913 | \$ | 511,996 | \$ | 537,290 | \$ | 562,789 |
| LEVERAGED CASH ON CASH YIELD | | 0.0% | 9.9% | 12.7% | 5.6% | 7.2% | 7.6% | 8.0% | 8.4% | 8.8% | 226.3% | | | | | | | | | |
| RETURN ON COST (NOI/COSTS) | | | 2.5% | 5.7% | 5.8% | 6.1% | 6.1% | 6.2% | 6.3% | 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)).

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

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 |

| | | |
|-------------------------------------|-----------------|------------------|
| Total APARTMENT PROPERTY Tax | \$ 3,608 | \$476,250 |
|-------------------------------------|-----------------|------------------|

| | | | | | | | | |
|-----|---------|-------|------------|--------|---|------------|---|------------|
| 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% | - | - | - | - | - | - |

| | | | | | | | | |
|-----|---------|-------|-----------|--------|---|-----------|---|-----------|
| 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% |
| Residential Valuation: | | | | | |
| 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 |
| Commercial Portion: | | | | | |
| Assessed Value | \$ - | \$ - | \$ - | \$ - | \$ - |
| Valuation Rate | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| Total Net Tax Capacity - Commercial | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Net Tax Capacity | \$ 35,475 | \$ 212,850 | \$ 354,750 | \$ 354,750 | \$ 354,750 |
| 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 |
| | | | | | <u>8,971,502</u> | | | | | | | |
| | | | | | | | | | | 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). 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 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



Business Outreach Initiative

On Friday July 16th 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.