APPROVED MINUTES
CITY COUNCIL
WORK SESSION MEETING
CITY OF WYOMING, MINNESOTA
JUNE 27, 2023
5:30 PM

CALL TO ORDER:
Mayor Lisa Iverson called the Work Session Meeting of the Wyoming City Council for June 27, 2023 to order at 5:30 P.M.

CALL OF ROLL:
On a Call of the Roll the following members of the Wyoming City Council were present: Councilmembers Lisa Iverson, Linda Nanko Yeager, Dennis Schilling and Brett Ohnstad
Absent: Councilmember Claire Luger

Also Present: Robb Linwood- City Administrator, Jared Ackmann, Reuter Walton, Jake Emeott, and Tom Denaway, Baker Tilly

DETERMINATION OF A QUORUM:
Mayor Iverson determined a Quorum was present.

PLEDEGE OF ALLEGIANCE:

NEW BUSINESS:

1. Rueter Walton Apartment Discussion/TIF Application

City Administrator Linwood – Discussed the project with the council and stated that Jared Ackmann was present from Reuter Walton and will have presentation. After that we will have Tom Denaway and Jake Emeott from Baker Tilly to discuss the TIF application analysis and a presentation on TIF and the project for council.

Jared Ackmann – Rueter Walton completed a presentation of a three story seventy unit Apartment concept located west of the Sunrise Trail across from City Hall. He discussed the strong demand for multi-family projects in Chisago County. This would be a 9% tax credit project and it is a competitive process through the state of Minnesota. Similar to the 2019 project they would need a resolution of support from the city and the potential of the use of TIF for the project. The applications for the tax credit would be due in July of this year. He reviewed with the council similar projects from their portfolio showing the exteriors, interiors and surrounding amenities with the apartments. He reviewed the different make-up of the apartments with the EDA for the project that would include one, two, three and four bedroom apartments with a make-up of 16 one bedroom units, 29 two bedroom units, 18 – Three bedroom units and 9 – Four Bedroom Units. He also discussed the rental incomes for the project and income limits ranging from 30% to 60% for the project with the make up being 31% of units will be 30% of area Median Income, 53% of units will have income limitation of 50% of area median Income and 16% of units will have an income limitation of 60% of area income. . An application is due to Minnesota Housing and Finance Agency prior from July 13th. If the project is awarded it is anticipated that notification will come in the 4th quarter of 2023.

The city council asked some questions regarding the building type, parking underground and above ground for the project. Eligibility for the apartment and some of the existing setbacks on the property for the apartment.

Tom Denaway Baker Tilly – Mr. Denaway gave an overview of what Tax Increment Finance (TIF) is. TIF is a method of capturing tax base growth resulting from new development. Property still pays its full property tax amount based on a new value. The future increased local property taxes generated by development are captured over time as increment and used to reimburse for eligible improvements over time on a pay as you go basis. The developer is only eligible to receive revenue generated by the project. There is a fixed term for capture, then the new development is added to tax base. Mr. Denaway went through how property taxes are calculated and how that relates to TIF. Mr. Denaway answered questions from the council regarding the use of TIF and how it is calculated. Mr. Denaway explained that this project would be a "pay as you go" project where the developer pays for the public improvements, is reimbursed by TIF and reimbursed limited to amount of TIF collected. He explained that the impact of TF is that it redirected tax dollars to meet a defined public purpose, assists project that would not otherwise occur (but-for test) and adds tax base upon decertification of the district (long term investment).

The preliminary assistance Estimate for the project is $397,400 over a proposed repayment term of 26 years. This would be reimbursed over time on a pay as you go basis. It would be reimbursed with a 6.0% interest and payable from 90% of annually generate increment. The Preliminary estimate of annual estimate to the Developer is $32,740 (prior to inflation) by all taxing entities. The city would also retain 10% of annual increment to fund administrative expenses related to the TIF district.

The council had discussion and questions regarding the city share and how the TIF interacted with county and school districts.

MAYOR IVERSON ADJOURNED THE JUNE 27, 2023 WORK SESSION MEETING AT 6:46 PM.