



SCOTT COUNTY ADMINISTRATION

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GARY SHELTON
COUNTY ADMINISTRATOR
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March 5, 2018

City of Shakopee
Attn: William Reynolds
485 Gorman Street
Shakopee, MN 55379

RE: Tax Increment Financing District No. 18
Modification to Redevelopment Plan for Minn River Valley Housing and Redevelopment Project No. 1.

HIGHWAY DEPT COMMENTS

The Highway Department has reviewed the TIF request for the Minnesota River Valley Housing and Redevelopment Project No. 1. After reviewing the eligible items under Minnesota Statutes, Section 496.175, Subd 1a, the County feels there are potential improvements that will be necessitated by the development that will mitigate impacts to the traveling public on the County Highway. To date the City or developer has not conducted a comprehensive Traffic Impact Study for the entire development area shown on the site plan presented in this TIF Plan. There are major development and local road network changes in this site plan that were not considered during the development of the proposed County Highway 83 improvement scheduled for 2021.

Part of the challenge the County has in providing thorough cost estimates and comments on this TIF is the lack engagement thus far with the City on the traffic and design impacts to CH 83. From our correspondence:

- 1) email correspondence with Michael Kerski on July 15, 2017 it was clear that we were working with the City to identify impacts and cost implications;
- 2) Letter dated July 19, 2017 regarding EAW comments where again the County mentions TIF district proposal, no projects in the TIP and the TIF district should take into account the impacts to CH 83;
- 3) Letter dated July 5, 2017 regarding the Preliminary Plat approval for Canterbury 7th where we note the same as above

The project was then put on hold at that point and the County was not officially communicated with until receiving the TIF comment letter on February 2, 2018. On February 14 we talked with staff to try to understand what public infrastructure (including CH 83) was being included in the TIF as it is not clear in the documents provided. It was indicated to our staff that \$1.6 million was being utilized to cover the City's share of the CH 83 programed project and some funds were being allocated to the 12th avenue /CH 83 intersection. On February 15 the city and county staff met to discuss Canterbury Commons to introduce the County to the revised concept. With the proposed density and site plan changes, an updated traffic report has not been provided to the County. Without a comprehensive development traffic study it is difficult to identify all known traffic operation issues and necessary mitigation. The County would like to work with the City and Developer to make sure all of those are identified as these projects progress.

Some known changes include:

1. Turn lane changes at Eagle Creek/Dean Lakes and County Highway 83. As the concept drawings show today the County does not concur with the recommended lane reassignments presented as mitigation in the EAW.
2. Barenscheer Drive is now shown as the primary entrance for events into Canterbury. In the previous corridor study this access point was a secondary access so turn lane geometry will need to be enhanced to double left turns and lengthened to accommodate this at CH 83. It will also drive significantly greater right of way impacts than the currently programmed County Highway 83 improvement project.
3. The County project limits end at the north board ramp of TH169, there was no work anticipated in this area as part of the project. The City should consider any mitigation necessary in this area will be a developer cost and so funds from the TIF should be reserved.
4. Consistent with all development discussions trails are required to be developer installed, so TIF funds should be reserved to cover this expense and the County could include in its 2021 project.
5. The Site plan also utilizes a piece of County owned property (approximately 5 acres). How is this land accommodated as part of the TIF project?

The project programmed for County Highway 83 in 2021 received federal funding, but there remains a significant local share (both City and County costs for project delivery, ROW & construction) that needs to be funded. In order to place this project in the Transportation Improvement Program, we assumed that State Aid Funding could be advanced, but that is not a guarantee. The County placed the project in the TIP in good faith that when this TIF district moved forward, there would be a collaborative discussion of TIF Funding for this project. The other concerning issue is that when the Amazon TIF was considered and approved by the City; the County had documented need for and requested funding for CH 83 and 12 Ave improvements. The County's request for those improvements were dropped during final negotiations with the County, City and Amazon. As part of the County agreement to leave off those improvements for the TIF program, the City committed (5/6/15 meeting included Mayor Tabke, Kris Wilson, Bruce Loney, Sam Dimagio, Amazon Developer Representatives) that the impacts on CH 83 and 12th Ave would be included when this TIF district, now being considered came to fruition. This does not appear to have been followed up with.

Based on these previous discussions, the County is requesting consideration from the City for using TIF proceeds to cover part of the local cost share of this project for both the City and County. Considering that up to 20 percent of the funds can be used out side of the district and the County Revenue contributed to this district is estimated at \$23.5 million over the life of the district this seems like a prudent request. Based on preliminary estimates the local share (City and County) is \$6.7 million dollars. It seems that things like the additional work at Barenscheer (including the redesign and engineering), CH 83/12th avenue intersection upgrades and trail construction would be a minimum TIF contribution. With the lack of the traffic study we are unable to discern if additional traffic signals will be warranted.

If you have any questions about this section, please feel free contact Lisa Freese, Transportation Services Director @ lfreese@co.scott.mn.us; 952-496-8363.

PROPERTY & CUSTOMER SERVICES DEPARTMENT

The Scott County Property and Customer Services Division has reviewed the above mentioned TIF request. After reviewing the request, we have noted below several items which will require attention to allow for certification of this district should it move forward.

1. The Estimated Market Value in Section M is listed as \$30,934,400. The actual Estimated Market Value as of January 2, 2017, for taxes payable in 2018 is \$31,020,100.
2. At the time the TIF document was prepared, the final tax rate for taxes payable in 2018 was not available. This rate has since been calculated as 130.1987%
3. All parcels need to be fully in the district in order for them to be included. If any subdivisions or parcel modifications occur that are not within the boundaries identified on the map the parcel will be entirely excluded from the district. The legal descriptions attached in the document need to be taken from the recorded document, not the tax legals on tax parcels on the website.
4. One of the parcels included in the district is owned by Scott County and is currently exempt. Is it the intent to acquire that property from Scott County?
5. There are building permits on parcel 274500010 that houses the main Canterbury facility. Additional information on those permits and how they will affect the base value needs to be communicated in the plan as to how they affect the base value. There is information on page 13, Section V, that states no permits have been taken out for the past 18 months, where in fact there has been nine (9) permits issued.

If you have any further questions, please feel free to contact me at the address or phone number below.

Sincerely,



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Scott County Property & Customer Services Director
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