COTTAGE GROVE CITY COUNCIL October 18, 2023

12800 RAVINE PARKWAY SOUTH
COTTAGE GROVE, MINNESOTA 55016

TRAINING ROOM- 6:00 PM

In accordance with the requirements of Minn. Stat. Section 13D.02, Councilmember Tony Khambata will appear remotely via interactive technology from the following public location:

Hilton Garden Inn Conference Room
101 East Hiawatha Drive
Wisconsin Dells, Wi
53965

1 Call to Order

2 Roll Call

3 Regular Agenda

A Workshop – Development Project by Roers

Staff Recommendation: Provide feedback and direction related to the proposed project, proposed building height, and requested TIF assistance by Roers Companies.

4 Adjournment

City Council Action Request

3.A.

Meeting Date	10/18/2023
Department	Community Development
Agenda Category	Action Item
Title	Workshop – Development Project by Roers
Staff Recommendation	Provide feedback and direction related to the proposed project, proposed building height, and requested TIF assistance by Roers Companies.
Budget Implication	

Attachments

1.	Roers Project CC Memo
2.	Roers Project Attachment A - Elevations and Plans
3.	Roers Project Attachment B - Concept Site Plan
4.	Roers Project Attachment C - Narrative
5.	Roers Project Attachment D - Review Memo
6.	Roers Project Attachment E - Roers Projects Locations

TO: Honorable Mayor and City Council
Jennifer Levitt, City Administrator

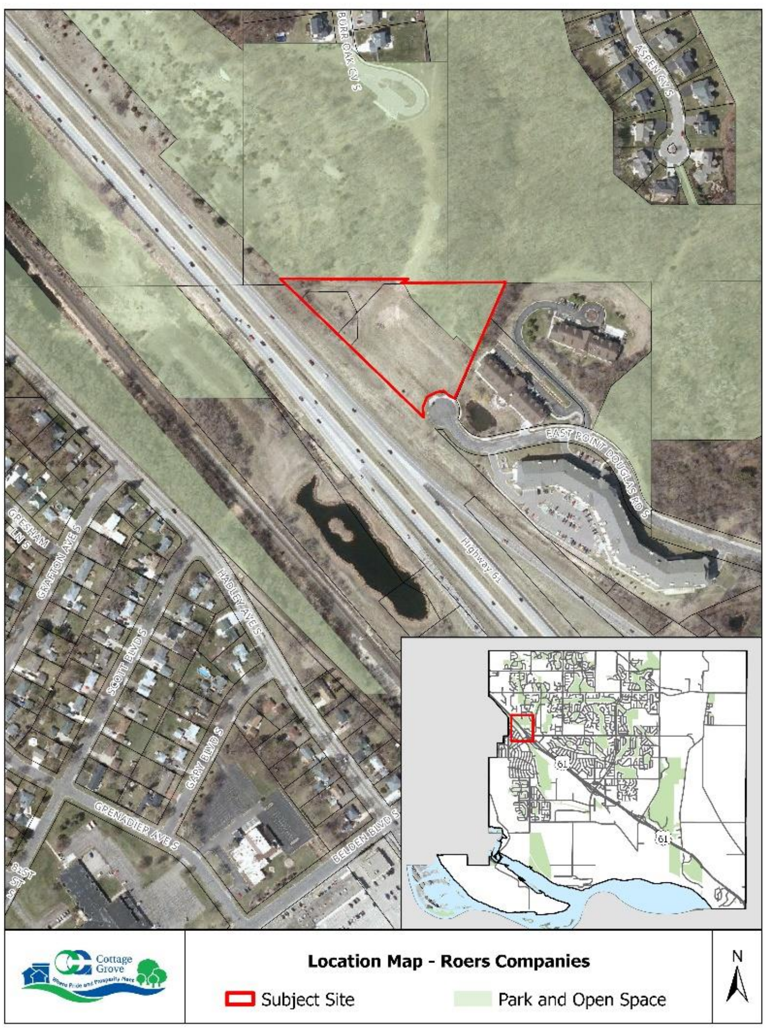
FROM: Mike Mrosla, Senior Planner
Gretchen Larson, Economic Development Director

DATE: October 18, 2023

RE: Workshop – Development Project by Roers

Introduction

Roers Companies has submitted a concept plan for a proposed mixed income multi-family building consisting of 144 units to be located at 6850 East Point Douglas Road. Roers Companies is based in Plymouth, Minnesota and currently has eight apartment projects under construction and 14 apartment projects that are currently leasing in the Twin Cities area.



Location Map

Background

The subject site consists of two vacant parcels and three outlots of the Frattalone's Southpoint Ridge plat that was approved in 2006. The subject site is zoned MU, Mixed Use, and guided as Mixed Use on the Land Use Plan. The site has had previous development proposals over the years, however, given the challenges to the site, none of them have come to fruition.

Site Conditions

Existing Conditions

The site is generally flat through the middle but increases in elevation on the northern sections of the site towards Camel's Hump Park. Outlots C and D are currently owned by the City and contain an existing stormwater pond that was constructed for future development of the subject parcels (Lots 3 and 4). Outlot A is a wooded hillside that was deeded to the city as undevelopable land. The developer at the time of platting and deeding of the outlot did not receive any credit for park land dedication. As part of the approval process in 2006, a trail easement was established on the southeastern boarder of the property to provide access from East Point Douglas Road to Camel's Hump Park. Since that time, the City has installed a class five walking surface that leads to a natural trail on Outlot A that proceeds up the hillside to the Camel's Hump Park overlook.

The subject site is significantly encumbered by a Flint Hills Resources oil pipeline easement that runs through the middle of the site. Flint Hills Resources limits what kind of construction and grading can occur within their easement; therefore, the Applicant has been working with the pipeline owner to ensure compliance with their standards and regulations.

Proposal

The Applicant is proposing a multi-family apartment building consisting of 144 units with 134 garage and 82 surface parking stalls, meeting the City's parking standards. The proposed apartment project is proposed to be mixed income, with 20 percent or 29 units being reserved for persons with incomes at 50 percent of the area median income (AMI) or $43,500 annually. The remainer of the units would be market rate. The proposed building is horseshoe shaped with a central courtyard amenity area. The proposed surface parking area is located within the pipeline easement given the easement restricts structures overtop the pipeline.

Site Plan

The Applicant is proposing to acquire Outlot A from the City due to lot constraints previously mentioned. The additional land allows the Applicant to take advantage of the increased elevation by constructing the building into the hillside as shown below. Staff is agreeable to the land sale given the trail connection remains and the wooded northern portion of the outlot is preserved.

Southeast Elevation

Discussion

Section 11-1-3 of the City Code defines building height as “The vertical distance from the average elevation of the adjoining ground level, or the established grade adjacent to the building, whichever is lower, to the top of the roof.” The maximum permitted height in the Mixed-Use District is 55 feet. The proposed building has an average height of 67 feet largely due to the western elevation of the building adjacent to Highway 61 as shown below and the construction of the building into the existing hillside.

Western Elevation

The proposed height of the building would generally be similar to the west side of the Legends of Cottage Grove adjacent to Highway 61, which is 73 feet in height to the top of the gabled roof.

Legends of Cottage Grove – West Elevation Heights

EXTERIOR MATERIALS

Material Mark	Description	Image
4.1	BRICK - COLOR: BONE VELOUR	
4.2	ARCHITECTURAL CMU - SPLIT-FACE - COLOR: DEEP BROWN	
5.1	METAL CLADDING - CORRUGATED VERTICAL - COLOR: SLATE GRAY	

EXTERIOR MATERIALS

Material Mark	Description	Image
7.1	FIBER CEMENT LAP SIDING - COLOR: LIGHT MIST	
7.2	FIBER CEMENT PANEL - COLOR: SEALSKIN	
7.3	FIBER CEMENT LAP SIDING - COLOR: WOODTONE OLD CHERRY	
8.1	Window Glazing	

Proposed Materials

City Code requires 65 percent of an apartment building exterior materials to be brick, stone or glass. The submitted concept elevations show the proposed building consists of 37 percent Class 1 materials (brick and glass).

Financing
As part of the proposed project financing, Roers is requesting the use of tax increment financing (TIF) from the city. Roers is requesting $3.4M for 26 years. In their analysis, the team at Ehlers has concluded that 10-15 years of TIF assistance (or $1.5M to $2.1M) may be required, depending upon the final cost estimates to make the project financially viable. They will complete a final review and analysis once they receive the final numbers from the Developer to determine the actual amount and term of the TIF assistance. The current financial analysis memorandum from Ehlers is attached for review.

Council Discussion

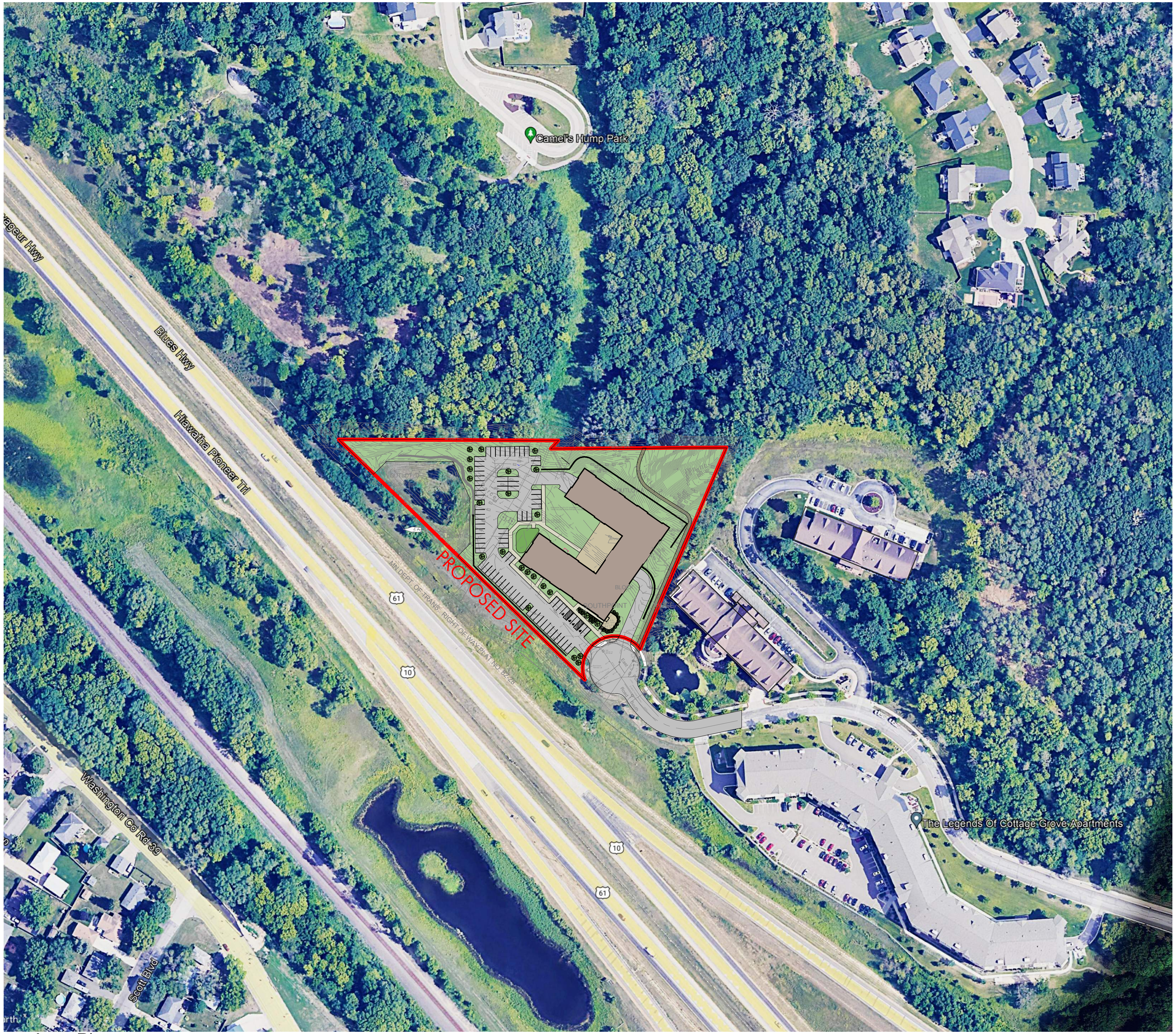
Provide feedback and direction related to the proposed project, proposed materials and building height, and requested TIF assistance by Roers Companies.

<u>Attachments</u>
A. Elevations and analysis
B. Concept site plan
C. Narrative
D. Ehlers Memorandum and TIF Analysis

COTTAGE GROVE APARTMENTS

10/10/2023

CONTENTS



0 200' 400'

N

1 Area Plan
1" = 200'-0"

kaas wilson architects

AREA PLAN

COTTAGE GROVE APARTMENTS

10/10/2023

1 SD Site Plan
1/64" = 1'-0"

SITE PLAN KEY

1. BUILDING ENTRANCE
2. UPPER GARAGE ENTRANCE
3. LOWER GARAGE ENTRANCE
4. COURTYARD AMENITY
5. DOG RUN
6. STORMWATER RETENTION
7. TRASH STAGING

PARKING

Level	Type	Count
Level -1	GARAGE	82
Level 1	GARAGE	52
Level 1	Surface	82
		216

0 64' 128'

N

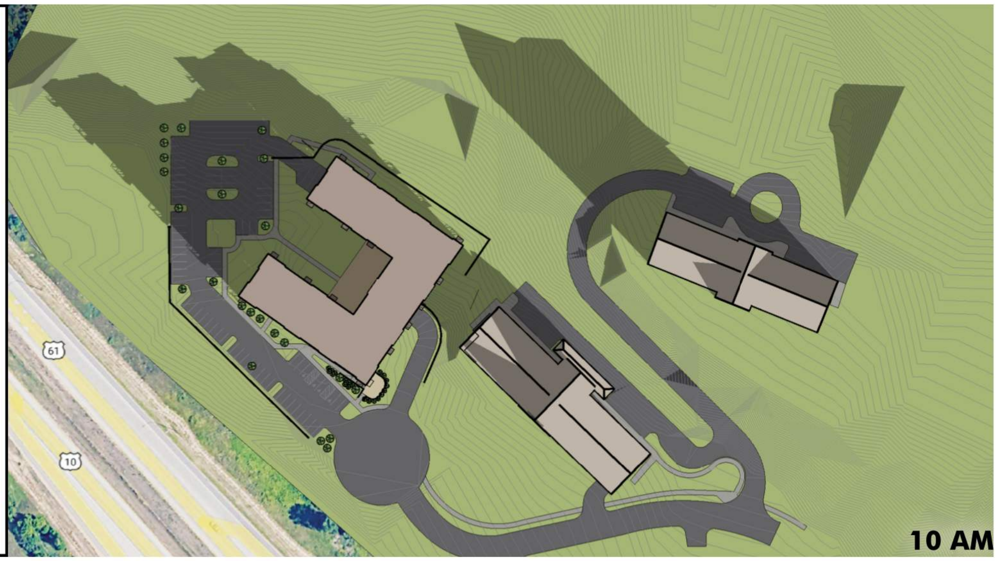
kaas wilson architects

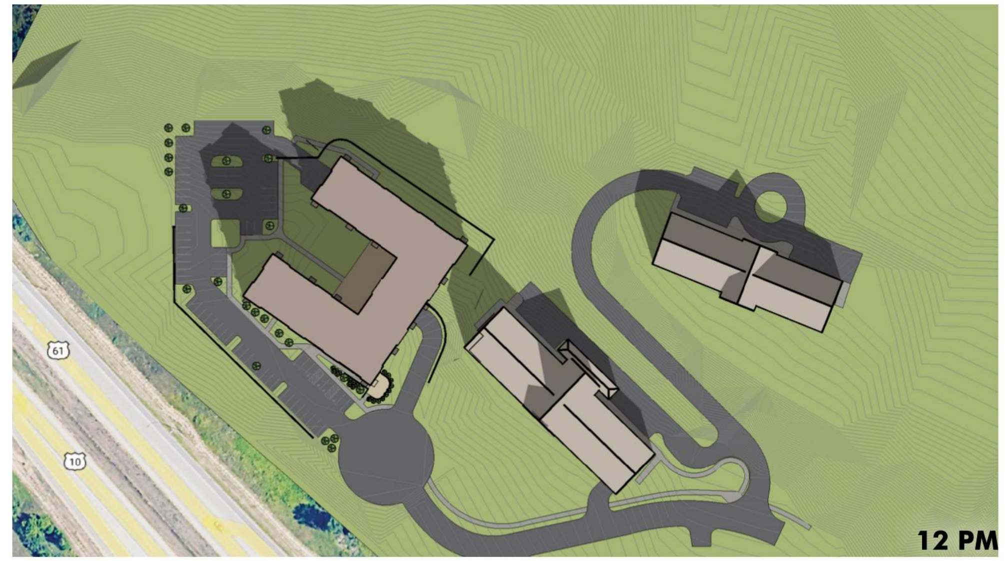
SITE PLAN

COTTAGE GROVE APARTMENTS

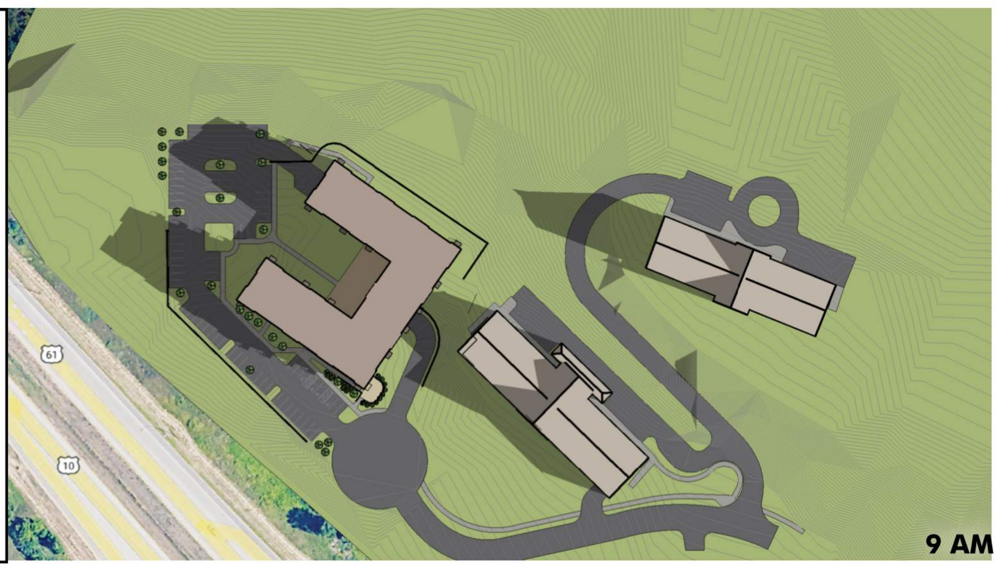
10/10/2023

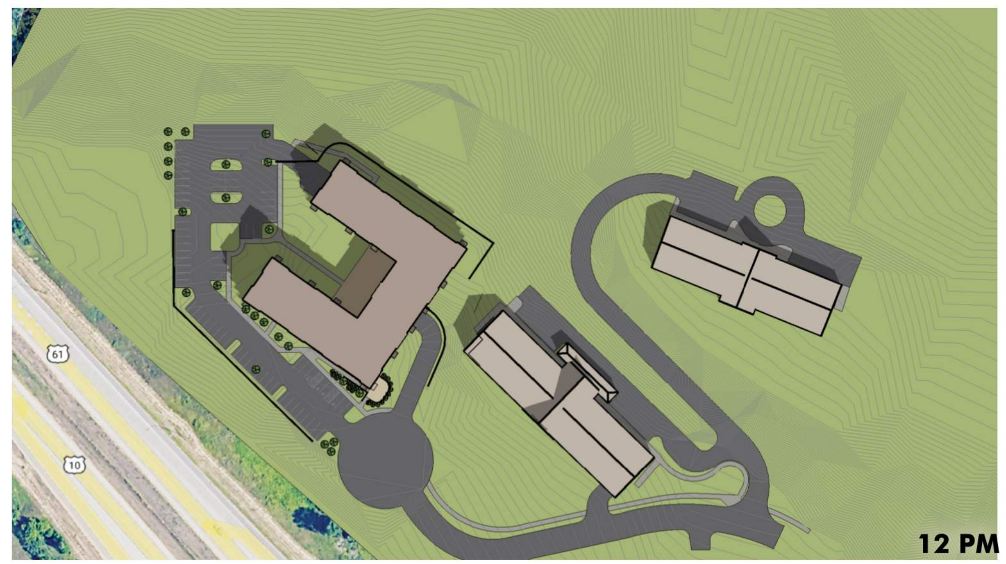
WINTER SOLSTICE (DEC 21)

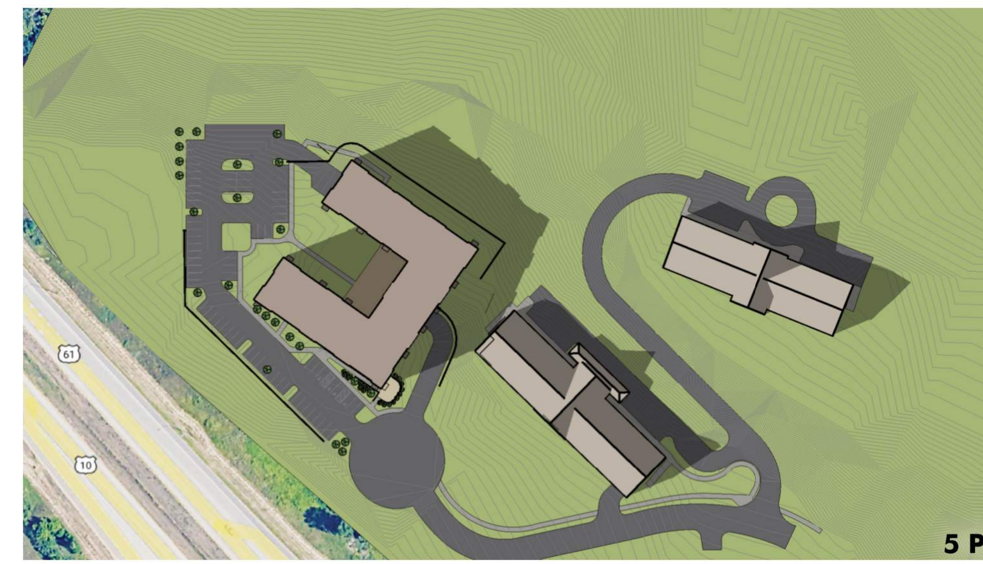




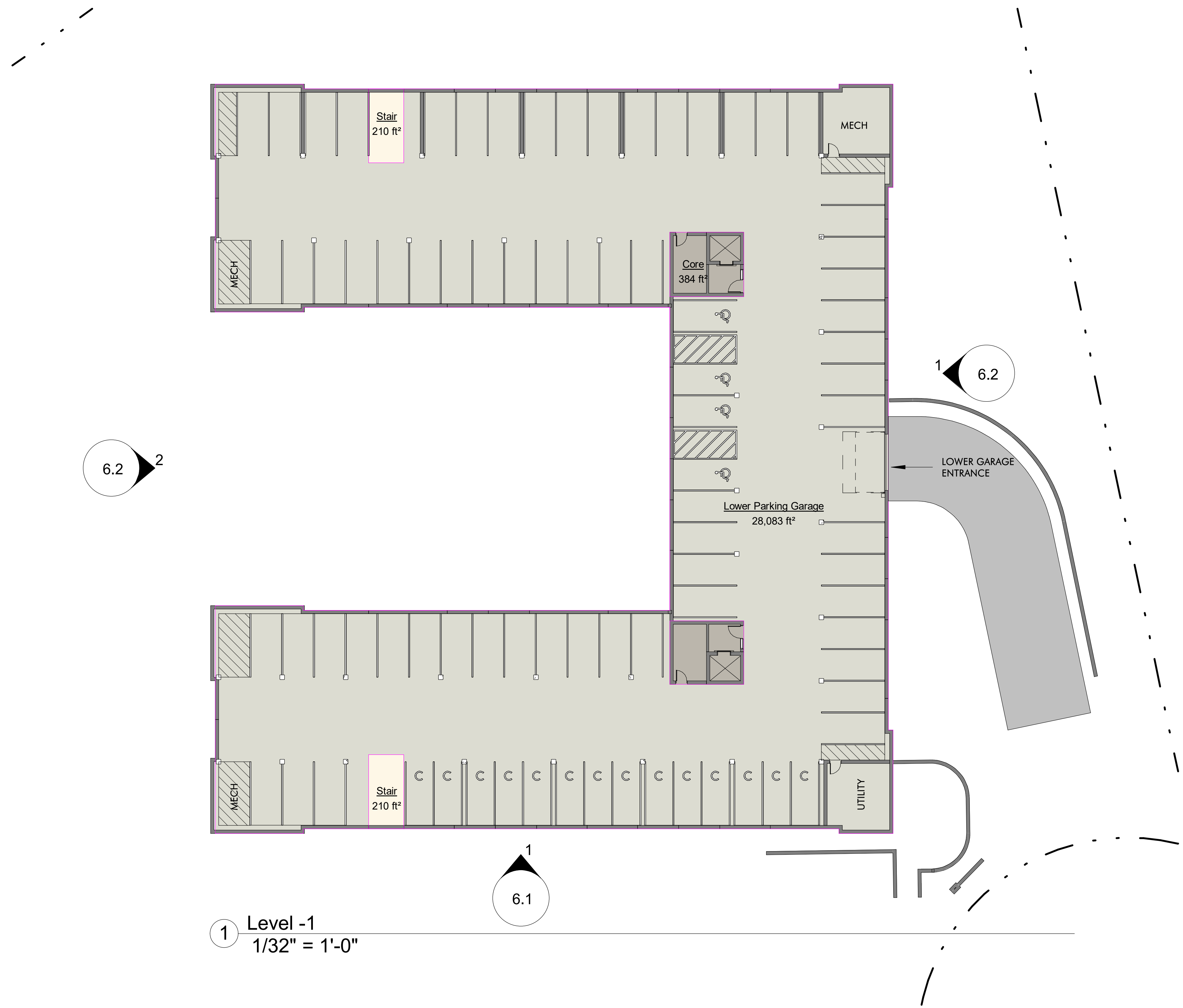
EQUINOX (MARCH / SEP 20)







SUMMER SOLSTICE (JUNE 20)



UNIT MIX - GROSS AREA

Name	Count	Unit Gross Area Main Floor	%
0 BR (Studio)			
Unit 0-0	10	497 ft²	7%
	10		7%
1BR			
Unit 1-1	50	733 ft²	35%
Unit 1-4	1	718 ft²	1%
	51		35%
1BR +D			
Unit 1D-1	10	804 ft²	7%
	10		7%
2BR			
Unit 2-2	10	1,219 ft²	7%
Unit 3-0	40	954 ft²	28%
Unit 3-5	1	939 ft²	1%
	51		35%
3BR			
Unit 3-2	22	1,339 ft²	15%
	22		15%
Grand total	144		100%

PARKING

Level	Type	Count
Level -1	GARAGE	82
Level 1	GARAGE	52
Level 1	Surface	82
		216

0 32' 64'

kaas wilson architects

FLOOR PLANS - LEVEL -1 (LOWER GARAGE)

COTTAGE GROVE APARTMENTS

10/10/2023

1 Level 1
1/32" = 1'-0"

UNIT MIX - GROSS AREA

Name	*Count*	*Unit Gross Area Main Floor*	*%*
0 BR (Studio)			
Unit 0-0	10	497 ft²	7%
	10		7%
1BR			
Unit 1-1	50	733 ft²	35%
Unit 1-4	1	718 ft²	1%
	51		35%
1BR +D			
Unit 1D-1	10	804 ft²	7%
	10		7%
2BR			
Unit 2-2	10	1,219 ft²	7%
Unit 3-0	40	954 ft²	28%
Unit 3-5	1	939 ft²	1%
	51		35%
3BR			
Unit 3-2	22	1,339 ft²	15%
	22		15%
Grand total	144		100%

PARKING

Level	*Type*	*Count*
Level -1	GARAGE	82
Level 1	GARAGE	52
Level 1	Surface	82
		216

0 32' 64'

kaas wilson architects

FLOOR PLANS - LEVEL 1 (UPPER GARAGE)

COTTAGE GROVE APARTMENTS

10/10/2023

1 Level 2
1/32" = 1'-0"

UNIT MIX - GROSS AREA

Name	Count	Unit Gross Area Main Floor	%
0 BR (Studio)			
Unit 0-0	10	497 ft²	7%
	10		7%
1BR			
Unit 1-1	50	733 ft²	35%
Unit 1-4	1	718 ft²	1%
	51		35%
1BR +D			
Unit 1D-1	10	804 ft²	7%
	10		7%
2BR			
Unit 2-2	10	1,219 ft²	7%
Unit 3-0	40	954 ft²	28%
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PARKING

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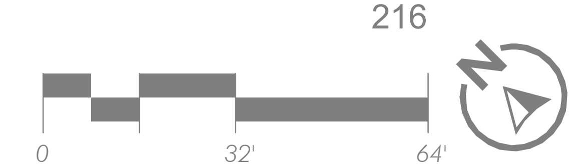



COTTAGE GROVE
APARTMENTS

KW
kaas wilson architects

RENDERINGS - Southwest View

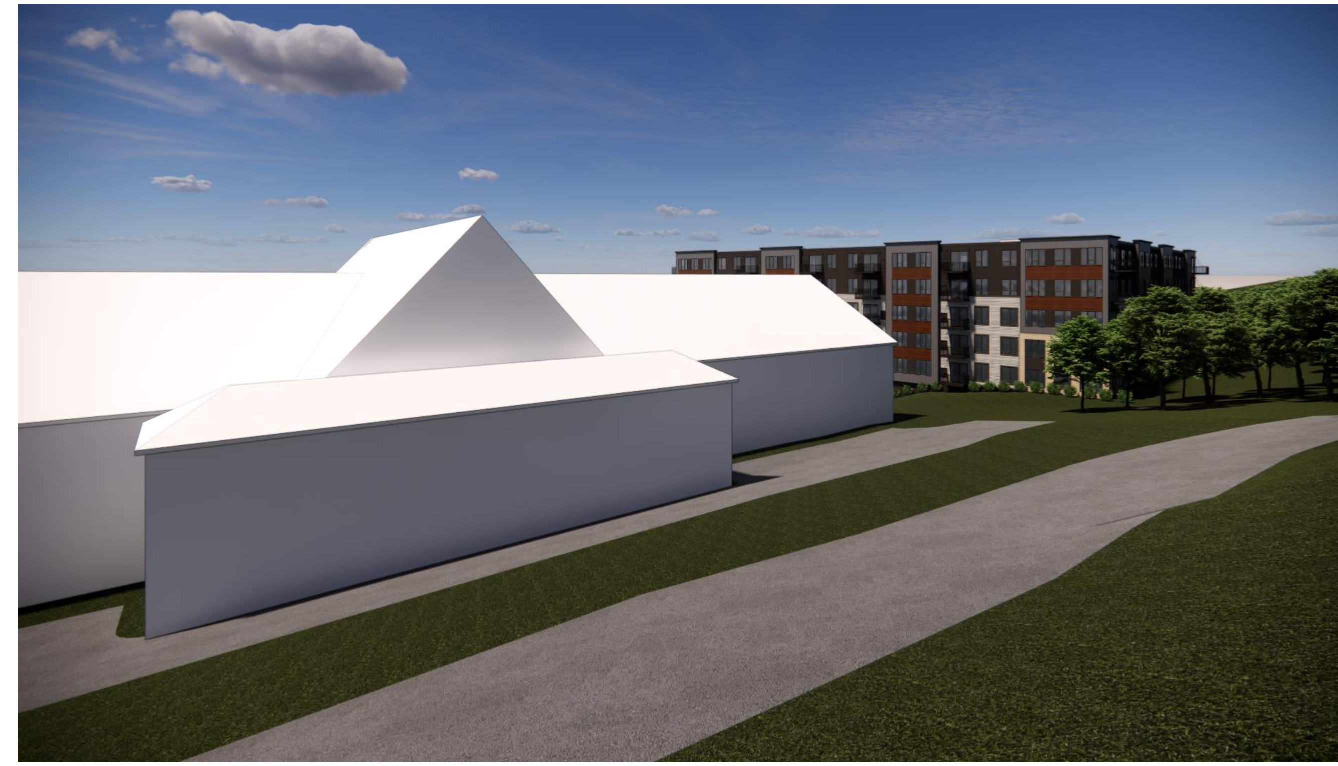
COTTAGE GROVE APARTMENTS

10/10/2023

RENDERINGS - West Courtyard View

COTTAGE GROVE APARTMENTS

1 Rendering - Context View 1
12" = 1'-0"



2 Rendering - Context View 2
12" = 1'-0"

3 Rendering - Context View 3
12" = 1'-0"

4 Rendering - Context View 4
12" = 1'-0"

EXTERIOR MATERIALS

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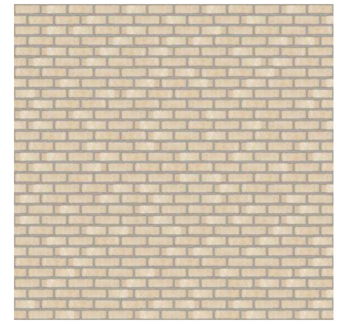
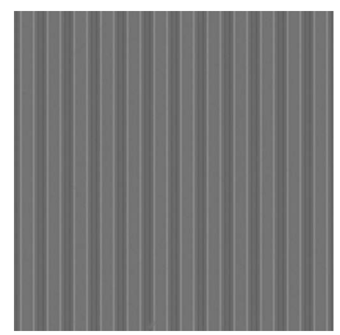
4.1	BRICK - COLOR: BONE VELOUR	
4.2	ARCHITECTURAL CMU - SPLIT-FACE - COLOR: DEEP BROWN	
5.1	METAL CLADDING - CORRUGATED VERTICAL - COLOR: SLATE GRAY	

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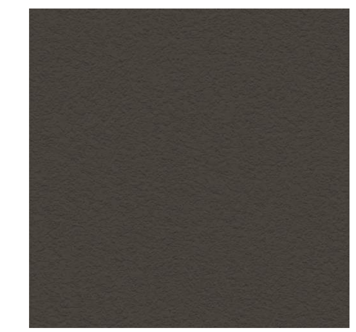
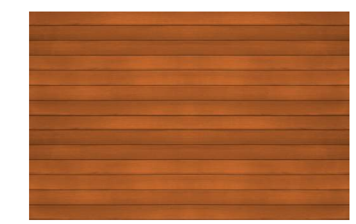
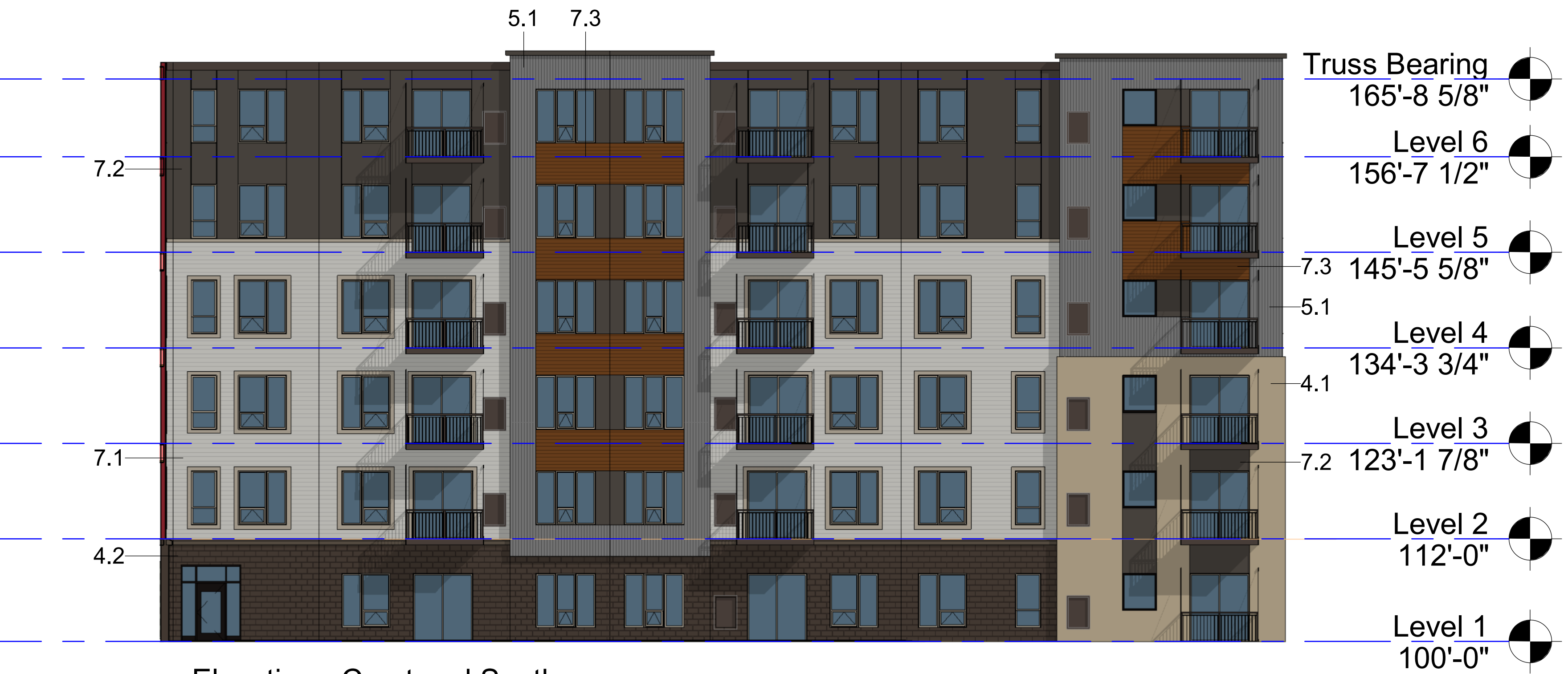
7.2	FIBER CEMENT PANEL - COLOR: SEALSKIN	
7.3	FIBER CEMENT LAP SIDING - COLOR: WOODTONE OLD CHERRY	
8.1	Window Glazing	

1 Elevation - South
1" = 20'-0"

2 Elevation - North
1" = 20'-0"

1 Elevation - East
1" = 20'-0"

2 Elevation - West
1" = 20'-0"



1 Elevation - Courtyard South
1" = 20'-0"

3 Elevation - Courtyard West
1" = 20'-0"

2 Elevation - Courtyard North
1" = 20'-0"

GROSS AREA - TOTAL

Level	Area
Level 6	29,239 ft²
Level 5	29,239 ft²
Level 4	29,239 ft²
Level 3	29,239 ft²
Level 2	29,239 ft²
Level 1	29,298 ft²
Level -1	29,265 ft²
Grand total	204,758 ft²

PARKING

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Level 1	GARAGE	52
Level 1	Surface	82
		216

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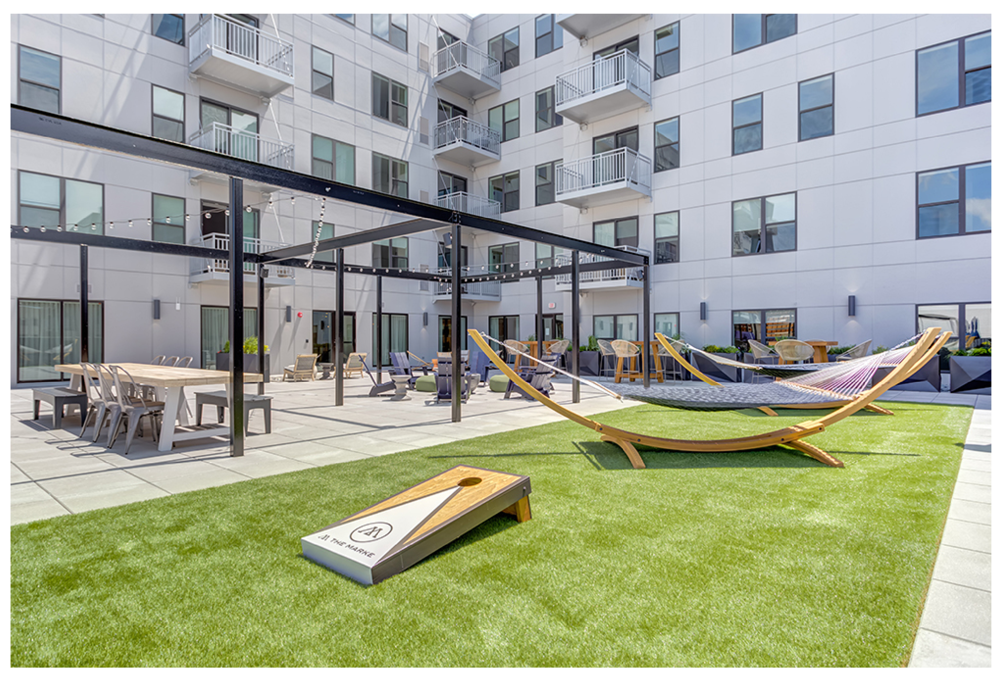
3BR			
Unit 3-2	22	1,339 ft²	15%
	22		15%
Grand total	144		100%

CONCEPT SITE PLAN - 09/12/2023



COTTAGE GROVE APARTMENTS

6850 E POINT DOUGLAS RD S,
COTTAGE GROVE, MN 55016

ROERS COMPANIES

2 CARLSON PKWY #400,
PLYMOUTH, MN 55447

LOUCKS
PLANNING
CIVIL ENGINEERING
LAND SURVEYING
LANDSCAPE ARCHITECTURE
ENVIRONMENTAL

7200 Hemlock Lane, Suite 300
Maple Grove, MN 55369
763.424.5505
www.loucksinc.com

KW kaas wilson architects

CADD QUALIFICATION

SUBMITTAL/REVISIONS

DATE

PROFESSIONAL SIGNATURE

I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.

Samuel R. Trebesch - PE

License No. 56088

Date

PRELIMINARY

QUALITY CONTROL

Loucks Project No.	023528.0A
Project Lead	SRT
Drawn By	LAH/JDL
Checked By	SRT
Review Date	XX/XX/XXXX

SHEET INDEX

C1-1	EXISTING CONDITIONS
C1-2	DEMOLITION PLAN
C2-1	SITE PLAN
C3-1	GRADING PLAN
C3-2	SWPPP PLAN
C3-3	SWPPP NOTES
C4-1	UTILITY PLAN
C8-1 - C8-2	CIVIL DETAILS

ROERS COMPANIES

COTTAGE GROVE WORKFORCE APARTMENT COMMUNITY

Project Narrative

September 13, 2023

Developer: Roers Companies: Two Carlson Parkway, Suite 400 Plymouth, MN 55447

Architect: Kaas Wilson Architects: 1301 American Blvd. E, Suite 100, Bloomington, MN 55425

Engineering: Loucks: 7200 Hemlock Lane, Suite 300 Maple Grove, MN 55369

Two Carlson Parkway | Suite 400 | Plymouth, MN 55447

roerscompanies.com

ROERS COMPANIES

1. DEVELOPER BACKGROUND

Roers Companies ("Roers") is a fully integrated real estate development company that focuses on residential multifamily communities across the Country. Based in Plymouth, Minnesota, the company builds and operates communities across the Country with over 67 properties developed across 14 states. Roers Companies has closed on nearly 9,000 apartment units and currently manages over 3,300 units. This growth can be attributed to the creation of an in-house general contractor and property management company.

Roers Companies was named a 2023 Star Tribune Top 200 Workplace, Developer of the Year at the 2023 MN Real Estate Awards and ranked in the top 25 largest apartment developers in the US on National Multifamily Housing Council's (NMHC) 2023 NMHC 50, the annual ranking of the nation's largest apartment developers.

Roers Companies takes pride in the communities they build, and seeks to build long term relationships with the Cities and neighborhoods they invest in.

See Roers Companies' Brochure for more information.

2. CONCEPT PLAN APPLICATION

Roers Companies is applying for Concept Plan Review to present a 144-unit workforce housing apartment community to receive feedback from City Staff, Planning Commission and City Council. The site is located on E Point Douglas Road S and consists of the following parcels: 0702721440025, 0702721440019, 0702721440021, 0702721440022, 0702721440026.

This project will provide much needed affordable and workforce housing in the City of Cottage Grove. This project will propose having 20% of units be rent and income-restricted to residents at or below 50% AMI. The rest of the units will be guided towards renters at or below 60-100% of Washington County's Area Median Income (AMI). An Affordable Housing TIF application / request will be forthcoming.

After receiving feedback provided by Staff, Planning Commission and Council, Roers Companies will be submitting for site plan and pre-plat approval. The intention is to comply with the design standards / requirements of the underlying Mixed Use (MU) zoning district, but site considerations / constraints may require a PUD consideration.

3. PROPOSED AMENTITIES

- Community lounge and gathering area for resident events and parties
- Fitness center
- Game room
- Large outdoor amenity courtyard with patio, grilling stations, fire lounge, playground / tot lot and an outdoor lawn
- Dog run / dog washing station
- Bike storage and repair station
- On-site and off-site trail that will connect project / E Point Douglas Road S to trail system
- Heated underground parking
- Market-Rate quality finishes / features in units

4. UNIT MIX

- Studio – 10 units
- One Bedroom and One Bedroom + Den – 61 units
- Two Bedroom – 51 units
- Three Bedroom – 22 units

*TBD which units will set aside at 50% AMI

5. CONCLUSION

Roers Companies' proposed project is consistent and intended to help accomplish a number of the City of Cottage Grove’s goals as described in the Cottage Grove 2040 Comprehensive Plan, including but not limited to the following:

- Need for more affordable housing,
- Efficient use of City resources (TIF) to promote a diverse housing stock

- Encouraging density on Mixed Use land
- Enhancing the local labor supply through provision of higher density housing in close proximity to major employment areas,
- Improving environmental sustainability through better options to walk or bike, increasing transit service, and promoting best practices in energy efficiency in new construction
- Providing trail connections and open space

This 144-unit workforce housing project will provide the city quality. affordable housing that supports the growth the City is experiencing as well as providing an attractive and amenitized project that will serve the community for years to come.

We appreciate the consideration and feedback and are looking forward to working with the City to see this project come to life.

Thanks,

Travis Fauchald

Senior Development Associate

Two Carlson Parkway #400, Plymouth, MN 55447

travis.fauchald@roerscompanies.com

ROERS COMPANIES

EHLERS
PUBLIC FINANCE ADVISORS

MEMORANDUM

TO: Gretchen Larson – Economic Development Director
FROM: Schane Rudlang & Stacie Kvilvang – Ehlers
DATE: October 10, 2023
SUBJECT: Roers Workforce Housing Development - Analysis of Financial Request

The City of Cottage Grove received a public financial assistance request from Roers Development (the "Developer") seeking tax increment financing (TIF) for their proposed redevelopment of 6850 East Point Douglass Rd South. The Developer has proposed to construct a 144-unit, mixed-income, multi-family apartment project with unit mix and affordability (20%) as shown in the table below.

Unit Mix			
	Market Rate	50% AMI	Total
Studio	10		10
1BR+Den	10		10
1BR	40	11	51
2BR	41	10	51
3BR	14	8	22
Total	115	29	144
	80%	20%	

Construction would commence in 2024 and is anticipated to cost approximately $44.1 million or $306,400 per unit. The Developer cited a financial gap in their financial projections for the project ("proforma") and requested 26 years of TIF at a present value they estimated at $3.4 million. Ehlers undertook a review of the project to determine how much assistance would be warranted. The review included comparison to industry standards for construction, land, overall project costs, market rate and affordable rents, operating expenses, developer fees, underwriting and financing criteria, return on investment and the cost of providing the affordable units.

Preliminary Status of Project Review

Since the submission of the assistance application, the development costs continue to be refined. The developer has indicated that they will have a significant increase due to a gas pipeline and stormwater issue and are working with their engineers to get better cost estimates. We have reviewed all other costs and have refined those to be within industry standards so our recommended TIF amount will change based upon final underwriting.

In addition, the project includes four unaddressed adjacent parcels, three of which are owned by the City. Discussions between the City and the Developer relative to the cost of those parcels is ongoing.

Return on Investment Analysis

Developers use different return on investment metrics, based on the requirements of the type of debt and equity and the requirements sought by those investors. This Developer is using Yield on Cost, which is common in the industry. Yield on Cost is calculated by dividing the project's annual net operating income by the total development costs (less any grants). The Developer is targeting a stabilized Yield-on-Cost return between 5-6%. These Yield on Cost returns are lower than typical market rate investment returns which range from 6% to 7%.

Based on a review of the current budget, proforma, and tax increment projections, the proposed development would require only 10 years of TIF. As noted above, the costs of the project are still in a variable state, and discussions of the actual amount of TIF assistance are ongoing.

Recommendation

Based on our review of the Developer's proforma and under current market conditions, the proposed development may not reasonably be expected to occur solely through private investment within the near future. We conclude that 10-15 years of TIF assistance (or $1.5M - $2.1M) may be required, depending on final cost estimates to make the project financially viable. We will complete a final review and analysis once we receive final numbers from the Developer to determine the actual amount and term of TIF assistance.

We also recommend a development agreement include a minimum assessment agreement and that lookback provisions be included which include reviews of: (1) total development costs upon certificate of occupancy, (2) stabilized Yield on Cost returns, and (3) investment returns in the Event of Sale. These provisions ensure that the development returns are consistent with the information provided by the developer at the time of the sizing of financial assistance, and that they are actually within market ranges.

Please contact either of us at 651-697-8500 with any questions.

Roers WF Housing - No Inflation

City of Cottage Grove, MN

144 Mixed Income Apartments

ASSUMPTIONS AND RATES

DistrictType:	**Housing**	
District Name/Number:		
County District #:		
First Year Construction or Inflation on Value	**2024**	
Existing District - Specify No. Years Remaining		
Inflation Rate - Every Year:	**0.00%**	
Interest Rate:	**7.75%**	
Present Value Date:	**1-Aug-25**	
First Period Ending	1-Feb-26	
Tax Year District was Certified:	**Pay 2024**	
Cashflow Assumes First Tax Increment For Development:	2026	
Years of Tax Increment	26	
Assumes Last Year of Tax Increment	2051	
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	**Inside(B)**	
Incremental or Total Fiscal Disparities	**Incremental**	
Fiscal Disparities Contribution Ratio	35.1487%	Pay 2023
Fiscal Disparities Metro-Wide Tax Rate	133.6670%	Pay 2023
Maximum/Frozen Local Tax Rate:	92.448%	Pay 2023
Current Local Tax Rate: (Use lesser of Current or Max.)	92.448%	Pay 2023
State-wide Tax Rate (Comm./Ind. only used for total taxes)	33.0030%	Pay 2023
Market Value Tax Rate (Used for total taxes)	0.29263%	Pay 2023

Tax Rates

Exempt Class Rate (Exempt)			0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)			
	First	$150,000	1.50%
	Over	$150,000	2.00%
Commercial Industrial Class Rate (C/I)			2.00%
Rental Housing Class Rate (Rental)			1.25%
Affordable Rental Housing Class Rate (Aff. Rental)			
	First	$100,000	0.25%
	Over	$100,000	0.25%
Non-Homestead Residential (Non-H Res. 1 Unit)			
	First	$500,000	1.00%
	Over	$500,000	1.25%
Homestead Residential Class Rate (Hmstd. Res.)			
	First	$500,000	1.00%
	Over	$500,000	1.25%
Agricultural Non-Homestead			1.00%

BASE VALUE INFORMATION (Original Tax Capacity)

Map ID	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Original Market Value	Tax Year Original Market Value	Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion Orig. Tax Cap.	Area/ Phase
1	07.027.21.44.0025	SOUTHPOINT RIDGE LLC	6850 EAST POINT DOUGLAS RD S	535,900		535,900	100%	535,900	Pay 2024	Rental	6,699	Rental	6,699	1
2	07.027.21.44.0019	CITY OF COTTAGE GROVE	NA	1,800		1,800	100%	1,800	Pay 2024	Exempt	-	Rental	23	1
3	07.027.21.44.0021	CITY OF COTTAGE GROVE	NA	2,000		2,000	100%	2,000	Pay 2024	Exempt	-	Rental	25	1
4	07.027.21.44.0022	CITY OF COTTAGE GROVE	NA	2,000		2,000	100%	2,000	Pay 2024	Exempt	-	Rental	25	1
5	07.027.21.44.0026	SOUTHPOINT RIDGE LLC	NA	1,500		1,500	100%	1,500	Pay 2024	C/I	30	Rental	19	1
				543,200	**0**	**543,200**		**543,200**			**6,729**		**6,790**	

Note:

1. Base values are for pay 2024 based on review of County website on 9-21-23.

2. Located in taxing district 1904 COTTAGE GR U-833-SWWS.

Roers WF Housing - No Inflation

City of Cottage Grove, MN

144 Mixed Income Apartments

PROJECT INFORMATION (Project Tax Capacity)

Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Total Taxable Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2024	Percentage Completed 2025	Percentage Completed 2026	Percentage Completed 2027	First Year Full Taxes Payable
1	Apartments	225,000	225,000	115	25,875,000	Rental	323,438	2,813	25%	75%	100%	100%	2028
1	Apartments	225,000	225,000	29	6,525,000	Aff. Rental	16,313	563	25%	75%	100%	100%	2028
TOTAL					**32,400,000**		**339,750**						
Subtotal Residential				**144**	**32,400,000**		**339,750**						
Subtotal Commercial/Ind.				**0**	**0**		**0**						

Note:

1. Market values are based upon conversation with County Assessor on 10-4-23.

TAX CALCULATIONS

New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Apartments	**323,438**	**0**	**323,438**	**299,012**	**0**	**0**	**75,718**	**374,730**	**3,258.52**
Apartments	**16,313**	**0**	**16,313**	**15,081**	**0**	**0**	**4,774**	**19,854**	**684.63**
TOTAL	**339,750**	**0**	**339,750**	**314,093**	**0**	**0**	**80,491**	**394,584**	

Note:

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

WHAT IS EXCLUDED FROM TIF?

Total Property Taxes	**394,584**
less State-wide Taxes	**0**
less Fiscal Disp. Adj.	**0**
less Market Value Taxes	**(80,491)**
less Base Value Taxes	**(6,277)**
Annual Gross TIF	**307,816**

Roers WF Housing - No Inflation

City of Cottage Grove, MN

144 Mixed Income Apartments

TAX INCREMENT CASH FLOW

% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 10%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
							-	-	-	-				02/01/26
100%	84,938	(6,790)	-	78,148	92.448%	72,246	36,123	(130)	(3,599)	32,394	30,022	0.5	2026	08/01/26
							36,123	(130)	(3,599)	32,394	58,924	1	2026	02/01/27
100%	254,813	(6,790)	-	248,023	92.448%	229,292	114,646	(413)	(11,423)	102,810	147,230	1.5	2027	08/01/27
							114,646	(413)	(11,423)	102,810	232,242	2	2027	02/01/28
100%	339,750	(6,790)	-	332,960	92.448%	307,816	153,908	(554)	(15,335)	138,018	342,110	2.5	2028	08/01/28
							153,908	(554)	(15,335)	138,018	447,879	3	2028	02/01/29
100%	339,750	(6,790)	-	332,960	92.448%	307,816	153,908	(554)	(15,335)	138,018	549,703	3.5	2029	08/01/29
							153,908	(554)	(15,335)	138,018	647,728	4	2029	02/01/30
100%	339,750	(6,790)	-	332,960	92.448%	307,816	153,908	(554)	(15,335)	138,018	742,096	4.5	2030	08/01/30
							153,908	(554)	(15,335)	138,018	832,944	5	2030	02/01/31
100%	339,750	(6,790)	-	332,960	92.448%	307,816	153,908	(554)	(15,335)	138,018	920,403	5.5	2031	08/01/31
							153,908	(554)	(15,335)	138,018	1,004,600	6	2031	02/01/32
100%	339,750	(6,790)	-	332,960	92.448%	307,816	153,908	(554)	(15,335)	138,018	1,085,655	6.5	2032	08/01/32
							153,908	(554)	(15,335)	138,018	1,163,687	7	2032	02/01/33
100%	339,750	(6,790)	-	332,960	92.448%	307,816	153,908	(554)	(15,335)	138,018	1,238,808	7.5	2033	08/01/33
							153,908	(554)	(15,335)	138,018	1,311,126	8	2033	02/01/34
100%	339,750	(6,790)	-	332,960	92.448%	307,816	153,908	(554)	(15,335)	138,018	1,380,747	8.5	2034	08/01/34
							153,908	(554)	(15,335)	138,018	1,447,770	9	2034	02/01/35
100%	339,750	(6,790)	-	332,960	92.448%	307,816	153,908	(554)	(15,335)	138,018	1,512,293	9.5	2035	08/01/35
							153,908	(554)	(15,335)	138,018	1,574,410	10	2035	02/01/36
100%	339,750	(6,790)	-	332,960	92.448%	307,816	153,908	(554)	(15,335)	138,018	1,634,209	10.5	2036	08/01/36
							153,908	(554)	(15,335)	138,018	1,691,777	11	2036	02/01/37
100%	339,750	(6,790)	-	332,960	92.448%	307,816	153,908	(554)	(15,335)	138,018	1,747,197	11.5	2037	08/01/37
							153,908	(554)	(15,335)	138,018	1,800,551	12	2037	02/01/38
100%	339,750	(6,790)	-	332,960	92.448%	307,816	153,908	(554)	(15,335)	138,018	1,851,914	12.5	2038	08/01/38
							153,908	(554)	(15,335)	138,018	1,901,361	13	2038	02/01/39
100%	339,750	(6,790)	-	332,960	92.448%	307,816	153,908	(554)	(15,335)	138,018	1,948,963	13.5	2039	08/01/39
							153,908	(554)	(15,335)	138,018	1,994,789	14	2039	02/01/40
100%	339,750	(6,790)	-	332,960	92.448%	307,816	153,908	(554)	(15,335)	138,018	2,038,906	14.5	2040	08/01/40
							153,908	(554)	(15,335)	138,018	2,081,377	15	2040	02/01/41
	Total						**4,303,140**	**(15,491)**	**(428,765)**	**3,858,884**				
		Present Value From 08/01/2025		**Present Value Rate**	**7.75%**		**2,320,997**	**(8,356)**	**(231,264)**	**2,081,377**				

Roer’s Projects

Risor of Apple Valley – 55+

5380 Garrett Avenue
Apple Valley, MN 55124

Beyond – Market Rate

455 Karen Dr
Woodbury, MN 55129

Alo Apartments - Affordable

204 1st Avenue NW
Buffalo, MN 55313

Axle Apartments

6530 University Ave NE
Fridley, MN 55432

Via Sol Living - Affordable

5855 Highway 7
St Louis Park, MN 55416

Canvas – Under construction - Minneapolis

2301 California Street
Minneapolis, MN 55418