ROSEMOUNT
MINNESOTA

AGENDA
Port Authority Regular Meeting
Tuesday, August 20, 2024
6:00 PM
Council Chambers, City Hall

1. **CALL TO ORDER/PLEDGE OF ALLEGIANCE**
2. **ADDITIONS OR CORRECTIONS TO AGENDA**
3. **CONSENT AGENDA**
   a. Meeting minutes of the July 16, 2024 Regular Meeting
4. **CHAIRPERSON'S REPORT**
5. **REPORTS FROM PORT AUTHORITY COMMISSIONERS**
6. **NEW BUSINESS**
   a. Modification to the Tax Increment Financing Plan for Osprey Tax Increment Financing District
   b. Willy McCoy's Development Contract
7. **OLD BUSINESS**
   a. Project Updates
8. **DISCUSSION**
9. **ADJOURNMENT**

ROSEMOUNT PORT AUTHORITY
REGULAR MEETING PROCEEDINGS
JULY 16, 2024

CALL TO ORDER/PLEDGE OF ALLEGIANCE

Pursuant to due call and notice thereof, a regular meeting of the Rosemount Port Authority was held on Tuesday, July 16, 2024, at 6:00 PM. in Rosemount Council Chambers, 2875 145th Street West.

Vice Chair Klimpel called the meeting to order with Commissioners Weisensel, Freske, Beaudette, Ober and Theisen. Commissioner Essler was absent.

ADDITIONS OR CORRECTIONS TO AGENDA

Motion by Klimpel **Second by** Theisen
Motion to approve consent agenda
Ayes: 6.
Nays: None. Motion carried.

CONSENT AGENDA

Motion by Theisen **Second by** Freske
Motion to approve consent agenda
Ayes: 6.
Nays: None. Motion carried.

a. Regular Meeting Minutes June 18, 2024

CHAIRPERSON'S REPORT

None.

REPORTS FROM PORT AUTHORITY COMMISSIONERS

Commissioner Beaudette noted the recent First State Bank of Rosemount groundbreaking, and the Port Authority discussed the great addition of Sweet Kneads to the project. Also noted was the adjacent parcel owned by the Bank which is to be marketed for development preferably for a sit-down restaurant.

NEW BUSINESS

a. Local Affordable Housing Aid Collaboration

Dakota County Community Development Agency (CDA) presented an overview of the latest legislative funds and the goal to administer three proposed programs (home improvement loan program, radon mitigation grant or preservation and new

construction gap financing) . In 2023, the Minnesota Legislature authorized aid payments to counties, cities and Tribal Nations. The goal is to fund affordable housing projects and help organizations provide affordable and supportive housing. Local Affordable Housing Aid (LAHA) has funds for direct allocation of dedicated sales tax to cities and counties for the purpose of developing and preserving affordable housing; and helping persons experiencing homelessness find housing. Rosemount is to receive $85,047.80 in the first year (2024).

Vice Chair Klimpel questioned the administration that goes along with this, and Community Development Director Kienberger noted the CDA handles the administrative burden and staff recommends partnering with the CDA.

Commissioner Freske and Klimpel stated they would be in favor of the home improvement loan program as the dollars would go to existing homeowners and seems to the best option financially.

Next, the CDA will obtain formal approval and execute a joint powers agreement for the program.

OLD BUSINESS

a. Project Updates

Community Development Director Kienberger provided the following project updates; UMore approved the sale to the school district for the middle school location and Speedway continues to go through a legal process at least until December 17th. Mr. Kienberger noted staff continues to clean up the property as legally possible.

DISCUSSION

None.

ADJOURNMENT

There being no further business to come before the City Council at the regular council meeting and upon a motion by Klimpel and a second by Freske the meeting was adjourned at 6:53 p.m.

Respectfully submitted,

Erin Fasbender
City Clerk

ROSEMOUNT
MINNESOTA

EXECUTIVE SUMMARY

Port Authority Regular Meeting: August 20, 2024

AGENDA ITEM:	Modification to the Tax Increment Financing Plan for Osprey Tax Increment Financing District	**AGENDA SECTION:** NEW BUSINESS
PREPARED BY:	Eric Van Oss, Economic Development Coordinator	**AGENDA NO.** 6.a.
ATTACHMENTS:	Modification to TIF Plan	**APPROVED BY:** LJM
RECOMMENDED ACTION: Information Item		

BACKGROUND

The District currently consists of forty (40) parcels of land and adjacent roads and internal rights-of-way. The District was created to facilitate the development of an approximately 417,600 square foot warehouse/distribution facility for Home Depot. The City has entered into an agreement with Seefried PSO Rosemount, LLC as the developer, and development began in 2021 and was completed in 2022. The TIF Plan is being modified to remove thirty-eight (38) non-complying parcels from the District.

After establishment of the District, the parcels were re-platted, and parcels not associated with the development will be removed from the District. This item will appear on the Consent Agenda for the regular City Council Meeting on August 20, 2024. A representative from Ehlers will give a brief presentation on the action and be available to answer questions.

RECOMMENDATION

Information Item

Adoption Date: May 18, 2021

Modification #1 Approval Date: August 20, 2024

City of Rosemount

Dakota County, Minnesota

MODIFICATION to the Tax Increment Financing (TIF) Plan

Osprey Tax Increment Financing District
(an economic development district)

Located in Development District No. 1

EHLERS
PUBLIC FINANCE ADVISORS

Prepared by:

Ehlers
3060 Centre Pointe Drive
Roseville, Minnesota 55113

BUILDING COMMUNITIES. IT'S WHAT WE DO.

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Modification to the Tax Increment Financing Plan for Osprey Tax Increment Financing District

FOREWORD

The City of Rosemount (the "City"), staff and consultants have prepared the following information to expedite the Modification of the Tax Increment Financing Plan for the Osprey Tax Increment Financing District (the "District"), an economic development district, located in Development District No. 1.

STATUTORY AUTHORITY

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the City hase certain statutory powers pursuant to *Minnesota Statutes ("M.S."), Sections 469.001 - 469.047*, inclusive, as amended, and *M.S., Sections 469.174 to 469.1794*, inclusive, as amended (the "Tax Increment Financing Act" or "TIF Act"), to assist in financing public costs related to this project.

This section contains the Modification to the Tax Increment Financing Plan (the "Modification") for the District. Other relevant information is contained in the Development Program for Development District No. 1.

STATEMENT OF OBJECTIVES

As modified September 17, 2024

The District currently consists of forty (40) parcels of land and adjacent roads and internal rights-of-way. The District was created to facilitate the development of an approximately 417,600 square foot warehouse / distribution facility for Home Depot. The City has entered into an agreement with Seefried PSO Rosemount, LLC as the developer, and development began in 2021 and was completed in 2022. This TIF Plan is expected to achieve many of the objectives outlined in the Development Program for Development District No. 1.

The TIF Plan is being modified to remove thirty-eight (38) non-complying parcels from the District. After establishment of the District, the parcels were re-platted, and parcels not associated with the development will be removed from the District.

The activities contemplated in the Development Program and the TIF Plan do not preclude the undertaking of other qualified development or redevelopment activities. These activities are anticipated to occur over the life of Development District No. 1 and the District.

DESCRIPTION OF PROPERTY IN THE DISTRICT

As modified September 17, 2024

The District is being modified to remove the following parcels from the District:

Parcels to be removed from Osprey TIF District	
34-40701-00-020	34-64560-01-190
34-64560-01-001	34-64560-01-200
34-64560-01-002	34-64560-01-210
34-64560-01-003	34-64560-01-220
34-64560-01-004	34-64560-01-230
34-64560-01-005	34-64560-01-240
34-64560-01-006	34-64560-01-250
34-64560-01-007	34-64560-01-260
34-64560-01-008	34-64560-01-270
34-64560-01-009	34-64560-01-280
34-64560-01-100	34-64560-01-290
34-64560-01-110	34-64560-01-300
34-64560-01-120	34-64560-01-310
34-64560-01-130	34-64560-01-320
34-64560-01-140	34-64560-01-330
34-64560-01-150	34-64560-01-340
34-64560-01-160	34-64560-01-350
34-64560-01-170	34-64560-01-360
34-64560-01-180	34-64560-01-370

These parcels are not part of the Home Depot development and are not in compliance with the requirements of an economic development TIF District. The current net tax capacity of the eliminated parcels exceeds the net tax capacity of these parcels in the District's original net tax capacity. Therefore, a public hearing is not required.

The following parcels will remain in the District:

Parcels remaining in Osprey TIF District
34-40701-00-010
34-40701-01-010

The City may acquire any parcel within the District including interior and adjacent street rights of way. Any propertied identified for acquisition will be acquired by the City only in order to accomplish one or more of the following: storm sewer improvements; provide land for needed public streets, utilities and facilities; carry out land acquisition, site improvements, clearance and/or development to accomplish the uses and objectives set forth in this TIF Plan. The City may acquire property by gift, dedication, condemnation, or direct purchase from willing sellers in order to achieve the objectives of this TIF Plan. Such acquisitions will be undertaken only when there is assurance of funding to finance the acquisition and related costs.

Appendix A: May 18, 2021 Original TIF Plan

MODIFICATION TO THE DEVELOPMENT PROGRAM
Development District No. 1

- AND -

TAX INCREMENT FINANCING PLAN
Establishment of the Osprey TIF District
(an economic development district)

City of Rosemount, Dakota County, Minnesota

Public Hearing: May 18, 2021

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Modification to the Development Program for Development District No. 1

Foreword

The following text represents a Modification to the Development Program for Development District No. 1. This modification represents a continuation of the goals and objectives set forth in the Development Program for Development District No. 1. Generally, the substantive changes include the establishment of the Osprey TIF District.

For further information, a review of the Development Program for Development District No. 1, is recommended. It is available from the Community Development Director at the City of Rosemount. Other relevant information is contained in the Tax Increment Financing Plans for the Tax Increment Financing Districts located within Development District No. 1.

Tax Increment Financing Plan for the Osprey TIF District

Foreword

The City of Rosemount (the "City"), staff and consultants have prepared the following information to expedite the establishment of the Osprey TIF District (the "District"), an economic development tax increment financing district, located in Development District No. 1.

Statutory Authority

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the City has certain statutory powers pursuant to *Minnesota Statutes ("M.S."), Sections 469.124 - 469.133*, inclusive, as amended, and *M.S., Sections 469.174 to 469.1794*, inclusive, as amended (the "Tax Increment Financing Act" or "TIF Act"), to assist in financing public costs related to this project.

This section contains the Tax Increment Financing Plan (the "TIF Plan") for the District. Other relevant information is contained in the Modification to the Development Program for Development District No. 1.

Statement of Objectives

The District currently consists of two parcels of land and adjacent and internal rights-of-way. The District is being created to facilitate the development of an approximately 417,600 square foot manufacturing / warehouse facility with an estimated 5 build docks and 10 flatbed docks. The proposed development will include an estimated 235,500 square feet for outside storage, access to rail including 10 A-frame rail cars and space for 6 box cars, and approximately 176 space for trailer parking. The total site area is estimated at 63.65 acres.

Tax increment will be used to reimburse the City and developer for expenses related to the construction of infrastructure for the site. Infrastructure expenses may include, but are not limited to, land acquisition and construction of a road to access the development and other developments in the industrial park off State Highway 3. The City has not entered into an agreement or designated a developer at the time of preparation of this TIF Plan, but development is likely to occur in the summer of 2021. This TIF Plan is expected to achieve many of the objectives outlined in the Development Program for Development District No. 1.

The activities contemplated in the Modification to the Development Program and the TIF Plan do not preclude the undertaking of other qualified development or redevelopment activities. These activities are anticipated to occur over the life of Development District No. 1 and the District.

Redevelopment Plan Overview

Pursuant to the Development Program and authorizing state statutes, the City is authorized to undertake the following activities in the District:

1. Property to be Acquired - Selected property located within the District may be acquired by the City and is further described in this TIF Plan.

2. Relocation - Relocation services, to the extent required by law, are available pursuant to *M.S., Chapter 117* and other relevant state and federal laws.

3. Upon approval of a developer's plan relating to the project and completion of the necessary legal requirements, the City may sell to a developer selected properties that it may acquire within the District or may lease land or facilities to a developer.

4. The City may perform or provide for some or all necessary acquisition, construction, relocation, demolition, and required utilities and public street work within the District.

5. The City proposes both public and private infrastructure within the District. The proposed reuse of private property within the District will be for a manufacturing / warehouse facility, and there will be continued operation of Development District No. 1 after the capital improvements within Development District No. 1 have been completed.

Description of Property in the District and Property to be Acquired

The District encompasses all property and adjacent rights-of-way and abutting roadways identified by the parcels listed below.

Parcel number	Address	Owner
34-40701-00-010	15195 Boulder Ct.	Seefried PSO Rosemount LLC
34-40701-01-010	15401 Boulder Ct.	Seefried PSO Rosemount LLC
34-64560-01-010	15195 Boulder Ct.	JJT Financial LP
34-40701-00-020	15195 Boulder Ct.	Seefried PSO Rosemount LLC

Note: The parcels listed above were created from a replat of parcel numbers 34-40700-00-010 and 34-03210-65-011.

Please also see the map in Appendix A for further information on the location of the District.

The City may acquire any parcel within the District including interior and adjacent street rights of way. Any properties identified for acquisition will be acquired by the City only in order to accomplish one or more of the following: storm sewer improvements; provide land for needed public streets, utilities and facilities; carry out land acquisition, site improvements, clearance and/or development to accomplish the uses and objectives set forth in this plan. The City may acquire property by gift, dedication, condemnation, or direct purchase from willing sellers in order to achieve the objectives of this TIF Plan. Such acquisitions will be undertaken only when there is assurance of funding to finance the acquisition and related costs.

Classification of the District

The City, in determining the need to create a tax increment financing district in accordance with *M.S., Sections 469.174 to 469.1794*, as amended, inclusive, finds that the District, to be established, is an economic development district pursuant to M.S., Section 469.174, Subd. 12.

The District is in the public interest because it will meet the statutory requirement of discouraging commerce, industry, or manufacturing from moving their operations to another state or municipality; resulting in increased employment in the State; and resulting in preservation and enhancement of the tax base of the State.

Pursuant to *M.S., Section 469.176, Subd. 4c,* revenue derived from tax increment from an economic development district may not be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or assistance in any form to developments consisting of buildings and ancillary facilities, if more than 15 percent of the buildings and facilities (determined on the basis of square footage) are used for a purpose other than:

(1) The manufacturing or production of tangible personal property, including processing resulting in the change in condition of the property;
(2) Warehousing, storage, and distribution of tangible personal property, excluding retail sales;
(3) Research and development related to the activities listed in items (1) or (2);
(4) Telemarketing if that activity is the exclusive use of the property; or
(5) Tourism facilities;
(6) Space necessary for and related to the activities listed in items (1) to (5); or
(7) A workforce housing project that satisfies the requirements of *M.S., Section 469.176, Subd. 4c(d)*.

In meeting the statutory criteria the City relies on the following facts and findings: The facilities in the District meet the conditions of Purposes 1, 2 and 6.

Duration and First Year of Tax Increment of the District

Pursuant to *M.S., Section 469.175, Subd. 1, and M.S., Section 469.176, Subd. 1*, the duration of the District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b.*, the duration of the District will be 8 years after receipt of the first increment by the City. The date of receipt by the City of the first tax increment is expected to be 2024.

Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2032, or when the TIF Plan is satisfied. If increment is received in 2024, the term of the District will be 2032. The City reserves the right to decertify the District prior to the legally required date.

Original Tax Capacity, Tax Rate and Estimated Captured Net Tax Capacity Value/Increment and Notification of Prior Planned Improvements

Pursuant to *M.S., Section 469.174, Subd. 7 and M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the assessor in 2021 for taxes payable 2022.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2024) the amount by which the original value has increased or decreased as a result of:

1. Change in tax exempt status of property;
2. Reduction or enlargement of the geographic boundaries of the district;
3. Change due to adjustments, negotiated or court-ordered abatements;
4. Change in the use of the property and classification;
5. Change in state law governing class rates; or
6. Change in previously issued building permits.

In any year in which the current Net Tax Capacity (NTC) value of the District declines below the ONTC, no value will be captured and no tax increment will be payable to the City.

The original local tax rate for the District will be the local tax rate for taxes payable 2021, assuming the request for certification is made before June 30, 2021. The ONTC and the Original Local Tax Rate for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. 4 and M.S., Section 469.177, Subd. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within Redevelopment Project No. 1, upon completion of the projects within the District, will annually approximate tax increment revenues as shown in the table below. The City requests 100 percent of the available increase in tax capacity for repayment of its obligations and current expenditures, beginning in the tax year payable 2024. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

Project Tax Capacity		
Project estimated Tax Capacity upon completion	762,294	
Original estimated Net Tax Capacity	52,994	
Fiscal Disparities	251,826	
Estimated Captured Tax Capacity	**457,474**	
Original Local Tax Rate	83.5180%	Pay 2021
Estimated Annual Tax Increment	**$382,073**	
Percent Retainted by the City	100%	

Note: Tax capacity includes a 2.5% inflation factor for the duration of the District. The tax capacity included in this chart is the estimated tax capacity of the District in year 9. The tax capacity of the District in year one is estimated to be $625,650.

Pursuant to *M.S., Section 469.177, Subd. 4*, the City shall, after a due and diligent search, accompany its request for certification to the County Auditor or its notice of the District enlargement pursuant to *M.S., Section 469.175, Subd. 4*, with a listing of all properties within the District or area of enlargement for which building permits have been issued during the eighteen (18) months immediately preceding approval of the TIF Plan by the municipality pursuant to *M.S., Section 469.175, Subd. 3.* The County Auditor shall increase the original net tax capacity of the District by the net tax capacity of improvements for which a building permit was issued.

Sources of Revenue/Bonds to be Issued

The total estimated tax increment revenues for the District are shown in the table below:

SOURCES	
Tax Increment	$ 3,086,750
Interest	308,676
TOTAL	**$ 3,395,426**

The costs outlined in the Uses of Funds will be financed primarily through the annual collection of tax increments. The City reserves the right to incur bonds or other indebtedness as a result of the TIF Plan. As presently proposed, the projects within the District will be financed by bonds, pay-as-you-go notes and interfund loans. Any refunding amounts will be deemed a budgeted cost without a formal TIF Plan Modification. This provision does not obligate the City to incur debt. The City will issue bonds or incur other debt only upon the determination that such action is in the best interest of the City.

The City may issue bonds (as defined in the TIF Act) secured in whole or in part with tax increments from the District in a maximum principal amount of $3,395,426. Such bonds may be in the form of pay-as-you-go notes, revenue bonds or notes, general obligation bonds, or interfund loans. This estimate of total bonded indebtedness is a cumulative statement of authority under this TIF Plan as of the date of approval.

Uses of Funds

Currently under consideration for the District is a proposal to facilitate the development of a manufacturing / warehouse facility and infrastructure related to site development. The City has determined that it will be necessary to provide assistance to the project for certain District costs, as described.

The City has studied the feasibility of the development or redevelopment of property in and around the District. To facilitate the establishment and development or redevelopment of the District, this TIF Plan authorizes the use of tax increment financing to pay for the cost of certain eligible expenses. The estimate of public costs and uses of funds associated with the District is outlined in the following table.

USES	
Land/Building Acquisition	$ 700,000
Site Improvements/Preparation	2,000,000
Utilities	-
Other Qualifying Improvements	134,194
Administrative Costs (up to 10%)	308,675
PROJECT COSTS TOTAL	**$ 3,142,869**
Interest	252,557
PROJECT AND INTEREST COSTS TOTAL	**$ 3,395,426**

The total project cost, including financing costs (interest) listed in the table above does not exceed the total projected tax increments for the District as shown in the Sources of Revenue section.

Estimated capital and administrative costs listed above are subject to change among categories by modification of the TIF Plan without hearings and notices as required for approval of the initial TIF Plan, so long as the total capital and administrative costs combined do not exceed the total listed above. Further, the City may spend up to 20 percent of the tax increments from the District for activities (described in the table above) located outside the boundaries of the District but within the boundaries of the Project (including administrative costs, which are considered to be spend outside the District), subject to all other terms and conditions of this TIF Plan.

Fiscal Disparities Election

Pursuant to *M.S., Section 469.177, Subd. 3*, **the City will choose to calculate fiscal disparities by clause b (inside)**.

Estimated Impact on Other Taxing Jurisdictions

The estimated impact on other taxing jurisdictions assumes that the redevelopment contemplated by the TIF Plan would occur without the creation of the District. However, the City has determined that such development or redevelopment would not occur "but for" tax increment financing and that, therefore, the fiscal impact on other taxing jurisdictions is $0. The estimated fiscal impact of the District would be as follows if the "but for" test was not met:

Impact on Tax Base

Entity	2020/Pay 2021 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) upon completion	Percent of CTC to Entity Total
Dakota County	565,917,055	457,474	**0.0808%**
City of Rosemount	32,375,072	457,474	**1.4130%**
ISD No. 196	206,817,692	457,474	**0.2212%**

Impact on Tax Rates

Entity	Pay 2021 Extension Rate	Percent of Total	CTC	Potential Taxes
Dakota County	22.7160%	27.20%	457,474	$ **103,920**
City of Rosemount	36.9540%	44.25%	457,474	**169,055**
ISD No. 196	20.0460%	24.00%	457,474	**91,705**
Other	3.8020%	4.55%	457,474	**17,393**
	83.5180%	**100.00%**		$ **382,073**

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the Pay 2021 rate. The total net capacity for the entities listed above are based on Pay 2021 figures.

Pursuant to *M.S. Section 469.175 Subd. 2(b)*:

(1) Estimate of total tax increment. It is estimated that the total amount of tax increment that will be generated over the life of the District is $3,086,750;

(2) Probable impact of the District on city provided services and ability to issue debt. An impact of the District on police protection is expected, but it is not expected to be significant. With any addition of new residents or businesses, police calls for service will be increased. New developments add an increase in traffic, and additional overall demands to the call load. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

The probable impact of the District on fire protection is not expected to be significant. Typically, new buildings generate few calls, if any, and are of superior construction. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

The impact of the District on public infrastructure is expected to be minimal. The development is not expected to significantly impact any traffic movements in the area. The project requires the extension of Boulder Trail from the current terminus, south. The developer will contribute funds for a portion of the road extension. The City anticipates using tax increment to complete the extension of Boulder Trail and create a connection, and second entrance to the industrial park, from State Highway 3.The development of a second access point will reduce the traffic at the current entrance to the industrial park.

The current infrastructure for sanitary sewer, storm sewer and water will be able to handle the additional volume generated from the proposed development. As part of the extension of Boulder Trail, City utilities, including trunk sanitary sewer, water and storm sewer will be extended with the road extension. The development is expected to contribute approximately $232,155 in combined City and Met Council sanitary sewer (SAC) fees and $44,150 in water (WAC) connection fees.

Based on the development plans, the additional costs associated with street maintenance, sweeping, plowing, lighting and sidewalks is estimated at $5,000 annually.

The probable impact on the City's ability to issue future debt is anticipated to be minimal. The City may issue general obligation debt to finance all or a portion of the public infrastructure. If general obligation bonds are issued, it is anticipated that at least 20 percent of the debt service would be paid with tax increment revenue, therefore the bonds would not count against the City's debt limit.

(3) Estimated amount of tax increment attributable to school district levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is $740,882;

(4) Estimated amount of tax increment attributable to county levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same, is $839,563;

(5) Additional information requested by the county or school district. The City is not aware of any standard questions in a county or school district written policy regarding tax increment districts and impact on county or school district services. The county or school district must request additional information pursuant to *M.S. Section 469.175 Subd. 2(b)* within 15 days after receipt of the tax increment financing plan.

The County requested additional information related to the potential impacts to County roads. After discussions, the City has received a letter dated April 15, 2021, stating that the "County Transportation Staff has determined that the proposed TIF district development will not generate traffic that will necessitate the need for road improvements that would be required if the TIF development were not implemented."

Supporting Documentation

Pursuant to *M.S. Section 469.175, Subd. 1 (a), clause 7* the TIF Plan must contain identification and description of studies and analyses used to make the determination set forth in *M.S. Section 469.175, Subd. 3, clause (b)(2)* and the findings are required in the resolution approving the District.

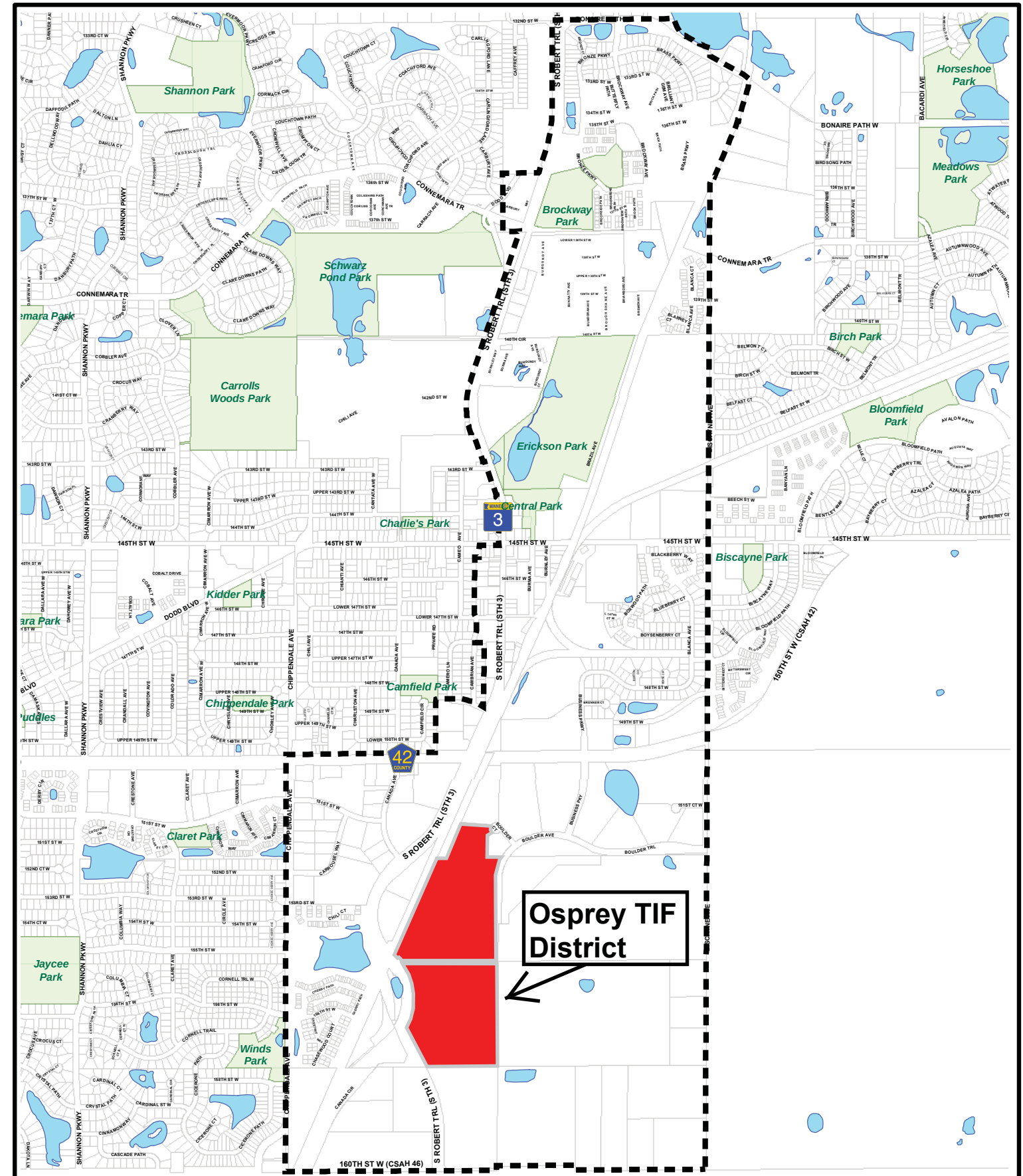
(i) In making said determination, reliance has been placed upon (1) written representation made by the developer to such effects; and (2) City staff awareness of the feasibility of developing the project site within the District, which is further outlined in the city council resolution approving the establishment of the TIF District and Appendix C.

(ii) A comparative analysis of estimated market value both with and without establishment of the TIF District and the use of tax increments has been performed. Such analysis is included with the cashflow in Appendix B and indicates that the increase in estimated market value of the proposed development (less the indicated subtractions) exceeds the estimated market value of the site absent the establishment of the TIF District and the use of tax increments.

Administration of the District

Administration of the District will be handled by the Community Development Director.

Appendix A: Map of Development District No. 1 and the TIF District



ROSEMOUNT MINNESOTA

Development District No. 1

TIF District | Redevelopment Project Area

Appendix B: Estimated Cash Flow for the District

Industrial Park Infrastructure - No Inflation

City of Rosemount, MN

Roads and ROW for Industrial Park located in Development District No. 1

ASSUMPTIONS AND RATES

DistrictType:	**Economic Development**		
District Name/Number:			
County District #:	**TBD**		
First Year Construction or Inflation on Value	**2022**		
Existing District - Specify No. Years Remaining			
Inflation Rate - Every Year:	**0.75%**		
Interest Rate:	**4.00%**		
Present Value Date:	**1-Aug-22**		
First Period Ending	1-Feb-23		
Tax Year District was Certified:	**Pay 2022**		
Cashflow Assumes First Tax Increment For Development:	2024		
Years of Tax Increment	9		
Assumes Last Year of Tax Increment	2032		
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	**Inside(B)**		
Incremental or Total Fiscal Disparities	**Incremental**		
Fiscal Disparities Contribution Ratio	35.5034%	Pay 2021	
Fiscal Disparities Metro-Wide Tax Rate	139.5040%	Pay 2021	
Maximum/Frozen Local Tax Rate:	83.518%	Pay 2021	UTA 3404
Current Local Tax Rate: (Use lesser of Current or Max.)	83.518%	Pay 2021	
State-wide Tax Rate (Comm./Ind. only used for total taxes)	35.9780%	Pay 2021	
Market Value Tax Rate (Used for total taxes)	0.32712%	Pay 2021	

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	$174,000	0.75%
Over	$174,000	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	34.40700.00.010	JJT	15195 Boulder Ct.			1,798,700	85%	1,528,895	Pay 2021	C/I Pref.	29,828	C/I Pref.	29,828	1
2	34.03210.65.011	Pahl				1,158,300	100%	1,158,300	Pay 2021	Ag Non-Homestead	11,583	C/I	23,166	1
				0	0	2,957,000		2,687,195			41,411		52,994	

Note:

1. Base values are for pay 2021 based upon review of County website on February 25, 2021. Request for certification date TBD.)
2. Located in SD # 196 and WS Vermillion River.
3. Parcel 34.03210.65.011 is in green acres.

Industrial Park Infrastructure - No Inflation

City of Rosemount, MN

Roads and ROW for Industrial Park located in Development District No. 1

EHLERS PUBLIC FINANCE ADVISORS

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 2022	Percentage Completed 2023	Percentage Completed 2024	Percentage Completed 2025	First Year Full Taxes Payable
1	Mfg./Warehouse	75	75	417,600	31,320,000	C/I Pref.	625,650		100%	100%	100%	100%	2024
TOTAL					31,320,000		625,650						
Subtotal Residential				0	0		0						
Subtotal Commercial/Ind.				417,600	31,320,000		625,650						

Note:

1. Market values are based upon Assessor's letter dated April 6, 2021.

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
Mfg./Warehouse	625,650	222,127	403,523	337,014	309,876	224,557	102,454	973,901	
TOTAL	625,650	222,127	403,523	337,014	309,876	224,557	102,454	973,901	

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.
2. If tax increment in received in 2023, then the district will be one year shorter.

WHAT IS EXCLUDED FROM TIF?

Total Property Taxes	973,901
less State-wide Taxes	(224,557)
less Fiscal Disp. Adj.	(309,876)
less Market Value Taxes	(102,454)
less Base Value Taxes	(28,546)
Annual Gross TIF	308,468

EHLERS PUBLIC FINANCE ADVISORS

Industrial Park Infrastructure - No Inflation

Industrial Park Infrastructure - No Inflation

City of Rosemount, MN

Roads and ROW for Industrial Park located in Development District No. 1

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	City retain for Road 75%	Developer PAYGO 25%	PERIOD ENDING Yrs.	Tax Year	Payment Date
							-	-	-	-	-	-			02/01/23
							-	-	-	-	-	-			08/01/23
							-	-	-	-	-	-			02/01/24
100%	625,650	(52,994)	(203,312)	369,344	83.518%	308,468	154,234	(555)	(15,368)	138,311	103,733	34,578	0.5	2024	08/01/24
							154,234	(555)	(15,368)	138,311	103,733	34,578	1	2024	02/01/25
100%	630,342	(52,994)	(204,978)	372,370	83.518%	310,996	155,498	(560)	(15,494)	139,444	104,583	34,861	1.5	2025	08/01/25
							155,498	(560)	(15,494)	139,444	104,583	34,861	2	2025	02/01/26
100%	635,070	(52,994)	(206,657)	375,419	83.518%	313,543	156,771	(564)	(15,621)	140,586	105,440	35,147	2.5	2026	08/01/26
							156,771	(564)	(15,621)	140,586	105,440	35,147	3	2026	02/01/27
100%	639,833	(52,994)	(208,348)	378,491	83.518%	316,108	158,054	(569)	(15,749)	141,737	106,302	35,434	3.5	2027	08/01/27
							158,054	(569)	(15,749)	141,737	106,302	35,434	4	2027	02/01/28
100%	644,632	(52,994)	(210,052)	381,586	83.518%	318,693	159,347	(574)	(15,877)	142,896	107,172	35,724	4.5	2028	08/01/28
							159,347	(574)	(15,877)	142,896	107,172	35,724	5	2028	02/01/29
100%	649,466	(52,994)	(211,768)	384,705	83.518%	321,298	160,649	(578)	(16,007)	144,063	108,048	36,016	5.5	2029	08/01/29
							160,649	(578)	(16,007)	144,063	108,048	36,016	6	2029	02/01/30
100%	654,337	(52,994)	(213,497)	387,846	83.518%	323,921	161,961	(583)	(16,138)	145,240	108,930	36,310	6.5	2030	08/01/30
							161,961	(583)	(16,138)	145,240	108,930	36,310	7	2030	02/01/31
100%	659,245	(52,994)	(215,240)	391,011	83.518%	326,565	163,282	(588)	(16,269)	146,425	109,819	36,606	7.5	2031	08/01/31
							163,282	(588)	(16,269)	146,425	109,819	36,606	8	2031	02/01/32
100%	664,189	(52,994)	(216,995)	394,200	83.518%	329,228	164,614	(593)	(16,402)	147,619	110,714	36,905	8.5	2032	08/01/32
							164,614	(593)	(16,402)	147,619	110,714	36,905	9	2032	02/01/33
	Total						**2,868,821**	**(10,328)**	**(285,849)**	**2,572,644**	**1,929,483**	**643,161**			
	Present Value From 08/01/2022			**Present Value Rate**	**4.00%**		**2,246,771**	**(8,088)**	**(223,868)**	**2,014,814**	**1,511,111**	**503,704**			

Appendix C: Findings Including But/For Qualifications

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan for the Osprey TIF District as required pursuant to *M.S., Section 469.175, Subd. 3* are as follows:

1. *Finding that the Osprey TIF District is an economic development district as defined in M.S., Section 469.174, Subd. 12.*

   The Osprey TIF District is a contiguous geographic area within the City's Development District No. 1, delineated in the TIF Plan, for the purpose of financing economic development in the City through the use of tax increment. The District is in the public interest because it will facilitate the development of a manufacturing / warehouse facility and infrastructure related to site development. This project will increase employment in the State and preserve and enhance the tax base of the State.

2. *Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the Osprey TIF District permitted by the TIF Plan.*

   The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future: This finding is supported by the fact that the development proposed in this plan is a manufacturing / warehouse facility that meets the City's objectives for economic development. The cost of land acquisition, and related site improvements necessary to maximize development potential, makes development of the facility infeasible without City assistance. Tax increment will be used to pay for land acquisition and infrastructure, including the construction of roads and right-of-way to benefit the proposed development in addition to other properties in the City's industrial park. Without the extension of Boulder Trail and connection to State Highway 3, thus creating an additional entrance to the industrial park, the development could not occur due to increased traffic concerns.

   The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the TIF District permitted by the TIF Plan: The City supported this finding on the grounds that the project includes a manufacturing / warehouse facility that will create jobs and increase the tax base for the community. The City reasonably determines that no other development of similar scope is anticipated on this site without substantially similar assistance being provided to the development.

   Therefore, the City concludes as follows:

   a. The City's estimate of the amount by which the market value of the entire District will increase without the use of tax increment financing is $0.

b. If the proposed development occurs, the total increase in market value will be $31,320,000 (see Appendix B of the TIF Plan)

c. The present value of tax increments from the District for the maximum duration of the district permitted by the TIF Plan is estimated to be $2,816,270 (see Appendix B of the TIF Plan).

d. Even if some development other than the proposed development were to occur, the Council finds that no alternative would occur that would produce a market value increase greater than $25,816,535 (the amount in clause b less the amount in clause c) without tax increment assistance.

3. *Finding that the TIF Plan for the Osprey TIF District conforms to the general plan for the development or redevelopment of the municipality as a whole.*

   The City Council reviewed the TIF Plan and found that the TIF Plan conforms to the general development plan of the City.

4. *Finding that the Tax Increment Financing Plan for the Osprey TIF District will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development of Redevelopment Project No. 1 by private enterprise.*

   The project to be assisted by the District will result in increased employment in the City and the State of Minnesota, increased tax base of the State, and add a high-quality development to the City.

ROSEMOUNT
MINNESOTA

EXECUTIVE SUMMARY

Port Authority Regular Meeting: August 20, 2024

AGENDA ITEM: Willy McCoy's Development Contract	**AGENDA SECTION:** NEW BUSINESS
PREPARED BY: Eric Van Oss, Economic Development Coordinator	**AGENDA NO.** 6.b.
ATTACHMENTS: Contract	**APPROVED BY:** LJM
RECOMMENDED ACTION: Motion to Approve the First Amendment for Private Development Between Rosemount Port Authority and Willy McCoy's of Shakopee, LLC.	

BACKGROUND

Earlier this year, the Rosemount Port Authority approved a contract for private development with Willy McCoy's of Shakopee, LLC to construct a new restaurant near the Life Time development. The agreement outlined the minimum requirements of the project and the requirements Willy McCoy's of Shakopee, LLC needed to complete in order to be eligible for a business subsidy from the city. Due to a delay in the purchase agreement between the private parties, the contract for private development needs to be updated to reflect a new project timeline.

Staff and the city's legal counsel decided it would be appropriate to add a new definition "Satisfactory Progress to Completion." This new definition would allow the business subsidy to be granted prior to gaining a Certificate of Occupancy, but after the majority of the building has been constructed. This change is to provide some flexibility to disburse the business subsidy, while still meeting the statutory deadline of the TIF Spending Plan on December 31, 2025. Representatives from Willy McCoy's of Shakopee, LLC are present to give an update on the project and Ehlers, the City's financial consultant, is present to answer any questions on the TIF Spending Plan.

RECOMMENDATION

Staff recommends the Port Authority approve the First Amendment for Private Development Between Rosemount Port Authority and Willy McCoy's of Shakopee, LLC.

FIRST AMENDMENT TO

CONTRACT FOR PRIVATE DEVELOPMENT

BY AND BETWEEN

ROSEMOUNT PORT AUTHORITY

AND

WILLY MCCOY'S OF SHAKOPEE, LLC

This Document Was Drafted By:

KENNEDY & GRAVEN, CHARTERED (RHB)
150 South Fifth Street
Suite 700
Minneapolis, MN 55402
(612) 337-9300

FIRST AMENDMENT TO CONTRACT FOR PRIVATE DEVELOPMENT

This First Amendment to Contract for Private Development (the "First Amendment"), is made as of the _____ day of _____, 2024, between the Rosemount Port Authority, a public body corporate and politic under the laws of Minnesota, having its principal office at 2875 145th Street W., Rosemount, Minnesota 55068-4941 (the "Port"), and Willy McCoy's of Shakopee LLC, a limited liability company under the laws of Delaware, having its principal offices at 515 165th Avenue, NW, Andover, Minnesota 55304 (the "Developer").

Witnesseth:

WHEREAS, on January 16, 2024, the Port approved a Contract for Private Development with the Developer for the development of a 7,500 sq. ft. restaurant and tavern with a rooftop patio and upstairs bar and banquet area (the "Project"); and

WHEREAS, the Port and the Developer desire to amend the Contract for Private Development in recognition of certain delays in the project.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual obligations set forth in this First Amendment, the Port and the Developer hereby agree as follows:

1. In this First Amendment, unless otherwise noted, underline and strike-through text shall be used to indicate amendments to the Contract for Private Development. Underline text shall indicate new language, and ~~strike-through text~~ shall indicate removed language.

2. Section 1.1 Definitions of the Contract for Private Development is amended as follows:

"Minimum Improvements" means the construction of a 7,500 sq ft. restaurant and tavern with a rooftop patio and upstairs bar and banquet area (the "Project") consistent with the Construction Plans on the Property. After completion of the Minimum Improvements, the term shall mean the Property as improved by the Minimum Improvements.

"Project" means a 7,500 sq. ft. restaurant and tavern with a rooftop patio and upstairs bar and banquet area.

"Satisfactory Progress to Completion" means the certification to be made by the City's building official after all rough-in inspections for plumbing, utilities, framing and electrical work on the Minimum Improvements have been completed and passed, and the building shell is completed, and the roofing structure and membrane are installed.

3. Section 3.1 of the Contract for Private Development is amended as follows:

Section 3.1. Acquisition of the Property. The Developer has entered into a purchase agreement regarding the Property and agrees to close on the transaction and obtain fee title and possession of the Property by no later than ~~July 30, 2024~~ April 30, 2025.

4. Section 4.3 of the Contract for Private Development are amended as follows:

Section 4.3 Commencement and ~~Completion of Construction~~ Satisfactory Progress to Completion. Subject to Unavoidable Delays and the Port's timely approval of the Construction Plans, and any delays in the Developer's receipt of the City's approvals, the Developer shall commence construction of the Minimum Improvements by no later ~~than August 30, 2024~~ April 30, 2025. Subject to Unavoidable Delays, the Developer shall have achieved ~~Substantial Completion~~ Satisfactory Progress to Completion of the Minimum Improvements by no later than December 20, 2025. All work with respect to the Minimum Improvements to be constructed or provided by the Developer on the Property shall be in conformity with the Construction Plans. Following written report thereof from the Port, the Developer shall make such reports to the Port regarding construction of the Minimum Improvements as the Port deems necessary or helpful in order to monitor progress on construction of the Minimum Improvements.

5. Section 5.3 of the Contract for Private Development is amended as follows:

Section 5.3. Conditions Precedent to Financial Assistance. Notwithstanding anything in this Agreement to the contrary, the Port shall not be obligated to pay the Financial Assistance to Developer until all of the following conditions precedent have been satisfied:

(a) The Developer has acquired the Property as of ~~August 30, 2024~~ April 30, 2025;

(b) The Developer and the Port have executed this Agreement and it has been recorded in the County land records;

(c) The Developer has demonstrated to the Port that it has incurred Qualified Costs in at least the amount of $500,000;

(d) ~~The Certificate of Substantial Completion has been issued~~ Satisfactory Progress to Completion has been achieved by December 20, 2025;

(e) The Developer remains eligible for receiving a business subsidy under the Business Subsidy Act; and

(f) There has been no Event of Default on the part of the Developer which has not been cured.

When the above conditions have been satisfied, the Port will disperse the Financial Assistance to the Developer. The Developer understands and agrees that all Spending Plan TIF must be spent by December 31, 2025. To the extent the Spending Plan TIF is not spent by December 31, 2025, the Port shall have no further obligation to make any additional payments under this Agreement.

6. Section 10.1(a) of the Contract for Private Development is amended as follows:

(a) Failure by the Developer to acquire the Property in fee by ~~August 30, 2024~~ April 30, 2025 or failure to satisfy any other condition precedent specified in section 5.3 of this Agreement.

7. Except as amended in this First Amendment, all of the provisions, covenants, terms and conditions of the Contract for Private Development shall remain unaltered and in full force and effect.

8. This First Amendment may be executed in any number of counterparts. All such counterparts will be deemed to be originals and will together constitute but one and the same instrument.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be executed as of the date first above written.

ROSEMOUNT PORT AUTHORITY

By _____

_____,

By _____

_____,

STATE OF MINNESOTA)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this ____ day of _____, 2024, by _____, the _____ of the Rosemount Port Authority, a public body corporate and politic under the laws of Minnesota, on behalf of the Authority.

IN WITNESS WHEREOF, I have set my hand and my official seal this ____ day of _____, 2024.

_____
Notary Public

STATE OF MINNESOTA)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this ____ day of _____, 2024, by _____, the _____ of the Rosemount Port Authority, a public body corporate and politic under the laws of Minnesota, on behalf of the Authority.

IN WITNESS WHEREOF, I have set my hand and my official seal this ____ day of _____, 2024.

_____
Notary Public

WILLY MCCOY'S OF SHAKOPEE, LLC

By _____
_____

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this ___ day of _____, 2024, by _____, the _____ of Willy McCoys of Shakopee LLC, a Delaware limited liability company, on behalf of the company.

IN WITNESS WHEREOF, I have set my hand and my official seal this ___ day of _____, 2024.

_____
Notary Public

EXHIBIT A

The property subject to the foregoing First Amendment to Contract for Private Development is as follows:

[add platted legal description]

4865-3537-5316, v. 1

ROSEMOUNT
MINNESOTA

EXECUTIVE SUMMARY

Port Authority Regular Meeting: August 20, 2024

AGENDA ITEM: Project Updates	**AGENDA SECTION:** OLD BUSINESS
PREPARED BY: Eric Van Oss, Economic Development Coordinator	**AGENDA NO.** 7.a.
ATTACHMENTS:	**APPROVED BY:** LJM
RECOMMENDED ACTION: Information Item	

BACKGROUND

Ongoing and New Projects

ISD 196: The school district has applications in for a plat, rezone, and CUP for a new middle school with various play areas, sports fields, bus corral and parking areas at the intersection of Biscayne Avenue and County Road 42.

Kwik Trip: Kwik Trip has submitted plans for a 11,000 sf gas station and stand-alone carwash to be located at the northwest quadrant of Akron and County Road 42 intersection.

Beirut Restaurant: Beirut will be relocated from West St. Paul to Rosemount. They will be located near the Aldi grocery store. This location will offer fast-casual counter service with a heavy focus on catering, ready-made products, and carry-out/take-home services. Staff is working with the owners to plan a ribbon cutting.

KJ Walk/Rosewood Commons: My Credit Union has submitted a proposal for an 8,130 sf bank that will include a drive-through and community room. This was approved by the Planning Commission in June, and the City Council approved their CUP/Minor Amendment in July. KJ Walk is scheduled for PC this month for a site plan review for two lots within Rosewood Commons Second Addition. One lot will be for a restaurant and the other is a multi-tenant building that will contain a fast food/drive-through and other office/retail uses.

Life Time Area: Willy McCoy's has an updated timeline (spring 2025) and the Port will update the business subsidy agreement to reflect the changes on August 20th.

O2B Kids: A day care was approved for an 11,000 sf indoor facility and a 10,786 outdoor play area. This will be constructed on the northwest side of Akon and 42. Upon completion, there will be 157 students and 27 staff.

Today's Life Childcare: An application was received for a new 12,408 sf childcare facility just east of the current Anytime Fitness building.

Speedway: Environmental review was completed in March and the matter was returned to the foreclosure process. There was a hearing to confirm the sheriff's sale on June 17th. The six-month redemption period begins once the order confirming the sale is entered. Thus, the redemption period ends on or about December 17th – depending upon when the court enters the order. Staff continues to work with the receivership to get an action plan for the property once the lender can assume ownership. The City is also maintaining the lawn and any trash issues for the site.

UMore: Staff has been working extensively with the University of Minnesota on the next stages of UMore development. This has included prospects for industrial and business park uses. These are part of a larger ongoing discussion for the next stages of UMore's development. Staff will give an update on Project Falcon and other potential users on the August 20th regular meeting. City Council will be considering a resolution of support for Project Falcon's Minnesota Forward Fund application at their meeting on August 20th.

RECOMMENDATION

None