

CITY OF ST. FRANCIS
CITY COUNCIL AGENDA
December 17, 2012
ISD #15 CENTRAL SERVICES CENTER (DISTRICT OFFICES)
4115 Ambassador Blvd. NW
6:00 pm

1. Call to Order/Pledge of Allegiance
2. Roll Call
3. Adopt Agenda
4. Consent Agenda
 - a. City Council Minutes – December 3, 2012
 - b. Hire Part Time Liquor Store Applicant Heidi Lefavor
 - c. Pay Estimate No. 1 for the T.H. 47 Pedestrian Improvements
 - d. Pay Request No. 12 from Amcon Construction Management for \$52,398 to North Metro Asphalt & Contracting, Noble Nursery Retail (Northern Escrow), Central MN Fabricating, McDowall Company, and Custom Expressions
 - e. Pay Estimate No. 13 from Amcon Construction Management for \$136,981 New Look Contracting Inc., Northland Paving LLC, Classis Construction of Cedar MN, Maxx Steel Erectors, Shaw Stewart Lumber Company, Gopher State Contractors, Southern MN Woodcraft Industries, Heartland Glass, Acoustics Associates, Bartley Sales Company, Construction Supply Inc., Signarama, Electrical Solutions Inc., and Altech Engineering Inc.
 - f. Receive and File the EDA's 2013 Budget
 - g. Payment of Claims
5. Meeting Open to the Public
6. Petitions, Requests, Applications
 - a. George Eilertson of Northland Securities: Financial Advisory Service Agreement related to the issuance of General Obligation Crossover Refunding Bonds, Series 2013A
 - b. Resolution 2012-38 Providing for the Issuance and Sale of General Obligation Crossover Refunding Bonds, Series 2013A in the Proposed Aggregate Principal amount of \$2,745,000
7. Ordinances & Resolutions:
 - a. Resolution 2012-40: Adopting 2012 Pay Plan for Non-Organized Employees and Setting the General City Health Insurance Stipend and Benefits
 - b. Resolution 2012-41: Certifying Taxes Payable in 2013
 - c. Resolution 2012-42: Adopting a Budget for 2013
 - d. Resolution 2012-43: End of Year Transfers
 - e. Resolution 2012-44: Ordering condemnation of Certain Lands for Public Right-of Way Purposes
 - f. Resolution 2012- 45: Approving the License Renewals for 2013
 - g. Resolution 2012-46: Declaring Surplus Property and Authorizing the Disposal of said Property
8. Reports of Consultants & Staff Members
 - a. Engineer:
 - b. Attorney:
 - c. Staff:
 - Fire:
 - Public Works:
 - Liquor Store:
 - Police:
 - City Administrator: 1) Market Feasibility Study for Active Adult Senior Housing & Affordable General Occupancy Housing in St. Francis
2) Road Structures
9. Reports from Council Members
10. Report from Mayor
11. Old Business
12. New Business
13. Adjournment

CALENDAR OF EVENTS

Dec 15:	Pioneer Day Fundraiser Pancake Breakfast @ Am Legion 7:00 am to 11:00 am
Dec 16:	Pioneer Day Fundraiser Pancake Breakfast @ Am Legion 8:00 am to Noon
Dec 17:	City Council Meeting @ ISD #15 Central Services Center (District Offices) 6:00 pm
Dec 24 & 25:	City Offices Closed for the Christmas Holidays
Jan 1:	City Offices Closed for the New Year's Day
Jan 7:	City Council Meeting @ ISD #15 Central Services Center (District Offices) Welcome new members at 5:30 Reg. Mtg 6:00 pm

TO: Mayor & City Council

FROM: Matthew L. Hylan, *Matt* ^(Bu)
City Administrator

RE: Agenda Memorandum – December 17, 2012 Meeting

Agenda Items:

4. Consent Agenda:

- c. T.H. 47 Pedestrian Improvement: Attached is a copy of Pay Estimate #1 for the Trunk Highway 47 Pedestrian Improvement project in the amount of \$73,671.07 with the appropriate retainage withheld (5%).
- d. Police/Public Works Building: Attached is Pay Request #12 from Amcon Construction Management in the amount of \$52,398.
- e. Police/Public Works Building: Attached is Pay Request #13 from Amcon Construction Management in the amount of \$136,981.

6. Petitions, Requests, Applications:

- a. Northland Securities, Inc. Agreement: George Eilertson, Northland Securities will be present to discuss any questions with this agreement or the next agenda item regarding the issuance of refunding bonds. Attached is the Financial Advisory Service Agreement between the City and Northland Securities, Inc. A motion would be in order to approve the Northland Securities, Inc. agreement.
- b. Resolution 2012-38: Attached is Resolution 2012-38 providing for the issuance and sale of General Obligation Crossover Refunding Bonds, Series 2013A in the proposed aggregate principal amount of \$2,745,000. A motion would be in order to approve Resolution 2012-38.

7. Ordinances & Resolutions:

- a. Resolution 2012-40: Attached is Resolution 2012-40 which adopts the 2013 Pay Plan for the Non-Organized Employees and Setting the general city Health Insurance Stipend and Benefits. Mayor Tveit met with non-union employees (without me) to discuss this potential wage adjustment. Mayor Tveit will lead a discussion with the Council Monday. As part of that discussion he requested I forward to the Council, that each ½ % above the salaries budgeted would be approximately \$4,150 in new general fund expense.
- b. Resolution 2012-41: Attached is an Agenda Report from Finance Director Mulvihill regarding the levy, budget and end of year transfers. Additionally attached is Resolution 2012-41, which certifies taxes payable in 2013. A motion is in order to approve Resolution 2012-41.
- c. Resolution 2012-42: Attached is Resolution 2012-42 adopting the 2013 Municipal Budget. A motion is in order to approve Resolution 2012-42.
- d. Resolution 2012-43: Attached is Resolution 2012-43 approving the End of Year transfers for 2102. A motion is in order to approve Resolution 2012-43.
- e. Resolution 2012-44: Attached is Resolution 2012-44 which orders condemnation of certain lands for public Right-of-Way. This is needed to complete the required turn lane off T.H. 47 at the new Police/Public Works building after negotiations ceased to be productive. A motion is in order to approve Resolution 2012-44.
- f. Resolution 2012-45: Attached is Resolution 2012-45 adopting the License Renewals for 2013. A motion is in order to approve Resolution 2012-45.
- g. Resolution 2012-46: Attached is Resolution 2012-46 declaring surplus property and authorizing the disposal of said property. A motion is in order to approve Resolution 2012-46.

8. Reports:

- a. **Engineer:**
- c. **Staff:**
 - Fire:**
 - Public Works:**

Liquor Store:

Police:

City Administrator: *Housing Market Study:* Attached is a copy of the housing study completed for St. Francis. We will be sharing this study with developers in the area and posting it on our website.

Road Structures: After consultation with Jared Voge, City Engineer and other staff, here are some options to enhance transportation in and leading to St. Francis.

1. We could help establish a Northern Anoka County Roadway Task force/coalition – could be composed of a variety of communities for which their City Councils would pass resolutions requesting/illustrating the need for improvements to County Roads, and TH 47. Resolutions could be tailored to either Anoka County (County Roads) or MnDOT (TH 47). Anoka County could potentially be a partner when approaching MnDOT. A variety of Highway Corridor Coalitions have been established throughout the state i.e. TH 55, 14, 25, etc. Lobbying has been done in Washington by these Corridor Coalitions, some successfully.

2. Lobby legislature (State) for funding to improve TH 47 – identify the bottleneck it creates for Economic Development in Northern Anoka County. Need to get in front of senators and representatives. Get in touch with TFAC – transportation finance advisory committee and support funding opportunities which haven't been employed in MN before i.e. wheelage tax, public/private partnerships, etc.

This will be a long process but to get it initiated, partners will have to be identified, Cities, County Board, County Highway, County EDA, Chambers, etc. but once it is initiated it will be more successful than the City of St. Francis “going it alone”.

I look forward to hear your comments on these ideas.

11. Old Business:

12. New Business:

CITY OF ST. FRANCIS
ST. FRANCIS, MN
ANOKA COUNTY

CITY COUNCIL MINUTES

DECEMBER 3, 2012

1. **Call to Order/Pledge of Allegiance:** The regular City Council Meeting was called to order by Mayor Jerry Tveit at 6:00 p.m.
2. **Roll Call:** Present were Mayor Jerry Tveit, Councilmembers Jeff Sandoval, Amy Lazere, Steve Kane and Chris McClish. Also present were Police Chief Jeff Harapat, Public Works Director Paul Teicher, Finance Director Darcy Mulvihill, City Administrator Matt Hylen, and City Clerk Barb Held.
3. **Adopt Agenda:** MOTION BY SANDOVAL SECOND KANE TO ADOPT THE DECEMBER 3, 2012, CITY COUNCIL AGENDA. Motion carried 5-0.
4. **Consent Agenda:** MOTION BY McCLISH SECOND SANDOVAL TO ADOPT THE DECEMBER 3, 2012, CITY COUNCIL CONSENT AGENDA A-F AS FOLLOWS:
 - a. Approve the City Council Minutes of November 19, 2012:
 - b. Approve the St. Francis Employee Right to Know Policy Manual Update
 - c. Enter into a Management Agreement with the St. Francis Homerun Club for the staffing and maintenance of the Warming House/Rinks this season.
 - d. Enter into a Joint Powers Agreement between Anoka County and the Municipalities, Townships and School Districts in Anoka County to Allocate Costs for Election Expenses.
 - e. Approve the St. Francis Lions Club Application to Conduct Excluded Bingo at the American Legion on December 14, 2012.
 - f. Approve Payment of Claims for \$307,285.74. (Check numbers 64699-64761 for \$216,632.88 and ACH 46 & 47 for \$90,652.86) Motion carried 5-0.
5. **Meeting Open to the Public:** None
6. **Petitions, Requests, Applications:**
 - a. **discussion on the 2013 Proposed Budget – Public Input:** Each year the City is required to hold a public meeting to discuss the budget and property tax levy and allow public input. Finance Director Darcy Mulvihill gave a power point presentation on the 2013 proposed budget. It was also noted that since the proposed property tax statements went out the city council lowered the Levy to a 4% increase, from the initial 7% increase.

At 6:09 Mayor Tveit opened the discussion for the public input.

Al Heifort 23943 Quicksilver Street, asked who is it that makes the decision on my taxes, you or the county. Tveit explained how the State dictates the formula and the market value exclusion. Hylen said

the last two years the City Council had a zero tax levy increase. With the new formula in the market value exclusion, residents saw their taxes increase even though our levy did not go up. Mr. Heifort asked whom do I go to? My taxes went up 25%. Staff indicated they would look at his statement.

Michael Minkler, 24311 Riverbank Lane, referenced an article in the Star Tribune. My value went down by 6.5% but the City tax portion went up 12.4%. Tveit said for the last 2 to 3 years the levy was held to a zero percent tax increase but people's taxes still went up. The exclusion is what maybe the problem. What is driving the 4% increase? Tveit stated the cost of living, fuel cost and just fixed expenses are some of the reasons.

Connie Nachreiner, *** With the new city hall and everything, we want you to cut back. We haven't seen any cutbacks you have made. I am self-employed and have not seen a raise in four years and now I am on workers comp. Tveit stated we have made staff cuts and are trying to be more efficient. We are working with the school district on projects and purchasing the right equipment. We are trying to do the right thing. Nachreiner stated and we heard you have a private detective why do we need that. Police Chief Harapat said we have a patrolman that is an investigator. She also stated when there is an issue with my property, the city orders the police department out and then there is no police report. Tveit said I am a firm believer of spending money wisely. I do not know what the reason or the story behind the police coming to your property. Nachreiner said we have a problem neighbor and we do not know why we cannot get a police report when the city sends the police out. We are all hurting out here.

Tveit said we do appreciate to hear the feedback. With no more public comment, Tveit closed the public input session at 6:40 pm.

Hylen said in order to prepare for the final budget is there any other direction you would like staff to adjust the budget. We have lowered the budget to the 4% Levy increase from the initial 7%. Consensus was to stay with the 4% Tax Levy increase for preparing the final budget.

b. The Ponds Clubhouse: PUD Amendment-Resolution 2012-39: The property owners of the Ponds Golf Course would like to adjust a lot line within the PUD in a manner inconsistent with the original PUD therefore requiring a Minor PUD Amendment. Planner Nate Sparks provided an agenda report giving the background and stating the reason for the amendment. Lazere asked about parking for the lot to the east. Will there be enough parking for that lot. Hylen said the number of parking stalls will be determined on the use of the property. **MOTION BY KANE SECOND SANDOVAL TO ADOPT RESOLUTION 2012-39 A RESOLUTION APPROVING A MINOR PLANNED UNIT DEVELOPMENT AMENDMENT AND A LOT LINE ADJUSTMENT FOR THE PONDS GOLF COURSE CLUB HOUSE.** Motion carried 5-0.

7. Ordinances & Resolution:

a. Ordinance 180, Second Series: Amending Section 2-9-1 Regarding the Fee Schedule (Second Reading): **MOTION BY SANDOVAL SECOND KANE APPROVING THE SECOND READING OF ORDINANCE 180, SECOND SERIES AMENDING SECTION 2-9-1 REGARDING THE FEE SCHEDULE.** The water/sewer rates do need to be addressed. McClish is concerned with the increase of the water rates along with Tveit and Lazere. McClish stated he would recommend raising the base rate for water and sewer by .25 per month. Sandoval said isn't that part of our agreement with the bonding agency for the water treatment plant that we would keep increasing the rates. If we do not keep up they could come in and raise our rates. Hylen said that is correct we do need to address the rates at some point. It is easier to raise them with a small increase at a time and not one

large increase. Tveit said the cities to the south get help with the Met Council on their rates, could we? Hylen said yes they do get help but Met Council also gets to dictate how and where you will build. They too increased their rates this year. Hylen said so just a clarification could you give us direction on the rates. McClish is in favor for the base rate to go up for both and not the rates. Kane agree with McClish. Lazere wants to see no increase. Sandoval still thinks there should be a rate increase. McClish said the base rate increase for water and sewer is only .25 per month. Sandoval again stated I do not want to get caught and have another entity, such as the State to come in and force us to raise them.. Tveit asked to have the proposed rate scheduled sent to them that was presented at the time the City was working on the bond for the new water treatment plant. Hylen stated there was one more item staff would like included in the fee schedule. That is, with the recent purchase of a pay loader, we would like that to be included under the equipment and priced at \$90.00 per hour. MOTION MCCLISH SECOND KANE TO AMEND ORIGINAL ORDINANCE 180, SECOND SERIES TO INCLUDE THE PAY LOADER FEE FOR \$90.00 AND INCREASE THE BASE RATE FEE FOR WATER AND SEWER BY .25 PER MONTH. Roll Call: Kane, McClish, and Tveit. NAYS: Sandoval and Lazere. Motion failed by not receiving a 4/5 vote.

MOTION BY LAZERE SECOND SANDOVAL TO ADD THE PAY LOADER FEE OF \$90.00 PER HOUR. Roll Call: Ayes: Kane, Lazere, Sandoval, McClish and Tveit. Nays: None. Motion carried 5-0.

SANDOVAL AND KANE AGREE TO AMEND THE ORIGINAL MOTION WITH THE AMENDMENT OF ADDING THE PAY LOADER FEE OF \$90.00 PER HOUR. Roll Call: Ayes: Lazere, Sandoval, Tveit, McClish and Kane. Nays: None. Motion carried 5-0.

8. **Reports of Consultants & Staff Members:**

a. **Engineer:**

b. **Attorney:**

c. **Staff:**

Fire Department:

Public Works:

Liquor Store:

Police Dept.: Temporary Part Time Office Personnel: Police Chief Jeff Harapat is asking for a Temporary part time office personnel for approximately six weeks. This temporary position is needed due to a medical leave of one of our full time office personnel. A current Police Reserve, Britny Schmitz is able to work the needed hours and has some experience within this field. This should not affect the budget because cuts will be made in other areas. MOTION BY SANDOVAL SECOND LAZERE TO HIRE RESERVE OFFICER BRITNY SCHMITZ AS A TEMPORARY PART TIME OFFICE PERSONNEL. Sandoval stated he just wants to make it clear is we are not adding a position we are just filling a position temporarily due to a medical leave. Motion carried 5-0.

City Administrator Report: Habitat for Humanity of the Cambridge area is still interested in building a home in St. Francis on a parcel the City owns. Administrative Intern Chris Mickelson volunteered his time to go to this meeting tonight for us. Mickelson completed his internship with the City of St. Francis at the end of November.

As of today, our new Administrative Hearing Officer will be put to a test. A resident that received an Administrative notice has requested an appeal.

With the new personnel on the Council, please look at your calendars for available dates to have a budget and informational workshop.

Last week in our off week memo a date was set for an open house for our new fac, there was some questions regarding our suddenness of an open house of our new facility. Sorry in regards to the timing. We would like to coordinate all the commissions to meet for a walk through next Wednesday and the following evening a public open house.

9. **Reports from Council Members:** Lazere would like to set up a time to meet with the local businesses and the St. Francis Chamber.

10. **Report from Mayor:** Tveit reminded everyone to read the newsletter that will be delivered soon. The Chamber of Commerce is sponsoring a breakfast on Saturday, December 15 and Sunday December 16 to help raise funds for Pioneer Days. Come out and support your community.

Invite everyone to come to the Open House on December 13 to tour the new public works/police facility.

11. **Old Business:** McClish asked if there is any update on the road structure. Hylen stated he would get back to the council on road improvements.

Sandoval asked how much salt did we buy and how much savings. I have been getting numerous on these questions.

McClish regarding the old police department building are we going to be removing the signage? People are still confused of where to go.

12. **New Business:** None

13. **Adjournment:** Mayor Tveit adjourned the regular City Council meeting at 7:25 pm

Barbara I. Held, City Clerk



BOLTON & MENK, INC.[®]

Consulting Engineers & Surveyors

7533 Sunwood Drive NW, Suite 206 • Ramsey, MN 55303

Phone (763) 433-2851 • Fax (763) 427-0833

www.bolton-menk.com

December 4, 2012

Mr. Matt Hylen, Administrator
City of St. Francis
23340 Cree Street
St. Francis, MN 55070-9390

Re: T.H. 47 Pedestrian Improvements
St. Francis, Minnesota
BMI Project No: R18.105125

Dear Matt:

Enclosed please find three copies of Pay Estimate No. 1 for the above referenced project. The estimate includes all work completed to date. I recommend that the Pay Estimate be approved as shown. If you agree, please sign all copies and return one each with payment to the contractor and one each to me for our files.

If you have any questions on the above, please call.

Sincerely,

BOLTON & MENK, INC.

Jared Voge, P.E.
City Engineer

JAV/kg
Enclosure

CONTRACTOR'S PAY REQUEST
TH 47 PEDESTRIAN IMPROVEMENTS- S.A.P. 235-010-002
ST. FRANCIS, MINNESOTA
BMI PROJECT NO. R18.105125

CONTRACTOR
OWNER
ENGINEER

TOTAL AMOUNT BID PLUS APPROVED CHANGE ORDERS.....	\$	140,096.00
TOTAL, COMPLETED WORK TO DATE.....	\$	77,548.50
TOTAL, STORED MATERIALS TO DATE.....		\$0.00
DEDUCTION FOR STORED MATERIALS USED IN WORK COMPLETED.....		\$0.00
TOTAL, COMPLETED WORK & STORED MATERIALS.....	\$	77,548.50
RETAINED PERCENTAGE (5%).....	\$	3,877.43
TOTAL AMOUNT OF OTHER PAYMENTS OR (DEDUCTIONS).....	\$	-
NET AMOUNT DUE TO CONTRACTOR TO DATE.....	\$	73,671.07
TOTAL AMOUNT PAID ON PREVIOUS ESTIMATES.....	\$	-
PAY CONTRACTOR AS ESTIMATE NO. 1	\$	73,671.07

Certificate for Partial Payment

I hereby certify that, to the best of my knowledge and belief, all items, quantities and prices of work and material shown on this Estimate are correct and that all work has been performed in full accordance with the terms and conditions of the Contract for this project between the Owner and the undersigned Contractor, and as amended by any authorized changes, and that the foregoing is a true and correct statement of the contract amount for the period covered by this Estimate.

Contractor: Concrete Idea, Inc.
13961 44th Lane NE
St. Michael, MN 55376

By Jared Voge President 11/29/2012
Name Title Date

CHECKED AND APPROVED AS TO QUANTITIES AND AMOUNT:
BOLTON & MENK, INC., ENGINEERS, 7533 SUNWOOD DRIVE NW, SUITE 206, RAMSEY, MN 55303

By Jared Voge City Engineer 12/4/12
Jared Voge, P.E. Title Date

APPROVED FOR PAYMENT:
Owner: ST. FRANCIS, MINNESOTA

By _____ City Administrator _____
Matt Hylan Title Date

PARTIAL PAY ESTIMATE NO. 1

TH 47 PEDESTRIAN IMPROVEMENTS- S.A.P. 235-010-002
 ST. FRANCIS, MINNESOTA
 BMI PROJECT NO. R18.105125

WORK COMPLETED THROUGH NOVEMBER 13, 2012.

ITEM NO.	MNDOT SPEC.	DESCRIPTION	UNIT PRICE	ESTIMATED		QUANTITY PREVIOUS ESTIMATE	QUANTITY COMPLETED TO DATE	
				BID QUANTITY	BID AMOUNT			
SECTION A: FINAL COMPLETION DATE- JANUARY 25, 2013								
1	2021.501	MOBILIZATION	\$ 13,000.00	1.00	LUMP SUM \$ 13,000.00	LUMP SUM \$ -	0.75	LUMP SUM \$ 9,750.00
2	2102.501	PAVEMENT MARKING REMOVAL	\$ 2.00	450.00	SQ FT \$ 900.00	SQ FT \$ -	465	SQ FT \$ 810.00
3	2102.502	PAVEMENT MARKING REMOVAL	\$ 2.50	100.00	LIN FT \$ 250.00	LIN FT \$ -	56	LIN FT \$ 140.00
4	2104.501	REMOVE SEWER PIPE (STORM)	\$ 22.50	40.00	LIN FT \$ 900.00	LIN FT \$ -	40	LIN FT \$ 900.00
5	2104.505	REMOVE CONCRETE PAVEMENT	\$ 18.00	106.00	SQ YD \$ 1,908.00	SQ YD \$ -	106	SQ YD \$ 1,908.00
6	2104.505	REMOVE BITUMINOUS PAVEMENT	\$ 13.50	143.00	SQ YD \$ 1,930.50	SQ YD \$ -	143	SQ YD \$ 1,930.50
7	2104.513	SAWING BIT PAVEMENT (FULL DEPTH)	\$ 4.00	283.00	LIN FT \$ 1,132.00	LIN FT \$ -	280	LIN FT \$ 1,120.00
8	2104.523	SALVAGE SIGN	\$ 30.00	5.00	EACH \$ 150.00	EACH \$ -	3	EACH \$ 90.00
9	2104.601	REMOVE FLASHER SYSTEM	\$ 2,700.00	1.00	LUMP SUM \$ 2,700.00	LUMP SUM \$ -		
10	2104.601	HAUL SALVAGED MATERIAL	\$ 250.00	1.00	LUMP SUM \$ 250.00	LUMP SUM \$ -		
11	2105.523	COMMON BORROW (LV)	\$ 14.00	8.00	CU YD \$ 112.00	CU YD \$ -	3	CU YD \$ 42.00
12	2105.525	TOPSOIL BORROW (LV)	\$ 20.00	8.00	CU YD \$ 160.00	CU YD \$ -	14	CU YD \$ 280.00
13	2231.604	BITUMINOUS PATCH (TH 47 RESTORATION)	\$ 45.00	75.00	SQ YD \$ 3,375.00	SQ YD \$ -	72	SQ YD \$ 3,240.00
14	2231.604	BITUMINOUS PATCH (TRAIL RESTORATION)	\$ 45.00	5.00	SQ YD \$ 225.00	SQ YD \$ -		
15	2501.511	15" CS PIPE CULVERT	\$ 33.00	51.00	LIN FT \$ 1,683.00	LIN FT \$ -	51	LIN FT \$ 1,683.00
16	2501.511	18" CS PIPE CULVERT	\$ 36.00	35.00	LIN FT \$ 1,260.00	LIN FT \$ -	35	LIN FT \$ 1,260.00
17	2501.515	15" CS PIPE APRON	\$ 150.00	3.00	EACH \$ 450.00	EACH \$ -	3	EACH \$ 450.00
18	2501.515	18" CS PIPE APRON	\$ 200.00	1.00	EACH \$ 200.00	EACH \$ -	1.00	EACH \$ 200.00
19	2503.602	CONNECT TO EXISTING STORM SEWER	\$ 400.00	2.00	EACH \$ 800.00	EACH \$ -	2	EACH \$ 800.00
20	2506.501	CONSTRUCT DRAINAGE STRUCTURE, DES G	\$ 500.00	3.30	LIN FT \$ 1,650.00	LIN FT \$ -	3.3	LIN FT \$ 1,650.00
21	2506.516	CASTING ASSEMBLY	\$ 700.00	1.00	EACH \$ 700.00	EACH \$ -	1	EACH \$ 700.00
22	2521.501	6" CONCRETE WALK	\$ 9.50	2070.00	SQ FT \$ 19,665.00	SQ FT \$ -	2070	SQ FT \$ 19,665.00
23	2531.501	CONCRETE CURB & GUTTER DESIGN B418	\$ 35.50	109.00	LIN FT \$ 3,869.50	LIN FT \$ -	142	LIN FT \$ 5,041.00
24	2531.618	TRUNCATED DOMES	\$ 32.00	32.00	SQ FT \$ 1,024.00	SQ FT \$ -	32	SQ FT \$ 1,024.00
25	2531.618	TRUNCATED DOMES (6' RADIUS)	\$ 33.00	54.00	SQ FT \$ 1,782.00	SQ FT \$ -	54	SQ FT \$ 1,782.00
26	2553.601	TRAFFIC CONTROL	\$ 6,000.00	1.00	LUMP SUM \$ 6,000.00	LUMP SUM \$ -	0.5	LUMP SUM \$ 3,000.00
27	2564.602	FURNISH SIGN POSTS	\$ 110.00	5.00	EACH \$ 550.00	EACH \$ -	3	EACH \$ 330.00
28	2564.602	INSTALL SIGN (SALVAGED)	\$ 39.00	5.00	EACH \$ 195.00	EACH \$ -	3	EACH \$ 117.00
29	2585.615	PEDESTRIAN CROSSWALK FLASHER SYSTEM	\$ 59,450.00	1.00	SYSTEM \$ 59,450.00	SYSTEM \$ -	0.1	SYSTEM \$ 45.00
30	2573.53	STORM DRAIN INLET PROTECTION	\$ 45.00	1.00	EACH \$ 45.00	EACH \$ -	1	EACH \$ 45.00
31	2573.54	FILTER LOG TYPE STRAW BIOROLL (6"-7')	\$ 7.50	25.00	LIN FT \$ 187.50	LIN FT \$ -	25	LIN FT \$ 187.50
32	2573.55	EROSION CONTROL SUPERVISOR	\$ 50.00	1.00	LUMP SUM \$ 50.00	LUMP SUM \$ -	1	LUMP SUM \$ 50.00
33	2575.501	SEEDING	\$ 5,000.00	0.10	ACRE \$ 500.00	ACRE \$ -	0.1	ACRE \$ 500.00
34	2575.502	SEED MIXTURE 250	\$ 8.50	11.00	POUND \$ 93.50	POUND \$ -	11	POUND \$ 93.50
35	2575.523	EROSION CONTROL BLANKETS CATEGORY 3 (WOOD FIBER)	\$ 2.25	484.00	SQ YD \$ 1,089.00	SQ YD \$ -	220	SQ YD \$ 495.00
36	2575.532	FERTILIZER TYPE 1	\$ 8.00	20.00	POUND \$ 160.00	POUND \$ -	20	POUND \$ 160.00
37	2582.502	4" SOLID LINE WHITE- EPOXY	\$ 10.00	126.00	LIN FT \$ 1,260.00	LIN FT \$ -	136	LIN FT \$ 1,360.00
38	2582.502	4" SOLID LINE YELLOW- EPOXY	\$ 10.00	18.00	LIN FT \$ 180.00	LIN FT \$ -		
39	2582.503	CROSSWALK MARKING-POLY PREFORM (TAPE)	\$ 30.00	342.00	SQ FT \$ 10,260.00	SQ FT \$ -	360	SQ FT \$ 10,800.00

SUBTOTAL (SECTION A) = \$ 140,095.00

\$ 77,548.50

APPLICATION AND CERTIFICATE FOR PAYMENT

To (Owner): City of St. Francis
23340 Cree St. NW
St. Francis, MN 55070

Project: St. Francis Police & Public Works
4058 St. Francis Blvd
St. Francis, MN 55070

Construction Amcon CM, LLC
Manager: 1715 Yankee Doodle Road, Suite 200
Eagan, MN 55121

Architect: Power Engineers Inc
105 East 4th St., Suite 200
Northfield, MN 55057

Application #: 14
Dated: 12/15/2012
Project No: CM234
Page: 1 of 2

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: Amcon CM, LLC

BY: 
DATE: 12/11/12

In accordance with the Contract Documents, based on on-site observations and the data comprising this application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

ARCHITECT: Power Engineers Inc.

BY: _____
DATE: _____

OWNER: City of St. Francis
BY: _____
DATE: _____

CHANGE ORDER SUMMARY

Change Order Number	Approval Date	Amount
1	11/30/2012	120,048

TOTAL \$120,048

Thank You

Application is made for payment as shown below in connection with the Contract Continuation Sheet attached.

The present status of the account for this contract is as follows:

Original Budget Sum:	\$6,425,937
Change Orders To Contract:	\$120,048
Contract Value	<u>\$6,545,985</u>
Total Completed & Stored To Date:	\$6,542,450
Retention:	\$128,899
Total Earned, Less Retention:	<u>\$6,413,551</u>
Previous Applications For Payment:	<u>\$6,361,153</u>
Current Payment Due:	\$52,398
Previously Submitted & Not Paid Applications:	\$0
TOTAL DUE:	\$52,398



CONTRACT CONTINUATION

Project: St. Francis Police & Public Works
St. Francis, MN

Application #: 14
Dated: 12/15/2012
Project No: CM 234

# Code	Description	Subcontractor/ Supplier	Original Contract	Changes To Contract	Sum to Date	Total Completed to Date	Retention	Total Earned		Previous Requests	Current Payment Due	%	Balance to Finish
								Less	Retention				
1 C-01	Site Grading/Excavating/Demo	North Metro Asphalt & Contracting	\$344,942	(\$4,695)	\$340,247	\$340,247	\$0	\$	340,247	\$327,391	\$12,856	100%	\$0
2 C-02	Site Utilities	New Look Contracting Inc.	284,500	15,505	300,006	300,006	0	0	300,006	300,006	0	100%	0
3 C-03	Asphalt Paving	Northland Paving, LLC	448,200	(16,411)	431,789	431,789	0	0	431,789	431,789	0	100%	0
4 C-04	Landscaping/Irrigation/Ret. Walls	Noble Nursery Retail	47,355	(335)	47,030	47,030	0	0	47,030	44,678	2,352	100%	0
5 C-05	Concrete & Masonry	Classic Construction of Cedar MN	777,988	1,569	779,557	779,557	0	0	779,557	779,557	0	100%	0
6 C-06	Precast Concrete	Falcon Inc	677,907	783	678,690	678,690	0	0	678,690	678,690	0	100%	0
7 C-07	Steel Fabrication (Supply)	Central Minnesota Fabricating	340,330	865	341,195	341,195	0	0	341,195	324,135	17,060	100%	0
8 C-08	Steel Erection	Maxx Steel Erectors	69,900	1,066	70,966	70,966	0	0	70,966	70,966	0	100%	0
9 C-09	Windows-Fiberglass (Supply)	Shaw Stewart Lumber Co	22,225	0	22,225	22,225	0	0	22,225	22,225	0	100%	0
10 C-10	Carpentry-Gen Construction	Gopher State Contractors Inc	123,310	1,289	124,599	124,599	0	0	124,599	124,599	0	100%	0
11 C-11	Architectural Woodwork, Cabinet	Southern MN Woodcraft Inc	47,950	10,671	58,621	58,621	0	0	58,621	58,621	0	100%	0
12 C-12	Flat Roofing	McDowell Company	400,650	582	401,232	401,232	0	0	401,232	381,170	20,062	100%	0
13 C-13	HM Doors/Retrakare (Supply)	Straughton Hardware Inc	96,980	(209)	96,771	94,815	4,741	0	90,074	90,074	0	98%	1,956
14 C-14	Overhead Doors	Overhead Door of the Northland	70,298	1,430	71,728	71,639	3,582	0	68,057	68,057	0	100%	89
15 C-15	Specialty Doors - Detention	Stronghold Industries Inc	24,400	0	24,400	24,400	1,220	0	23,180	23,180	0	100%	0
16 C-16	Glass and Glazing	Heartland Glass	49,060	518	49,578	49,578	0	0	49,578	49,578	0	100%	0
17 C-17	Drywall/Metal Stud Framing	M.Reinert Drywall Inc	83,000	2,279	85,279	85,279	0	0	85,279	85,279	0	100%	0
18 C-18	Flooring (Carpet and VCT)	Multiple Concept Interior Inc	23,949	1,384	25,333	25,333	1,267	0	24,066	24,066	0	100%	0
19 C-19	Ceramic and Quarry Tile	Grizzini Brothers & Company	31,397	1,218	32,615	32,615	1,631	0	30,984	30,984	0	100%	0
20 C-20	Painting & Coatings	Stienbrucher Painting	37,200	30,456	67,656	67,656	3,383	0	64,273	64,273	0	100%	0
21 C-21	Acoustical Ceiling	Acoustics Associates	26,825	1,306	28,131	28,131	1,407	0	26,724	26,724	0	100%	0
22 C-22A	Misc. Specialties	Bartley Sales Company Inc	16,891	990	17,881	17,881	0	0	17,881	17,881	0	100%	0
23 C-22B	Detention	Mid America Business Systems	36,218	(12,115)	24,103	23,103	1,155	0	21,948	21,948	0	96%	1,000
24 C-22C	Laundry Access, Wash Bay	Construction Supply Inc	13,621	1,591	15,212	15,212	0	0	15,212	15,212	0	100%	0
25 C-22D	Visual Display	Newline Products Inc	1,103	0	1,103	1,103	55	0	1,048	1,048	0	100%	0
26 C-22E	Supply Police Personnel Lockers	Trifin	13,561	0	13,561	13,561	0	0	13,561	13,561	0	100%	0
27 C-23	Fabric Covered Storage Struct.	Greystone Construction Co	114,950	16,312	131,262	131,262	0	0	131,262	131,262	0	100%	0
28 C-24	Lockers	Olympus Lockers & Storage Prod	17,800	964	18,764	18,764	938	0	17,826	17,826	0	100%	0
29 C-25	Signage	Signarama	9,896	391	10,287	10,287	0	0	10,287	10,287	0	100%	0
30 C-26	Mechanical -HVAC, Plumbing, Fin	St. Cloud Refrigeration	1,084,200	27,460	1,111,660	1,111,410	55,571	0	1,055,839	1,055,839	0	100%	250
31 C-27	Electrical	Electrical Solutions Inc	693,100	29,598	722,698	722,458	36,123	0	686,335	686,335	0	100%	240
32 C-28	Overhead Crane Systems	Alltech Engineering Corp	43,940	0	43,940	43,940	0	0	43,940	43,940	0	100%	0
33 C-29	Fencing/Gates	Midwest Fence	127,730	(4,000)	123,730	123,730	6,187	0	117,543	117,543	0	100%	0
34 C-30	Low Voltage Systems	Brothers Fire Protection	223,198	9,585	232,783	232,783	11,639	0	221,144	221,144	0	100%	0
35 C-31	Window Treatment	Custom Expressions	1,353	0	1,353	1,353	0	0	1,353	1,285	68	100%	0
TOTALS			\$6,425,937	\$120,048	\$6,545,985	\$6,542,450	\$128,899	\$	6,413,551	\$6,361,153	\$82,398	100%	\$3,535

APPLICATION AND CERTIFICATE FOR PAYMENT

To (Owner): City of St. Francis
 23340 Cree St. NW
 St. Francis, MN 55070

Project: St. Francis Police & Public Works
 4058 St. Francis Blvd
 St. Francis, MN 55070

Construction Amcon CM, LLC
 Manager: 1715 Yankee Doodle Road, Suite 200
 Eagan, MN 55121

Architect: Power Engineers Inc
 105 East 4th St., Suite 200
 Northfield, MN 55057

Application #: 13
 Dated: 11/30/2012
 Project No: CM234
 Page: 1 of 2

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: Amcon CM, LLC

BY: 
 DATE: 11/30/12

In accordance with the Contract Documents, based on on-site observations and the data comprising this application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

ARCHITECT: Power Engineers Inc.

BY: _____
 DATE: _____

OWNER: City of St. Francis
 BY: _____
 DATE: _____

CHANGE ORDER SUMMARY

Change Order Number	Approval Date	Amount
1	11/30/2012	120,108

TOTAL \$120,108

Thank You

Application is made for payment as shown below in connection with the Contract Continuation Sheet attached.

The present status of the account for this contract is as follows:

Original Budget Sum: \$6,425,937
 Change Orders To Contract: \$120,108
 Contract Value: \$6,546,045

Total Completed & Stored To Date: \$6,542,750
 Retention: \$181,597

Total Earned, Less Retention: \$6,361,153

Previous Applications For Payment: \$6,224,172

Current Payment Due: \$136,981

Previously Submitted & Not Paid Applications: \$0

TOTAL DUE: \$136,981



CONTRACT CONTINUATION

Project: St Francis Police & Public Works
St Francis, MN

Application #: 13
Dated: 11/30/2012
Project No: CM 234

#	Cost Code	Description	Subcontractor/Supplier	Original Contract	Changes To Contract	Sum to Date	Total Completed to Date	Retention	Total Earned		Previous Requests	Current Payment Due	%	Balance to Finish
									Less Retention	Plus Retention				
1	C-01	Site Grading/Excavating/Demo	North Metro Asphalt & Contracting	\$344,942	(\$4,395)	\$340,547	\$340,547	\$13,156	\$ 327,391	\$327,391	\$285,006	\$0	100%	\$0
2	C-02	Site Utilities	New Look Contracting Inc.	284,500	15,506	300,006	300,006	0	300,006	300,006	428,327	15,000	100%	0
3	C-03	Asphalt Paving	Northland Paving, LLC	448,200	(16,411)	431,789	431,789	0	431,789	431,789	44,678	3,462	100%	0
4	C-04	Landscaping/Irrigation/Ret. Walls	Noble Nursery Retail	47,365	(335)	47,030	47,030	2,352	44,678	44,678	740,579	0	100%	0
5	C-05	Concrete & Masonry	Classic Construction of Cedar MN	777,988	1,569	779,557	779,557	0	779,557	779,557	678,690	38,978	100%	0
6	C-06	Precast Concrete	Fabcon Inc	677,907	783	678,690	678,690	0	678,690	678,690	324,135	0	100%	0
7	C-07	Steel Fabrication (Supply)	Central Minnesota Fabricating	340,330	865	341,195	341,195	17,060	324,135	324,135	65,581	0	100%	0
8	C-08	Steel Erection	Maxx Steel Erectors	69,900	1,066	70,966	70,966	0	70,966	70,966	55,581	5,385	100%	0
9	C-09	Windows-Fiberglass (Supply)	Shaw Stewart Lumber Co	22,225	0	22,225	22,225	0	22,225	22,225	21,114	1,111	100%	0
10	C-10	Carpentry-Gen Construction	Gopher State Contractors Inc	123,310	1,289	124,599	124,599	0	124,599	124,599	118,369	6,230	100%	0
11	C-11	Architectural Woodwork, Cabinet	Southern MN Woodcraft Inc	47,950	10,671	58,621	58,621	0	58,621	58,621	55,690	2,931	100%	0
12	C-12	Flat Roofing	McDowell Company	400,650	582	401,232	401,232	20,062	381,170	381,170	381,170	0	100%	1,956
13	C-13	HM Doors/Hardware (Supply)	Straughan Hardware Inc	96,980	(209)	96,771	94,815	4,741	90,074	90,074	68,057	0	100%	89
14	C-14	Overhead Doors	Overhead Door of the Northland	70,298	1,430	71,728	71,639	3,582	68,057	68,057	23,180	0	100%	0
15	C-15	Specialty Doors - Detention	Stronghold Industries Inc	24,400	0	24,400	24,400	1,220	23,180	23,180	47,099	0	100%	0
16	C-16	Glass and Glazing	Heartland Glass	49,080	518	49,578	49,578	0	49,578	49,578	85,279	2,479	100%	0
17	C-17	Drywall/Metal Stud Framing	M.Reinert Drywall Inc	83,000	2,279	85,279	85,279	0	85,279	85,279	24,066	0	100%	0
18	C-18	Flooring (Carpet and VCT)	Multiple Concept Interior Inc	23,949	1,384	25,333	25,333	1,267	24,066	24,066	30,984	0	100%	0
19	C-19	Ceramic and Quarry Tile	Grazzini Brothers & Company	31,397	1,218	32,615	32,615	1,631	30,984	30,984	64,273	0	100%	0
20	C-20	Painting & Coatings	Steinbrecher Painting	37,200	30,456	67,656	67,656	3,383	64,273	64,273	0	26,724	100%	0
21	C-21	Acoustical Ceiling	Acoustics Associates	26,825	906	28,131	28,131	1,407	26,724	26,724	10,845	7,036	100%	0
22	C-22A	Misc. Specialties	Bartley Sales Company Inc	16,891	990	17,881	17,881	0	17,881	17,881	21,948	0	100%	1,000
23	C-22B	Detention	Mid America Business Systems	36,218	(12,115)	24,103	23,103	1,155	21,948	21,948	14,060	1,152	100%	0
24	C-22C	Laundry Access, Wash Bay	Construction Supply Inc	13,621	1,591	15,212	15,212	55	15,212	15,212	1,048	0	100%	0
25	C-22D	Visual Display	Newline Products Inc	1,103	0	1,103	1,103	0	1,103	1,103	13,561	0	100%	0
26	C-22E	Supply Police Personnel Lockers	Greystone Construction Co	13,561	0	13,561	13,561	0	13,561	13,561	131,262	0	100%	0
27	C-23	Fabric Covered Storage Struct.	Chrypus Lockers & Storage Prod	114,950	16,312	131,262	131,262	0	131,262	131,262	17,826	0	100%	0
28	C-24	Lockers	Chrypus Lockers & Storage Prod	17,800	964	18,764	18,764	938	17,826	17,826	10,287	0	100%	0
29	C-25	Signage	Signarama	9,886	391	10,287	10,287	0	10,287	10,287	1,055,839	10,287	100%	250
30	C-26	Mechanical -HVAC,Plumbing, Fit	St. Cloud Refrigeration	1,084,200	27,460	1,111,660	1,111,660	55,571	1,055,839	1,055,839	672,326	14,009	100%	0
31	C-27	Electrical	Electrical Solutions Inc	693,100	29,358	722,458	722,458	36,123	686,335	686,335	41,743	2,197	100%	0
32	C-28	Overhead Crane Systems	Alltech Engineering Corp	43,940	0	43,940	43,940	0	43,940	43,940	117,543	0	100%	0
33	C-29	Fencing/Gates	Midwest Fence	127,730	(4,000)	123,730	123,730	6,187	117,543	117,543	221,144	0	100%	0
34	C-30	Low Voltage Systems	Brothers Fire Protection	223,198	9,585	232,783	232,783	11,639	221,144	221,144	1,285	0	100%	0
35	C-31	Window Treatment	Custom Expressions	1,353	0	1,353	1,353	68	1,285	1,285	0	0	100%	0
TOTALS				\$6,425,937	\$120,108	\$6,546,045	\$6,542,750	\$181,597	\$ 6,361,153	\$6,224,172	\$136,981	100%	\$3,295	

CITY OF ST. FRANCIS, MINNESOTA
EDA LEASE REVENUE BONDS
STATE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	2011 ACTUAL	2012 ORIGINAL BUDGET	2012 ESTIMATE	2013 BUDGET
Revenues:				
Investment earnings	\$ -	\$ -	\$ 500	\$ 800
Total revenues	-	-	500	800
Expenditures:				
<u>Debt Service:</u>				
Principal:				
Regular	-	-	-	195,000
Interest	-	-	190,178	325,045
Paying agent fees	-	-	-	-
Total expenditures	-	-	190,178	520,045
Excess (deficit) of revenues over expenditures	-	-	(189,678)	(519,245)
Other financing sources (uses):				
Transfers in (out):				
General Fund	-	-	330,000	340,000
Water Fund	-	-	-	82,500
Sanitary Sewer Fund	-	-	-	82,500
Net increase (decrease) in fund balance	-	-	140,322	(14,245)
Fund balance - January 1	-	-	-	140,322
Fund balance - December 31	\$ -	\$ -	\$ 140,322	\$ 126,077



PAYMENT BATCH AP 12-17-12

ACE SOLID WASTE, INC.

12/01/2012	0009986193	E 101-42110-384	Refuse/Garbage Disposal	GARBAGE	0.00
12/01/2012	0009986193	E 101-42110-384	Refuse/Garbage Disposal	GARBAGE	62.31
12/01/2012	0009986193	E 101-42210-384	Refuse/Garbage Disposal	GARBAGE	29.40
12/01/2012	0009986193	E 101-43100-384	Refuse/Garbage Disposal	GARBAGE	(5.44)
12/01/2012	0009986193	E 101-43100-384	Refuse/Garbage Disposal	GARBAGE	15.57
12/01/2012	0009986193	E 101-43210-384	Refuse/Garbage Disposal	GARBAGE	34.71
12/01/2012	0009986193	E 101-45200-384	Refuse/Garbage Disposal	GARBAGE	(5.43)
12/01/2012	0009986193	E 101-45200-384	Refuse/Garbage Disposal	GARBAGE	15.58
12/01/2012	0009986193	E 601-49440-384	Refuse/Garbage Disposal	GARBAGE	63.66
12/01/2012	0009986193	E 601-49440-384	Refuse/Garbage Disposal	GARBAGE	15.58
12/01/2012	0009986193	E 602-49490-384	Refuse/Garbage Disposal	GARBAGE	15.58
12/01/2012	0009986193	E 602-49490-384	Refuse/Garbage Disposal	GARBAGE	63.65
12/01/2012	0009986193	E 609-49750-384	Refuse/Garbage Disposal	GARBAGE	128.21
					\$433.38

AMERIPRIDE LINEN & APPAREL SER

12/05/2012	1002318795	E 609-49750-219	Rug Maintenance	LIQUOR RUGS	49.07
					\$49.07

ANDERSON, LARRY

G 803-22092	ESC-Larry Anderson	RELEASE ESCROW	250.00
			\$250.00

ANOKA COUNTY

E 101-41410-203	Printed Forms	BALLOTS	100.02
			\$100.02

ASPEN MILLS

11/21/2012	128400	E 101-42110-437	Uniform Allowance	KARLA UNIFORMS	133.65
12/09/2012	127848	E 101-42110-437	Uniform Allowance	ALLEN UNIFORMS	235.80
12/14/2012	115725	E 101-42110-437	Uniform Allowance	RESERVE UNIFORMS	77.90
					\$447.35

BELLBOY CORPORATION

11/27/2012	76036800	E 609-49751-206	Freight and Fuel Charges	FREIGHT	26.35
11/27/2012	76036800	E 609-49751-251	Liquor For Resale	LIQUOR	1,792.70
					\$1,819.05

BGS (BARNA GUZY)

11/30/2012	108964	E 402-43000-300	Professional Services	SONTESBY	1,060.00
					\$1,060.00

BOLTON & MENK, INC.

06/27/2012	0149172	E 601-49440-303	Engineering Fees	WATER PROTECTION GRANT	6,500.00
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\$6,500.00

BUSINESS FORMS AND ACCOUNTING

11/29/2012	46696	E 101-41400-200	Office Supplies	W2 & 1099	44.30
11/29/2012	46696	E 601-49440-200	Office Supplies	W2 & 1099	44.30
11/29/2012	46696	E 602-49490-200	Office Supplies	W2 & 1099	44.30
11/29/2012	46696	E 609-49750-200	Office Supplies	W2 & 1099	44.33
					<hr/>
					\$177.23

CHISAGO LAKES DISTRIBUTING CO.

12/03/2012	488539	E 609-49751-252	Beer For Resale	BEER	52.55
12/03/2012	488540	E 609-49751-254	Miscellaneous Merchandise	MISC	20.50
					<hr/>
					\$73.05

CLASSIC CONSTRUCTION

	G 803-22014	Esc-Classic Construction	RELEASE ESCROW	350.00	
					<hr/>
					\$350.00

COLONIAL INSURANCE

11/25/2012	7129661-1205331	G 101-21712	Colonial Insurance	DECEMBER	226.96
					<hr/>
					\$226.96

COUNTY MARKET - CITY ACCOUNT

12/03/2012	224.1212	E 101-42210-212	Motor Fuels	FUEL	129.72
					<hr/>
					\$129.72

COURIER, THE

12/05/2012	45719	E 609-49750-340	Advertising	LIQUOR AD	50.00
12/05/2012	45772	E 101-41110-343	Other Advertising	HOLIDAY AD	50.00
12/05/2012	45772	E 101-43210-439	Recycling Days	RECYCLE AD	89.00
12/05/2012	46216	E 101-45230-340	Advertising	PIONEER DAYS	180.00
					<hr/>
					\$369.00

CRYSTAL SPRINGS ICE

12/04/2012	28436	E 609-49751-254	Miscellaneous Merchandise	MISC	72.20
					<hr/>
					\$72.20

DAHLHEIMER DIST. CO. INC.

11/28/2012	1045309	E 609-49751-252	Beer For Resale	BEER	3,371.90
12/05/2012	1045352	E 609-49751-252	Beer For Resale	BEER	4,499.29
					<hr/>
					\$7,871.19

DAY DISTRIBUTING CO.

12/07/2012	679957	E 609-49751-252	Beer For Resale	BEER	2,799.80
					<hr/>
					\$2,799.80

DE LAGE LANDEN

12/08/2012	16170415	E 101-41400-240	Office Equip	COPIER	261.92
12/08/2013	16162087	E 101-42110-200	Office Supplies	COPIER	253.89
					<hr/>
					\$515.81

DEX MEDIA EAST LLC

12/05/2012	.1212	E 609-49750-340	Advertising	ADVERTISING	66.30
					<hr/>
					\$66.30

ECM PUBLISHERS, INC.

11/30/2012	IQ01807859	E 101-41400-351	Legal Notices Publishing	BUDGET NOTICE	35.88
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12/07/2012	IQ01808239	E 101-41400-351	Legal Notices Publishing	FEE SCHEDULE	41.00
					<u>41.00</u>
					\$76.88
ELITE SANITATION					
11/21/2012	20927	E 101-45200-402	Janitorial Service	TOILET RENTAL	296.89
					<u>296.89</u>
					\$296.89
ELK RIVER FORD, INC.					
10/31/2012	16035188	E 101-42110-221	Vehicle Repair & Maintenance	FIX CAR	132.24
					<u>132.24</u>
					\$132.24
EMBEDDED SYSTEMS					
11/20/2012	33077	E 101-42110-311	Contract	SIREN MAINTENANCE	502.08
					<u>502.08</u>
					\$502.08
F.I.R.E.					
11/07/2012	2	E 101-42210-208	Training and Instruction	HAZMAT REFRESHER	620.00
					<u>620.00</u>
					\$620.00
FIRST BAPTIST CHURCH					
		G 803-22010	Esc-1st Baptist Church	RELEASE ESCROW	251.00
					<u>251.00</u>
					\$251.00
GENNARO, ARNOLD					
		E 101-42110-331	Travel Expenses	TRAVEL	27.75
					<u>27.75</u>
					\$27.75
GERDIN AUTO SERVICE, INC.					
		G 803-22023	Esc-Gerdin s	RELEASE ESCROW	300.00
11/12/2012	64519	E 208-42110-436	Towing Charges	TOW VEHICLE	131.46
					<u>131.46</u>
					\$431.46
GOPHER STATE ONE-CALL					
12/03/2012	53964	E 601-49440-442	Gopher State	NOVEMBER TICKETS	15.23
12/03/2012	53964	E 602-49490-442	Gopher State	NOVEMBER TICKETS	15.22
					<u>15.23</u>
					<u>15.22</u>
					\$30.45
GRAHAM TIRE					
11/19/2012	4330236	E 101-42400-221	Vehicle Repair & Maintenance	TIRE	107.45
					<u>107.45</u>
					\$107.45
GRANITE CITY JOBBING CO.					
11/27/2012	743751	E 609-49750-210	Operating Supplies	MISC	44.38
11/27/2012	743751	E 609-49751-206	Freight and Fuel Charges	FREIGHT	4.25
11/27/2012	743751	E 609-49751-254	Miscellaneous Merchandise	MISC	36.75
11/27/2012	743751	E 609-49751-256	Tobacco Products For Resale	TOBACCO	575.05
12/04/2012	744515	E 609-49750-210	Operating Supplies	OPERATING	73.92
12/04/2012	744515	E 609-49751-206	Freight and Fuel Charges	FREIGHT	4.25
12/04/2012	744515	E 609-49751-254	Miscellaneous Merchandise	MISC	13.44
12/04/2012	744515	E 609-49751-256	Tobacco Products For Resale	TOBACCO	285.45
					<u>44.38</u>
					<u>4.25</u>
					<u>36.75</u>
					<u>575.05</u>
					<u>73.92</u>
					<u>4.25</u>
					<u>13.44</u>
					<u>285.45</u>
					\$1,037.49
HAHN, JULIA					
		G 803-22082	Esc-Stevenson Home Occ 5512 Ai	RELEASE ESCROW	19.85
					<u>19.85</u>
					\$19.85
HANSON, PAUL & MYRTICE					

G 803-22039	Esc-Paul Hanson	RELEASE ESCROW	50.00
			<u>50.00</u>

HENRICKSEN PSG

11/30/2012	508122	E 402-43000-560	C-O-L Furniture & Fixtures	STOOL	312.08
					<u>312.08</u>

HEWLETT-PACKARD COMPANY

11/30/2012	52118735	E 101-42110-237	Small Equipment	COMPUTER	707.68
					<u>707.68</u>

INNOVATIVE OFFICE SOLUTIONS, L

11/27/2012	IN0170376	E 402-43000-441	Miscellaneous	SUPPLIES	1,465.96
11/28/2012	IN0171416	E 101-41400-200	Office Supplies	OFFICE SUPPLIES	16.30
11/28/2012	IN0171416	E 101-42110-200	Office Supplies	OFFICE SUPPLIES	5.43
11/28/2012	IN0171416	E 101-42210-200	Office Supplies	OFFICE SUPPLIES	5.43
11/28/2012	IN0171416	E 101-43100-200	Office Supplies	OFFICE SUPPLIES	5.43
11/28/2012	IN0171416	E 101-45200-200	Office Supplies	OFFICE SUPPLIES	5.43
11/28/2012	IN0171416	E 601-49440-200	Office Supplies	OFFICE SUPPLIES	5.43
11/28/2012	IN0171416	E 602-49490-200	Office Supplies	OFFICE SUPPLIES	5.43
11/28/2012	IN0171416	E 609-49750-200	Office Supplies	OFFICE SUPPLIES	5.46
11/28/2012	IN0171418	E 402-43000-441	Miscellaneous	SUPPLIES	328.66
11/28/2012	IN017417	E 402-43000-441	Miscellaneous	RECYCLE BINS	529.99
11/30/2012	IN0173623	E 101-41400-200	Office Supplies	OFFICE SUPPLIES	10.18
11/30/2012	IN0173623	E 101-42110-200	Office Supplies	OFFICE SUPPLIES	3.39
11/30/2012	IN0173623	E 101-42210-200	Office Supplies	OFFICE SUPPLIES	3.39
11/30/2012	IN0173623	E 101-43100-200	Office Supplies	OFFICE SUPPLIES	3.39
11/30/2012	IN0173623	E 101-45200-200	Office Supplies	OFFICE SUPPLIES	3.39
11/30/2012	IN0173623	E 601-49440-200	Office Supplies	OFFICE SUPPLIES	3.39
11/30/2012	IN0173623	E 602-49490-200	Office Supplies	OFFICE SUPPLIES	3.39
11/30/2012	IN0173623	E 609-49750-200	Office Supplies	OFFICE SUPPLIES	3.41
12/04/2012	IN0175509	E 101-43100-200	Office Supplies	INK	40.08
12/04/2012	IN0175509	E 101-45200-200	Office Supplies	INK	40.08
12/04/2012	IN0175509	E 601-49440-200	Office Supplies	INK	40.08
12/04/2012	IN0175509	E 602-49490-200	Office Supplies	INK	40.07
					<u>\$2,573.19</u>

ISD #15

		G 803-22095	Esc-ISD #15 Clinic	RELEASE ESCROW	33.95
08/13/2012	678	E 602-49490-228	Equipment Maintenance	GENSET	159.11
					<u>\$193.06</u>

JENSEN, LANCE

		G 803-22091	Esc-Jenson Home Occ	RELEASE ESCROW	40.24
					<u>\$40.24</u>

JOHNSON BROS WHLSE LIQUOR

11/28/2012	1445082	E 609-49751-206	Freight and Fuel Charges	LIQUOR	6.13
11/28/2012	1445082	E 609-49751-251	Liquor For Resale	LIQUOR	658.45
11/28/2012	1445083	E 609-49751-206	Freight and Fuel Charges	FREIGHT	20.58
11/28/2012	1445083	E 609-49751-253	Wine For Resale	WINE	570.25
11/29/2012	557252	E 609-49751-206	Freight and Fuel Charges	LIQUOR CREDIT	(1.47)
11/29/2012	557252	E 609-49751-251	Liquor For Resale	LIQUOR CREDIT	(242.55)

12/05/2012	1450746	E 609-49751-206	Freight and Fuel Charges	FREIGHT	11.51
12/05/2012	1450746	E 609-49751-251	Liquor For Resale	LIQUOR	670.89
12/05/2012	1450747	E 609-49751-206	Freight and Fuel Charges	FREIGHT	85.27
12/05/2012	1450747	E 609-49751-253	Wine For Resale	WINE	2,744.25
					\$4,523.31

KING FAMILY LTD PARTNERSHIP

G 803-22034	Esc-Kings Carwash	RELEASE ESCROW	100.00
G 803-22080	Esc-County Market	RELEASE ESCROW	379.73
			\$479.73

LEE S PRO SHOP, INC.

11/05/2012	175012	E 101-42110-437	Uniform Allowance	LADIES JACKETS	199.18
					\$199.18

LMC INSURANCE TRUST

11/27/2012	42054	E 101-43100-360	Insurance	AMEND PROPERTY INS	95.00
11/29/2012	42093	E 101-41110-360	Insurance	1ST INSTALLMENT PROPERTY	51.56
11/29/2012	42093	E 101-41120-360	Insurance	1ST INSTALLMENT PROPERTY	1.66
11/29/2012	42093	E 101-41400-360	Insurance	1ST INSTALLMENT PROPERTY	486.56
11/29/2012	42093	E 101-41410-360	Insurance	1ST INSTALLMENT PROPERTY	24.71
11/29/2012	42093	E 101-41500-360	Insurance	1ST INSTALLMENT PROPERTY	185.88
11/29/2012	42093	E 101-41540-360	Insurance	1ST INSTALLMENT PROPERTY	4.00
11/29/2012	42093	E 101-41550-360	Insurance	1ST INSTALLMENT PROPERTY	8.84
11/29/2012	42093	E 101-41600-360	Insurance	1ST INSTALLMENT PROPERTY	26.72
11/29/2012	42093	E 101-41910-360	Insurance	1ST INSTALLMENT PROPERTY	27.30
11/29/2012	42093	E 101-41940-360	Insurance	1ST INSTALLMENT PROPERTY	570.42
11/29/2012	42093	E 101-42110-360	Insurance	1ST INSTALLMENT PROPERTY	3,439.78
11/29/2012	42093	E 101-42210-360	Insurance	1ST INSTALLMENT PROPERTY	2,075.94
11/29/2012	42093	E 101-42400-360	Insurance	1ST INSTALLMENT PROPERTY	11.94
11/29/2012	42093	E 101-42700-360	Insurance	1ST INSTALLMENT PROPERTY	11.12
11/29/2012	42093	E 101-43100-360	Insurance	1ST INSTALLMENT PROPERTY	2,427.81
11/29/2012	42093	E 101-43210-360	Insurance	1ST INSTALLMENT PROPERTY	58.61
11/29/2012	42093	E 101-45000-360	Insurance	1ST INSTALLMENT PROPERTY	17.43
11/29/2012	42093	E 101-45200-360	Insurance	1ST INSTALLMENT PROPERTY	3,532.78
11/29/2012	42093	E 101-45230-217	Other Operating Supplies	1ST INSTALLMENT PROPERTY	6.82
11/29/2012	42093	E 101-49200-360	Insurance	1ST INSTALLMENT PROPERTY	9.37
11/29/2012	42093	E 601-49440-360	Insurance	1ST INSTALLMENT PROPERTY	3,202.87
11/29/2012	42093	E 602-49490-360	Insurance	1ST INSTALLMENT PROPERTY	1,513.78
11/29/2012	42093	E 609-49750-360	Insurance	1ST INSTALLMENT PROPERTY	479.64
11/29/2012	42094	E 609-49750-360	Insurance	LIQUOR INSURANCE	3,028.00
12/05/2012	42168	E 101-41110-360	Insurance	2ND PROPERTY	51.52
12/05/2012	42168	E 101-41120-360	Insurance	2ND PROPERTY	1.66
12/05/2012	42168	E 101-41400-360	Insurance	2ND PROPERTY	486.56
12/05/2012	42168	E 101-41410-360	Insurance	2ND PROPERTY	24.71
12/05/2012	42168	E 101-41500-360	Insurance	2ND PROPERTY	185.88
12/05/2012	42168	E 101-41540-360	Insurance	2ND PROPERTY	4.00
12/05/2012	42168	E 101-41550-360	Insurance	2ND PROPERTY	8.84
12/05/2012	42168	E 101-41600-360	Insurance	2ND PROPERTY	26.72
12/05/2012	42168	E 101-41910-360	Insurance	2ND PROPERTY	27.30
12/05/2012	42168	E 101-41940-360	Insurance	2ND PROPERTY	570.42
12/05/2012	42168	E 101-42110-360	Insurance	2ND PROPERTY	3,439.78

12/05/2012	42168	E 101-42210-360	Insurance	2ND PROPERTY	2,075.94
12/05/2012	42168	E 101-42400-360	Insurance	2ND PROPERTY	11.94
12/05/2012	42168	E 101-42700-360	Insurance	2ND PROPERTY	11.12
12/05/2012	42168	E 101-43100-360	Insurance	2ND PROPERTY	2,427.81
12/05/2012	42168	E 101-43210-360	Insurance	2ND PROPERTY	58.61
12/05/2012	42168	E 101-45000-360	Insurance	2ND PROPERTY	17.43
12/05/2012	42168	E 101-45200-360	Insurance	2ND PROPERTY	3,532.78
12/05/2012	42168	E 101-45230-217	Other Operating Supplies	2ND PROPERTY	6.82
12/05/2012	42168	E 101-49200-360	Insurance	2ND PROPERTY	9.37
12/05/2012	42168	E 601-49440-360	Insurance	2ND PROPERTY	3,202.87
12/05/2012	42168	E 602-49490-360	Insurance	2ND PROPERTY	1,513.78
12/05/2012	42168	E 609-49750-360	Insurance	2ND PROPERTY	479.64
12/05/2013	24016	E 101-41400-160	Work Comp Insurance	2ND WC	400.00
12/05/2013	24016	E 101-41500-160	Work Comp Insurance	2ND WC	181.00
12/05/2013	24016	E 101-42110-160	Work Comp Insurance	2ND WC	6,339.25
12/05/2013	24016	E 101-42210-160	Work Comp Insurance	2ND WC	2,104.50
12/05/2013	24016	E 101-43100-160	Work Comp Insurance	2ND WC	2,531.50
12/05/2013	24016	E 101-43210-160	Work Comp Insurance	2ND WC	78.75
12/05/2013	24016	E 101-45200-160	Work Comp Insurance	2ND WC	850.25
12/05/2013	24016	E 601-49440-160	Work Comp Insurance	2ND WC	1,021.00
12/05/2013	24016	E 602-49490-160	Work Comp Insurance	2ND WC	874.00
12/05/2013	24016	E 609-49750-160	Work Comp Insurance	2ND WC	884.00
					<hr/>
					\$54,738.29

MAGDA PROPERTIES

G 803-22035	Esc-Magdo Properties	RELEASE ESCROW	250.00
			<hr/>
			\$250.00

MARTIE, RUSS

G 803-22045	Esc-Russ Martie	RELEASE ESCROW	170.94
			<hr/>
			\$170.94

MCDONALD DIST CO.

11/29/2012	317019	E 609-49751-206	Freight and Fuel Charges	FREIGHT	3.00
11/29/2012	317019	E 609-49751-252	Beer For Resale	BEER	3,958.80
12/06/2012	317528	E 609-49751-206	Freight and Fuel Charges	FREIGHT	3.00
12/06/2012	317528	E 609-49751-252	Beer For Resale	BEER	4,679.95
12/06/2012	317528	E 609-49751-254	Miscellaneous Merchandise	BEER, MISC	(13.00)
12/07/2012	317579	E 609-49751-254	Miscellaneous Merchandise	MISC	170.00
12/10/2012	317183	E 609-49751-252	Beer For Resale	BEER	4,648.80
					<hr/>
					\$13,450.55

MEDTOX LABORATORIES, INC.

11/30/2012	11201295907	E 101-43100-441	Miscellaneous	MED TESTING	6.25
11/30/2012	11201295907	E 101-45200-441	Miscellaneous	MED TESTING	6.25
11/30/2012	11201295907	E 601-49440-441	Miscellaneous	MED TESTING	6.25
11/30/2012	11201295907	E 602-49490-441	Miscellaneous	MED TESTING	6.25
					<hr/>
					\$25.00

MESSERLI & KRAMER

G 101-21716	Other Deductions	GARNISHMENT	3,712.30
			<hr/>
			\$3,712.30

METRO SALES, INC.

11/26/2012	488630	E 101-42110-311	Contract	COPIES	186.00
					<u>186.00</u>
					\$186.00

MN COUNTY ATTORNEYS ASSN.

11/15/2012	18138980	E 101-42110-200	Office Supplies	BOOKS	98.33
					<u>98.33</u>
					\$98.33

MN FIRE CERTIFICATION BOARD

05/02/2012	1299	E 101-42210-208	Training and Instruction	RECERTIFICATIONS	253.33
					<u>253.33</u>
					\$253.33

MURRY, WILLIAM

		G 803-22076	Esc-William Murry Home Occ	RELEASE ESCROW	29.70
					<u>29.70</u>
					\$29.70

NORTH AMERICAN SALT COMPANY

11/08/2012	70892741	G 101-14100	Inventory of Material/Supply	SALT	1,767.00
11/08/2012	70892741	G 101-20810	Sales Tax Payable	SALT	(113.67)
					<u>1,653.33</u>
					\$1,653.33

NORTHWEST ASSOC. CONSULTANTS

12/04/2012	20580	E 101-41910-311	Contract	CITY PROJECTS	4,991.60
12/04/2012	20581	E 101-41910-311	Contract	MEETING	200.00
12/04/2012	20582	G 803-22100	Esc-Village Bank (PUD Amend)	GOLF COURSE PUD	542.89
					<u>5,734.49</u>
					\$5,734.49

PACE ANALYTICAL SERVICES

11/20/2012	12122562	E 602-49490-313	Sample Testing	TESTING	60.00
11/28/2012	121225762	E 602-49490-313	Sample Testing	TESTING	103.00
11/28/2012	121225769	E 602-49490-313	Sample Testing	TESTING	58.00
					<u>221.00</u>
					\$221.00

PAUSTIS & SONS

11/26/2012	8377161-IN	E 609-49751-206	Freight and Fuel Charges	FREIGHT	10.50
11/26/2012	8377161-IN	E 609-49751-253	Wine For Resale	WINE	611.01
					<u>621.51</u>
					\$621.51

PHILLIPS WINE & SPIRITS CO.

11/28/2012	2340714	E 609-49751-206	Freight and Fuel Charges	LIQUOR	13.23
11/28/2012	2340714	E 609-49751-251	Liquor For Resale	LIQUOR	855.79
11/28/2012	2340715	E 609-49751-206	Freight and Fuel Charges	FREIGHT	1.47
11/28/2012	2340715	E 609-49751-253	Wine For Resale	WINE	62.00
12/05/2012	2344464	E 609-49751-206	Freight and Fuel Charges	FREIGHT	8.82
12/05/2012	2344464	E 609-49751-251	Liquor For Resale	LIQUOR	297.00
12/05/2012	2344465	E 609-49751-206	Freight and Fuel Charges	N/A	4.41
12/05/2012	2344465	E 609-49751-255	N/A Products	N/A	168.00
					<u>1,410.72</u>
					\$1,410.72

PREMIUM WATERS, INC.

11/30/2012	453056-11-12	E 101-42110-311	Contract	SERVICE CHARGE	2.99
					<u>2.99</u>
					\$2.99

PRINTING UNLIMITED

11/26/2012	00006490	E 101-42110-200	Office Supplies	SUPPLIES	331.31
12/04/2012	00006499	E 101-41400-200	Office Supplies	LETTERHEAD	213.80

12/04/2012	00006499	E 101-42110-200	Office Supplies	LETTERHEAD	71.28
12/04/2012	00006499	E 101-42210-200	Office Supplies	LETTERHEAD	71.23
12/04/2012	00006499	E 101-43100-200	Office Supplies	LETTERHEAD	71.28
12/04/2012	00006499	E 101-45200-200	Office Supplies	LETTERHEAD	71.28
12/04/2012	00006499	E 601-49440-200	Office Supplies	LETTERHEAD	71.23
12/04/2012	00006499	E 602-49490-200	Office Supplies	LETTERHEAD	71.23
12/04/2012	00006499	E 609-49750-200	Office Supplies	LETTERHEAD	71.31
					\$1,043.95

QUILL CORPORATION

11/29/2012	7552832	E 609-49750-200	Office Supplies	SUPPLIES	175.34
					\$175.34

R. W. LUNDQUIST CO, INC

11/29/2012	122911G	E 402-43000-441	Miscellaneous	RACKING	2,810.81
					\$2,810.81

RAMSEY, CITY OF

		E 101-42210-311	Contract	CHIEF KAPLERS SERVICES	666.00
					\$666.00

ROSEVILLE, CITY OF

12/05/2012	0216854	E 101-41110-310	Computer Consulting Fees	IT SERVICES	238.79
12/05/2012	0216854	E 101-41400-310	Computer Consulting Fees	IT SERVICES	795.97
12/05/2012	0216854	E 101-42110-310	Computer Consulting Fees	IT SERVICES	1,074.56
12/05/2012	0216854	E 101-42210-310	Computer Consulting Fees	IT SERVICES	198.99
12/05/2012	0216854	E 101-43100-310	Computer Consulting Fees	IT SERVICES	198.99
12/05/2012	0216854	E 101-45200-310	Computer Consulting Fees	IT SERVICES	198.99
12/05/2012	0216854	E 601-49440-310	Computer Consulting Fees	IT SERVICES	198.99
12/05/2012	0216854	E 602-49490-310	Computer Consulting Fees	IT SERVICES	198.99
12/05/2012	0216854	E 609-49750-310	Computer Consulting Fees	IT SERVICES	238.81
					\$3,343.08

SEMLER HOMES

		G 803-22000	Deposits	ESCROW RELEASED	2,000.00
					\$2,000.00

SOLBERG, LESTER & VIOLA

		G 803-22072	Esc-Viola Solberg	RELEASE ESCROW	300.00
					\$300.00

SOUTHERN WINE & SPIRITS OF MN

12/06/2012	1970092	E 609-49751-206	Freight and Fuel Charges	FREIGHT	13.54
12/06/2012	1970092	E 609-49751-251	Liquor For Resale	LIQUOR	747.06
12/29/2012	1963657	E 609-49751-206	Freight and Fuel Charges	FREIGHT	41.56
12/29/2012	1963657	E 609-49751-251	Liquor For Resale	LIQUOR	1,402.50
12/29/2012	1963657	E 609-49751-253	Wine For Resale	WINE	1,794.00
					\$3,998.66

ST. FRANCIS COLLISION & GLASS

		G 803-22047	Esc-St. Francis Collision	RELEASE ESCROW	300.00
					\$300.00

STEVENSON, DAVID

		G 803-22082	Esc-Stevenson Home Occ 5512 Ar	RELEASE ESCROW	66.75
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					\$66.75
STREICHER S					
11/09/2012	I972308	E 101-42110-437	Uniform Allowance	BATONS	21.35
11/27/2012	I976245	E 101-42110-437	Uniform Allowance	VESTS	1,055.00
					\$1,076.35
T.H. CONSTRUCTION					
		G 803-22060	Esc-T.H. Construction	RELEASE ESCROW	50.00
					\$50.00
TEMPESTA, TONY					
		G 803-22063	Esc-Tony Tempesta	RELEASE ESCROW	356.00
					\$356.00
THE AMERICAN BOTTLING COMPANY					
12/10/2012	244917118	E 609-49751-254	Miscellaneous Merchandise	MISC	107.40
					\$107.40
THORPE DISTRIBUTING COMPANY					
11/30/2012	00726224	E 609-49751-252	Beer For Resale	BEER	53.20
					\$53.20
TRINITY LUTHERAN CHURCH					
		G 803-22090	Esc-Trinity Luth CUP Childcare	RELEASE ESCROW	340.59
					\$340.59
ULINE					
11/21/2012	47698982	E 402-43000-441	Miscellaneous	BINS	322.78
					\$322.78
VILLAGE BANK					
		G 803-22073	Esc-Village Bank	RELEASE ESCROW	255.75
					\$255.75
WIRTZ BEVERAGE MN					
11/21/2012	873090	E 609-49751-251	Liquor For Resale	LIQUOR CREDIT	(14.13)
11/29/2012	1420000	E 609-49751-206	Freight and Fuel Charges	FREIGHT	1.45
11/29/2012	1420000	E 609-49751-251	Liquor For Resale	LIQUOR	88.38
11/29/2012	142518	E 609-49751-206	Freight and Fuel Charges	FREIGHT	31.90
11/29/2012	142518	E 609-49751-251	Liquor For Resale	LIQUOR	908.13
11/29/2012	142518	E 609-49751-253	Wine For Resale	WINE	887.65
12/06/2012	145924	E 609-49751-206	Freight and Fuel Charges	LIQUOR, WINE, MISC	43.50
12/06/2012	145924	E 609-49751-251	Liquor For Resale	LIQUOR	1,580.04
12/06/2012	145924	E 609-49751-253	Wine For Resale	WINE	755.20
12/06/2012	145924	E 609-49751-254	Miscellaneous Merchandise	MISC	111.84
					\$4,393.96
					\$140,141.24

FUND SUMMARY

101 GENERAL FUND	\$59,669.84
208 POLICE FORFEITURE	\$131.46
402 CAPITAL EQUIPMENT	\$6,830.28
601 WATER FUND	\$14,390.88

602 SEWER FUND	\$4,745.78
609 MUNICIPAL LIQUOR FUND	\$47,935.61
803 ESCROW	\$6,437.39
Total	<u>140,141.24</u>

**FINANCIAL ADVISORY SERVICE AGREEMENT
BY AND BETWEEN
THE CITY OF ST. FRANCIS, MINNESOTA
AND
NORTHLAND SECURITIES, INC.**

This Agreement made and entered into by and between the City of St. Francis, Minnesota (hereinafter "City") and Northland Securities, Inc., of Minneapolis, Minnesota (hereinafter "NSI").

WITNESSETH

WHEREAS, the City desires to have NSI provide it with advice on the structure, terms, timing and other matters related to the issuance of General Obligation Crossover Refunding Bonds, Series 2013A (the "Debt") serving in the role of financial advisor, and

WHEREAS, the City and NSI are entering into this Agreement to define the financial advisory relationship at the earliest opportunity related to the Debt, and

WHEREAS, NSI desires to furnish services to the City as hereinafter described,

NOW, THEREFORE, it is agreed by and between the parties as follows:

SERVICES TO BE PROVIDED BY NSI

NSI shall provide all services necessary to analyze, structure, offer for sale and close the transaction. Examples of the services include the following:

Planning and Development

1. Meet with City officials and others as directed to define the scope and the objectives
2. Assemble and analyze relevant statistical information.
3. Prepare a preliminary feasibility study or discuss with City officials possible funding options and the fiscal implications of each.
4. Prepare details on the recommended options - information on the issue structure, method of issuance, term, sale timing, call provisions, etc.
5. Prepare a schedule of events related to the issuance process.
6. Attend meetings of the City Council and other project and bond issue related meetings as needed and as requested.

Bond Sales

1. Collect data and prepare preliminary official statement (POS).
2. Provide POS for review and approval by City.
3. Distribute the POS and bid form to prospective bidders.
4. Cause to be published the Official Notice of Sale if required by law.
5. Recommend whether the issue should secure a bond rating. If the issue is to be rated, prepare and furnish to the rating agencies the information they require to evaluate the issue and provide their rating. Assist City to prepare and conduct rating call or other presentation.
6. Directly contact underwriters most likely to serve as syndicate managers to assure that bidding interest is established.

7. Assist the City in receiving the bids, compute the accuracy of the bids received, and recommend to the City the most favorable bid for award.
8. Coordinate with bond counsel the preparation of required contracts and resolutions.

Post Sale Support

1. Prepare final official statement and provide to underwriter for posting on EMMA.
2. Coordinate the bond issue closing including making all arrangements for bond printing, registration, and delivery.
3. Furnish to the City a complete transcript of the transaction, if not provided by bond counsel.
4. Assist, as requested by the City, with the investment of bond issue proceeds.

COMPENSATION

For providing these services with respect to the Debt, NSI shall be paid a lump sum of \$17,325.00. The fee due to NSI shall be payable by the City upon the closing of the Bonds.

NSI agrees to pay the following expenses from its fee:

- Out-of-pocket expenses such as travel, long distance phone, and copy costs.
- Production and distribution of material to rating agencies and/or bond insurance companies.
- Preparation of the bond transcript.

The City agrees to pay for all other expenses related to the processing of the bond issue(s) including, but not limited to, the following:

- Engineering and/or architectural fees.
- Publication of legal notices.
- Bond counsel and local attorney fees.
- Fees for various debt certificates.
- The cost of printing Official Statements, if any.
- City staff expenses.
- Airfare and lodging expenses of one NSI official and City officials when and if traveling for rating agency presentations.
- Rating agency fees, if any.
- Bond insurance fees, if any.
- Accounting and other related fees.

It is expressly understood that there is no obligation on the part of the City under the terms of this Agreement to issue the Debt. If the Debt is not issued, NSI agrees to pay its own expenses and receive no fee for any services it has rendered.

SUCCESSORS OR ASSIGNS

The terms and provisions of this Agreement are binding upon and inure to the benefit of the City and NSI and their successors or assigns.

TERM OF THIS AGREEMENT

This Agreement may be terminated by thirty (30) days written notice by either the City or NSI and it shall terminate sixty (60) days following the closing date related to the issuance of the Debt.

Dated this 17th day of December, 2012.

Northland Securities, Inc.

By: _____

John R. Fifield, Jr. - Senior Vice President

City of St. Francis, Minnesota

By: _____

Its: City Administrator

**FINANCIAL ADVISORY SERVICE AGREEMENT
BY AND BETWEEN
THE CITY OF ST. FRANCIS, MINNESOTA
AND
NORTHLAND SECURITIES, INC.**

This Agreement made and entered into by and between the City of St. Francis, Minnesota (hereinafter "City") and Northland Securities, Inc., of Minneapolis, Minnesota (hereinafter "NSI").

WITNESSETH

WHEREAS, the City desires to have NSI provide it with advice on the structure, terms, timing and other matters related to the issuance of General Obligation Crossover Refunding Bonds, Series 2013A (the "Debt") serving in the role of financial advisor, and

WHEREAS, the City and NSI are entering into this Agreement to define the financial advisory relationship at the earliest opportunity related to the Debt, and

WHEREAS, NSI desires to furnish services to the City as hereinafter described,

NOW, THEREFORE, it is agreed by and between the parties as follows:

SERVICES TO BE PROVIDED BY NSI

NSI shall provide all services necessary to analyze, structure, offer for sale and close the transaction. Examples of the services include the following:

Planning and Development

1. Meet with City officials and others as directed to define the scope and the objectives
2. Assemble and analyze relevant statistical information.
3. Prepare a preliminary feasibility study or discuss with City officials possible funding options and the fiscal implications of each.
4. Prepare details on the recommended options - information on the issue structure, method of issuance, term, sale timing, call provisions, etc.
5. Prepare a schedule of events related to the issuance process.
6. Attend meetings of the City Council and other project and bond issue related meetings as needed and as requested.

Bond Sales

1. Collect data and prepare preliminary official statement (POS).
2. Provide POS for review and approval by City.
3. Distribute the POS and bid form to prospective bidders.
4. Cause to be published the Official Notice of Sale if required by law.
5. Recommend whether the issue should secure a bond rating. If the issue is to be rated, prepare and furnish to the rating agencies the information they require to evaluate the issue and provide their rating. Assist City to prepare and conduct rating call or other presentation.
6. Directly contact underwriters most likely to serve as syndicate managers to assure that bidding interest is established.

7. Assist the City in receiving the bids, compute the accuracy of the bids received, and recommend to the City the most favorable bid for award.
8. Coordinate with bond counsel the preparation of required contracts and resolutions.

Post Sale Support

1. Prepare final official statement and provide to underwriter for posting on EMMA.
2. Coordinate the bond issue closing including making all arrangements for bond printing, registration, and delivery.
3. Furnish to the City a complete transcript of the transaction, if not provided by bond counsel.
4. Assist, as requested by the City, with the investment of bond issue proceeds.

COMPENSATION

For providing these services with respect to the Debt, NSI shall be paid a lump sum of \$17,325.00. The fee due to NSI shall be payable by the City upon the closing of the Bonds.

NSI agrees to pay the following expenses from its fee:

- Out-of-pocket expenses such as travel, long distance phone, and copy costs.
- Production and distribution of material to rating agencies and/or bond insurance companies.
- Preparation of the bond transcript.

The City agrees to pay for all other expenses related to the processing of the bond issue(s) including, but not limited to, the following:

- Engineering and/or architectural fees.
- Publication of legal notices.
- Bond counsel and local attorney fees.
- Fees for various debt certificates.
- The cost of printing Official Statements, if any.
- City staff expenses.
- Airfare and lodging expenses of one NSI official and City officials when and if traveling for rating agency presentations.
- Rating agency fees, if any.
- Bond insurance fees, if any.
- Accounting and other related fees.

It is expressly understood that there is no obligation on the part of the City under the terms of this Agreement to issue the Debt. If the Debt is not issued, NSI agrees to pay its own expenses and receive no fee for any services it has rendered.

SUCCESSORS OR ASSIGNS

The terms and provisions of this Agreement are binding upon and inure to the benefit of the City and NSI and their successors or assigns.

TERM OF THIS AGREEMENT

This Agreement may be terminated by thirty (30) days written notice by either the City or NSI and it shall terminate sixty (60) days following the closing date related to the issuance of the Debt.

Dated this 17th day of December, 2012.

Northland Securities, Inc.

By: _____

John R. Fifield, Jr. - Senior Vice President

City of St. Francis, Minnesota

By: _____

Its: City Administrator

FINANCE PLAN SUMMARY

FOR

CITY OF ST. FRANCIS, MINNESOTA

\$2,745,000

**GENERAL OBLIGATION CROSSOVER REFUNDING
BONDS, SERIES 2013A**

NORTHLAND  SECURITIES

45 South 7th Street
Suite 2000
Minneapolis, MN 55402
612-851-5900 800-851-2920

December 17, 2012

City of St. Francis, Minnesota
\$2,745,000 General Obligation Crossover Refunding Bonds, Series 2013A

Financing Overview:

The City anticipates issuing bonds for the following purposes:

1. \$2,180,000 General Obligation Utility Revenue Crossover Refunding Bonds. Pursuant to MN Statutes, Chapter 444, this bond will crossover refund the \$2,030,000 revenue portion of the City's \$4,225,000 General Obligation Improvement and Utility Revenue Bonds, Series 2007A, on February 1, 2017. Final Maturity will be on February 1, 2028.
2. \$565,000 General Obligation Improvement Crossover Refunding Bonds. Pursuant to MN Statutes, Chapter 429, this bond will crossover refund the \$530,000 improvement portion of the City's \$4,225,000 General Obligation Improvement and Utility Revenue Bonds, Series 2007A, on February 1, 2017. Final Maturity will be on February 1, 2023.

Summary of Recommended Terms:

- | | |
|--------------------------|--|
| 1. Type of Sale | Public Offering. |
| 2. Proposals Received | Tuesday, January 22, 2013 @ 11:00 A.M. |
| 3. Council Consideration | Tuesday, January 22, 2013 @ 7:00 P.M. |
| 4. Repayment Term | The Bonds will mature annually each February 1, 2018-2028. Interest will be payable August 1, 2013 and semiannually thereafter on February 1 and August 1. |
| 5. Security | General Obligation pledge of the City, utility revenue, and special assessments. |
| 6. Prepayment Option | February 1, 2021 and any date thereafter at a price of par plus accrued interest. |
| 7. Tax Status | Kennedy & Graven, Chartered – Minneapolis, MN |
| 8. Credit Enhancement | We believe a credit rating will be cost beneficial. The City's general obligation debt is currently rated AA- by Standard & Poor's Corporation. |
| 9. Paying Agent | Northland Trust Services, Inc. |

Related Considerations:

- *Bank Qualified* - because total tax-exempt debt issued by the City in calendar year 2013 is not expected to be more than \$10 million, the bonds will be designated as “bank qualified” obligations pursuant to Federal Tax Law.
- *Arbitrage Compliance* –
 - Refunding Fund – All tax exempt issues are subject to federal rebate requirements which require all arbitrage earned to be rebated to the U.S. Treasury. A rebate exemption the City expects to qualify for is the “24-month spend down exemption.”
 - Debt Service Fund – The City must maintain a bona fide debt service fund for the bonds or be subject to yield restriction in the debt service fund. A bona fide debt service fund involves an equal matching of revenues to debt service expense with a balance forward permitted equal to the greater of the investment earnings in the fund during that year or 1/12 of the debt service of that year.
- *Book Entry* - The Bonds will be *global book entry with Northland Trust Inc. designated as the paying agent*. As “paperless” bonds, you will avoid the costs of bond printing and annual registrar charges. The Paying Agent will invoice you for the interest semiannually and on an annual basis for the principal coming due.
- *Continuing Disclosure* - The Series 2013A Bonds are subject to the Securities and Exchange Commission’s full continuing disclosure requirements.

EXHIBIT A – Refunding Overview

City of St. Francis, Minnesota
Overview of Refunding Bond Issue
(Based upon preliminary interest rates/assumes AA- rating)

The following summary assumes a refunding of the following City bond issue:
 1. \$4,225,000 General Obligation Utility Revenue and Improvement Bonds, Series 2007A

	Total Savings
Principal Remaining (after call date)	\$ 2,560,000.00
New Bond Size	\$ 2,745,000.00
Call Date ORIGINAL Bonds	2/1/2017
Final Maturity ORIGINAL Bonds	2/1/2028
Final Maturity NEW Bonds	2/1/2028
Avg. Remaining Interest Rate ORIGINAL Bonds	4.29%
Avg. Interest Rate NEW Bonds	1.60%
Net Debt Service Reduction	\$ 202,667.12
Present Value Savings	\$ 176,175.24
Annual Debt Service Savings	\$ 18,424.28
Net Present Value Savings %	6.38%

DISSEMINATION AGENT AGREEMENT

THIS DISSEMINATION AGENT AGREEMENT (the "Dissemination Agreement"), dated as of _____ by and between the City of St. Francis, Minnesota, 23340 Cree Street NW, St. Francis, MN 55070 (the "Issuer") and Northland Securities, Inc., 45 - South 7th Street, Suite 2000, Minneapolis, MN 55402 ("the Dissemination Agent") in connection with bond issues of the Issuer (the "Bond Issues") identified in Exhibit A which is attached to and by reference made a part of this Dissemination Agreement:

The Issuer and the Dissemination Agent covenant and agree as follows with respect to the Bond Issues:

SECTION 1. Definitions. the following capitalized terms shall have the following meanings:

"Annual Report" shall mean the document or documents filed by the Dissemination Agent with a National Repository or State repository pursuant to this Dissemination Agreement.

"Annual Report Data" shall mean the Issuer's audited financial statements, such other financial information and operating data for each Bond Issue as may be requested by the Dissemination Agent to compile the Annual Report, and information collected by the Dissemination Agent (such as data from the county auditor).

"Continuing Disclosure Agreement" shall mean that certain agreement or undertaking executed by the Issuer at the time of issuance of the bond issues listed in Exhibit A.

"Disclosure Representative" shall mean the Administrator of the Issuer or his or her designee, or such other officer or employee as the Issuer shall designate in writing to the Dissemination Agent from time to time.

"Listed Events" shall mean any of the material events listed in Section 5(a) of this Dissemination Agreement.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. Attached to and by reference made a part of this Dissemination Agreement is Exhibit B, a current list of National Repositories. Notwithstanding anything to the contrary contained herein, Exhibit B may be amended from time to time by the Dissemination Agent, following the designation of additional National Repositories or loss of such status by an existing National Repository, by delivering a notice of amendment and an amended Exhibit B to the Issuer.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the Securities and Exchange Commission or any successor to its functions governing state and municipal securities disclosure.

"State" shall mean the State of Minnesota.

"State Repository" shall mean any public or private repository or entity designated by the State as a state repository for the purpose of the Rule. As of the date of this Agreement, there is no State Repository.

SECTION 2. Purpose of the Dissemination Agreement. This Dissemination Agreement is being entered into by the Issuer and the Dissemination Agent in order to assist the Issuer in complying with the Rule.

SECTION 3. Provision of Annual Reports.

(a) On an annual basis, the Issuer shall provide the Annual Report Data to the Dissemination Agent in a timely manner. The Dissemination Agent shall compile and provide to the Repository by December 31st of each year, commencing December 31, 2012, the Annual Report for each Bond Issue in a format consistent with the Rule.

(b) If the Dissemination Agent has not received a copy of the Annual Report Data in a timely manner, the Dissemination Agent shall contact the Issuer to determine the status of information and whether the Issuer will remain in compliance with the Annual Report due date referenced in subsection (a).

(c) The Dissemination Agent shall:

(i) determine each year prior to December 31st, the name and address of each National Repository and each State Repository, if any; and

(ii) file a report with the Issuer and the Trustee (if applicable) certifying that the Annual Report has been provided pursuant to this Dissemination Agreement, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports. The Annual Report prepared by the Dissemination Agent for each Bond Issue shall contain or incorporate by reference the financial information and operating data specified in the applicable Continuing Disclosure Agreement or

continuing disclosure provisions of any applicable Resolution, Indenture, Loan Agreement or Lease Agreement, relating to bond issues listed in Exhibit A.

SECTION 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the Events listed below or in the Issuer's Continuing Disclosure Agreement or in the applicable Resolution, Indenture, Loan Agreement or Lease Agreement:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
7. Modifications to rights of security holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the obligated person;
13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) The Issuer shall promptly notify the Dissemination Agent in writing of the occurrence of any of the listed Events, and such notification must be within ten (10) business days of the occurrence of the event. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (c).

(c) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the Municipal Securities Rulemaking Board promptly, but within ten (10) business days of the occurrence of the Event, to the extent the Issuer has met the requirements in Section 5(b).

SECTION 6. Dissemination Agent. The Issuer has engaged the Dissemination Agent to assist it in carrying out its obligations under this Dissemination Agreement and may discharge any such Dissemination Agent, with or without appointing a successor or Dissemination Agent. The Dissemination Agent may terminate its duties hereunder upon fifteen (15) days written notice to the Issuer. For its services hereunder, the Dissemination Agent shall be paid an annual fee of \$1,000 plus \$250 per Bond Issue for each Bond Issue in excess of an original par value of \$1,000,000 as listed in Exhibit A that is required by the Rule to file an Annual Report. In addition, the Issuer shall reimburse the Dissemination Agent for out of pocket expenses incurred in preparing the Annual Report.

SECTION 7. Amendment, Waiver. Notwithstanding any other provision of this Dissemination Agreement, the Issuer and the Dissemination Agent may amend this Dissemination Agreement, and any provision of this Dissemination Agreement may be waived, in writing, as agreed to by the parties thereto.

SECTION 8. Additional Information. Nothing in this Dissemination Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Dissemination Agreement or any other means of communication.

SECTION 9. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Dissemination Agreement, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct.

SECTION 10. Beneficiaries. This Dissemination Agreement shall inure solely to the benefit of the Issuer and the Dissemination Agent, and shall create no rights in any other person or entity.

SECTION 11. Counterparts, This Dissemination Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the CITY OF ST. FRANCIS and NORTHLAND SECURITIES, INC. have caused this Dissemination Agreement to be executed in their respective names, all as of the date first written above.

CITY OF ST. FRANCIS, MINNESOTA

NORTHLAND SECURITIES, INC.

By _____
Its City Administrator

By Catherine Winkelhake
Its Sr. Vice President

EXHIBIT A

BOND ISSUES SUBJECT TO CONTINUING DISCLOSURE

CITY OF ST. FRANCIS, MINNESOTA

ISSUE PAR	ISSUE	DATED DATE	FIRST REPORT DUE	FINAL MATURE DATE	LAST REPORT DUE
\$1,600,000	G.O. Sewer Revenue Bonds, Series 2010A	09/01/10	12/31/11	02/01/31	12/31/30
\$8,200,000	Public Project Lease Revenue Bonds, Series 2012A	01/01/12	12/31/12	02/01/37	12/31/36

EXHIBIT B

LIST OF NATIONAL REPOSITORIES

Municipal Securities Rulemaking Board (MSRB)

<http://emma.msrb.org>

(filing only in an electronic format as prescribed by the MSRB)

NORTHLAND  SECURITIES

**Federal Funds Wire Request for Municipalities,
Counties and Other Government Entities**

Client Information.

Northland Account Number: 76T- 203223

Account Name: City of St. Francis, Minnesota

Legal Address: 23340 Cree Street NW, St. Francis, MN 55070

One time Letter of Authorization

Correspondent Bank: WELLS FARGO BANK, SAN FRANCISCO, CA

ABA Number: 121000248

For Credit to:(Account Name and No.) NORTHLAND TRUST SERVICES, Acct No. 143-6412710

For Further Credit: (Name and No.) City of St. Francis Escrow Account

This letter is to authorize Northland Securities, Inc. to transfer \$ _____ proceeds from the above-referenced Northland Securities Account to Northland Trust Services, Inc. on the _____ closing date for funding the City's escrow account on behalf of the City.

Authorized Signature:

City of St. Francis, Minnesota

TITLE: Clerk-Treasurer, _____, 2012
(Person with title authorized in the corporate resolution.)

STATE OF MINNESOTA
COUNTY OF ANOKA
CITY OF ST. FRANCIS, MN.

CERTIFICATION REGARDING CITY OFFICER

I, the undersigned, being the duly qualified and acting Administrator of the
City of St. Francis, Minnesota, (the "City"), DO HEREBY CERTIFY that the
City Official, Barbara Held, Clerk-Treasurer, was duly elected or appointed and
(Name and title being certified)
is a member holding the title of Clerk-Treasurer as of the date below.

WITNESS my hand officially and the official seal of the City of St. Francis, Minnesota
this ____ day of _____, 2012.

City Administrator or Finance Director
(Officer with title other than title being certified)

Extract of Minutes of Meeting
of the City Council of the City of
St. Francis, Anoka County, Minnesota

Pursuant to due call and notice thereof a regular meeting of the City Council of the City of St. Francis, Minnesota, was held at the City Hall in the City on Monday, December 17, 2012, commencing at 7:00 P.M.

The following members of the Council were present:

and the following were absent:

* * *

* * *

* * *

Councilmember _____ introduced the following written resolution, the reading of which was dispensed with by unanimous consent, and moved its adoption:

CITY OF ST. FRANCIS
ST. FRANCIS, MN
ANOKA COUNTY

RESOLUTION 2012-38

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE
OF GENERAL OBLIGATION CROSSOVER REFUNDING
BONDS, SERIES 2013A IN THE PROPOSED AGGREGATE
PRINCIPAL AMOUNT OF \$2,745,000

BE IT RESOLVED By the City Council of the City of St. Francis, Minnesota (the "City"), as follows:

1. Background.

(a) Pursuant to Minnesota Statutes, Chapters 429, 444, and 475, as amended (collectively, the "Act"), the City issued its General Obligation Improvement and Utility Revenue Bonds, Series 2007A (the "Refunded Bonds"), dated December 1, 2007, in the original aggregate principal amount of \$4,225,000. Proceeds of the Refunded Bonds were used to finance various assessable public improvements, including the 235th Avenue Improvement, Rum River Boulevard Improvements, and Poppy Street South Improvements (collectively, the "Assessable Improvements"), and various improvements to the City's water system and sanitary sewer system (collectively, the "Utility Improvements").

(b) The City is authorized by Section 475.67, subdivision 13, of the Act to issue and sell its general obligation bonds to refund outstanding bonds when determined by the City Council to be necessary and desirable.

(c) It is necessary and expedient to the sound financial management of the affairs of the City to issue its General Obligation Crossover Refunding Bonds, Series 2013A (the "Bonds"), in the proposed aggregate principal amount of \$2,745,000, to refund in advance of maturity and at their redemption date the Refunded Bonds, which are currently outstanding in the aggregate principal amount of \$3,570,000, of which \$2,560,000 in principal amount will be callable on February 1, 2017.

(d) The City is authorized by Section 475.60, subdivision 2(5), of the Act to negotiate the sale of the Bonds since the Bonds will be issued as crossover refunding obligations referred to in Section 475.67, subdivision 13, of the Act. The actions of the City staff and financial advisors in negotiating the sale of the Bonds are ratified and confirmed in all aspects.

2. Sale of Bonds. It is necessary and expedient to the sound financial management of the affairs of the City to issue the Bonds in the proposed aggregate principal amount of \$2,745,000 pursuant to the Act to refund in advance of maturity and at their redemption date the Refunded Bonds as herein provided. The Bonds will be issued, sold and delivered in accordance with the terms of the Notice of Sale attached hereto as EXHIBIT A (the "Notice of Sale").

3. Authority of Financial Advisor. Northland Securities, Inc. is authorized and directed to advertise the Bonds for sale in accordance with the Notice of Sale. The City Council will meet at

7:00 P.M. on Tuesday, January 22, 2013, to consider proposals on the Bonds and take any other appropriate action with respect to the Bonds.

4. Authority of Bond Counsel. The law firm of Kennedy & Graven, Chartered, as bond counsel for the City, is authorized to act as bond counsel and to assist in the preparation and review of necessary documents, certificates and instruments relating to the Bonds. The officers, employees and agents of the City are hereby authorized to assist Kennedy & Graven, Chartered in the preparation of such documents, certificates, and instruments.

5. Covenants. In the resolution awarding the sale of the Bonds the City Council will set forth the covenants and undertakings required by the Act.

6. Official Statement. In connection with the sale of the Bonds, the officers or employees of the City are authorized and directed to cooperate with Northland Securities, Inc., and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the City upon its completion.

(The remainder of this page is intentionally left blank.)

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember _____, and upon vote being taken thereon the following members voted in favor of the motion:

and the following voted against:

Whereupon the resolution was declared duly passed and adopted.

EXHIBIT A
NOTICE OF SALE

NOTICE OF SALE

\$2,745,000*

GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2013A

CITY OF ST. FRANCIS, MINNESOTA
(Book-Entry Only)

NOTICE IS HEREBY GIVEN that these Bonds will be offered for sale according to the following terms:

TIME AND PLACE

Proposals will be opened by the City Administrator, or designee, on Tuesday, January 22, 2013, at 11:00 A.M., CT, at the offices of Northland Securities, Inc., 45 South 7th Street, Suite 2000, Minneapolis, Minnesota 55402. Consideration of the Proposals for award of the sale will be by the City Council at its meeting at the City Offices beginning Tuesday, January 22, 2013 at 7:00 P.M., CT.

SUBMISSION OF PROPOSALS

Proposals may be:

- a) submitted to the office of Northland Securities, Inc.,
- b) faxed to Northland Securities, Inc. at 612-851-5918,
- c) for proposals submitted prior to the sale, the final price and coupon rates may be submitted to Northland Securities, Inc. by telephone at 612-851-5900 or 612-851-4907, or
- d) submitted electronically.

Notice is hereby given that electronic proposals will be received via PARITY™, or its successor, in the manner described below, until 11:00 A.M., CT, on Tuesday, January 22, 2013. Proposals may be submitted electronically via PARITY™ or its successor, pursuant to this Notice until 11:00 A.M., CT, but no Proposal will be received after the time for receiving Proposals specified above. To the extent any instructions or directions set forth in PARITY™, or its successor, conflict with this Notice, the terms of this Notice shall control. For further information about PARITY™, or its successor, potential bidders may contact Northland Securities, Inc. or i-Deal® at 1359 Broadway, 2nd floor, New York, NY 10018, telephone 212-849-5021.

Neither the City nor Northland Securities, Inc. assumes any liability if there is a malfunction of PARITY™ or its successor. All bidders are advised that each Proposal shall be deemed to constitute a contract between the bidder and the City to purchase the Bonds regardless of the manner in which the Proposal is submitted.

BOOK-ENTRY SYSTEM

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in fully registered form and one bond certificate, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of Depository Trust Company ("DTC"), New York, New York, which will act as securities depository of the Bonds.

* The City reserves the right to increase or decrease the principal amount of the Bonds. Any such increase or decrease will be made in multiples of \$5,000 and may be made in any maturity. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread.

Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the City through Northland Trust Services, Inc. Minneapolis, Minnesota (the “Paying Agent/Registrar”), to DTC, or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The successful bidder, as a condition of delivery of the Bonds, will be required to deposit the bond certificates with DTC. The City will pay reasonable and customary charges for the services of the Paying Agent/Registrar.

DATE OF ORIGINAL ISSUE OF BONDS

February 1, 2013.

AUTHORITY/PURPOSE/SECURITY

The Bonds are being issued pursuant to Minnesota Statutes, Chapters 429, 444 and 475. Proceeds will be used to crossover refund \$2,560,000 of the \$4,225,000 General Obligation Improvement and Utility Revenue Bonds, Series 2007A. Maturities 2018 through 2028, inclusive, will be called for redemption on February 1, 2017, at a price of par plus accrued interest. The Bonds are payable from special assessments against benefited property, and net revenues of the municipal water utility system. The full faith and credit of the City is pledged to their payment and the City has validly obligated itself to levy ad valorem taxes in the event of any deficiency in the debt service account established for this issue.

INTEREST PAYMENTS

Interest is due semiannually on each February 1 and August 1, commencing August 1, 2013, to registered owners of the Bonds appearing of record in the Bond Register as of the close of business on the fifteenth day (whether or not a business day) of the calendar month preceding such interest payment date.

MATURITIES

Principal is due annually on February 1, inclusive, in each of the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2018	\$280,000	2024	\$200,000
2019	280,000	2025	205,000
2020	275,000	2026	205,000
2021	290,000	2027	210,000
2022	290,000	2028	215,000
2023	295,000		

Proposals for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above.

INTEREST RATES

All rates must be in integral multiples of 1/20th or 1/8th of 1%. *Rates must be in level or ascending order.* All Bonds of the same maturity must bear a single uniform rate from date of issue to maturity.

ADJUSTMENTS TO PRINCIPAL AMOUNT AFTER PROPOSALS

The City reserves the right to increase or decrease the principal amount of the Bonds. Any such increase or decrease will be made in multiples of \$5,000 and may be made in any maturity. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread. Such adjustments shall be made promptly after the sale and prior to the award of Proposals by the City and shall be at the sole discretion of the City. The successful bidder may not withdraw or modify its Proposal once submitted to the City for any reason, including post-sale adjustment. Any adjustment shall be conclusive and shall be binding upon the successful bidder.

OPTIONAL REDEMPTION

Bonds maturing on February 1, 2022 through 2028 are subject to redemption and prepayment at the option of the City on February 1, 2021 and any date thereafter, at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the maturities and principal amounts within each maturity to be redeemed shall be determined by the City and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar.

CUSIP NUMBERS

If the Bonds qualify for assignment of CUSIP numbers such numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder thereof to accept delivery of and pay for the Bonds in accordance with terms of the purchase contract. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the successful bidder.

DELIVERY

Delivery of the Bonds will be within forty days after award, subject to an approving legal opinion by Kennedy & Graven, Chartered, Bond Counsel. The legal opinion will be paid by the City and delivery will be anywhere in the continental United States without cost to the successful bidder at DTC.

TYPE OF PROPOSAL

Proposals of not less than \$2,700,393.75 (98.375%) and accrued interest on the principal sum of \$2,745,000 must be filed with the undersigned prior to the time of sale. Proposals must be unconditional except as to legality. Proposals for the Bonds should be delivered to Northland Securities, Inc. and addressed to:

Matt Hylan, Administrator
St. Francis City Hall
23340 Cree Street
St. Francis, Minnesota 55070

A good faith deposit (the "Deposit") in the amount of \$54,900 in the form of a federal wire transfer (payable to the order of the City) is only required from the apparent winning bidder, and must be received within two hours after the time stated for the receipt of Proposals. The apparent winning bidder will receive notification of the wire instructions from the Financial Advisor promptly after the sale. If the Deposit is not received from the apparent winning bidder in the time allotted, the City may choose to reject their Proposal and then proceed to offer the Bonds to the next lowest bidder based on the terms of their original proposal, so long as said bidder wires funds for the Deposit amount within two hours of said offer.

The City will retain the Deposit of the successful bidder, the amount of which will be deducted at settlement and no interest will accrue to the successful bidder. In the event the successful bidder fails to comply with the accepted Proposal, said amount will be retained by the City. No Proposal can be withdrawn after the time set for receiving Proposals unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis. The City's computation of the interest rate of each Proposal, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The City will reserve the right to: (i) waive non-substantive informalities of any Proposal or of matters relating to the receipt of Proposals and award of the Bonds, (ii) reject all Proposals without cause, and (iii) reject any Proposal which the City determines to have failed to comply with the terms herein.

INFORMATION FROM SUCCESSFUL BIDDER

The successful bidder will be required to provide, in a timely manner, certain information relating to the initial offering price of the Bonds necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended.

OFFICIAL STATEMENT

By awarding the Bonds to any underwriter or underwriting syndicate submitting a Proposal therefor, the City agrees that, no more than seven business days after the date of such award, it shall provide to the senior managing underwriter of the syndicate to which the Bonds are awarded, the Final Official Statement in an electronic format as prescribed by the Municipal Securities Rulemaking Board (MSRB).

FULL CONTINUING DISCLOSURE

The City will covenant in the resolution awarding the sale of the Bonds and in a Continuing Disclosure Certificate to provide, or cause to be provided, certain financial and operating data, and notices of certain material events, as required by SEC Rule 15c2-12.

BANK QUALIFICATION

The City will designate the Bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

BOND INSURANCE AT UNDERWRITER'S OPTION

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the successful bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the successful bidder of the Bonds. Any increase in the costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the successful bidder, except that, if the City has requested and received a rating on the Bonds from a rating agency, the City will pay that rating fee. Any other rating agency fees shall be the responsibility of the successful bidder. Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the successful bidder shall not constitute cause for failure or refusal by the successful bidder to accept delivery on the Bonds.

The City reserves the right to reject any and all Proposals, to waive informalities and to adjourn the sale.

Dated: December 17, 2012

BY ORDER OF THE ST. FRANCIS CITY COUNCIL

/s/ Matt Hylan
Administrator

Additional information may be obtained from:

Northland Securities, Inc.
45 South 7th Street, Suite 2000
Minneapolis, Minnesota 55402
Telephone No.: 612-851-5900

STATE OF MINNESOTA)
)
COUNTY OF ANOKA)
)
CITY OF ST. FRANCIS)

I, the undersigned, being the duly qualified and acting City Clerk of the City of St. Francis, Minnesota (the "City"), hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the City Council of the City held on Monday, December 17, 2012, with the original minutes on file in my office and the extract is a full, true and correct copy of the minutes, insofar as they relate to the issuance and sale of the City's General Obligation Crossover Refunding Bonds, Series 2013A, to be issued in the proposed aggregate principal amount of \$2,745,000.

WITNESS My hand as City Clerk and the corporate seal of the City this ____ day of _____, 2012.

(SEAL)

City Clerk
City of St. Francis, Minnesota

**CITY OF ST. FRANCIS
ST. FRANCIS, MN
ANOKA COUNTY**

RESOLUTION 2012-40

**A RESOLUTION ADOPTING 2012 PAY PLAN
FOR NON-ORGANIZED EMPLOYEES AND SETTING THE GENERAL
CITY HEALTH INSURANCE STIPEND AND BENEFITS**

BE IT RESOLVED by the City Council of the City of St. Francis that the attached Pay Plan marked Exhibit 1(to be determined by city council) and Exhibit 2 shall be approved and adopted with an effective date of January 1, 2013.

The motion for the adoption of the foregoing resolution was made by Councilmember -- and was duly seconded by Councilmember -- and upon vote being taken thereon, the following voted in favor:

Councilmember
Councilmember
Councilmember
Councilmember

and the following voted against the same:
and the following abstained:
and the following were absent:

ADOPTED BY THE CITY COUNCIL OF THE CITY OF ST. FRANCIS THIS 17th
DAY OF DECEMBER, 2012.

APPROVED:

Jerry Tveit, Mayor

ATTEST:

Barbara I. Held, City Clerk

CITY OF ST. FRANCIS
2012 PAY SCALE AND BENEFITS

EXHIBIT 1 – FULL TIME PAY RANGES AND BENEFITS

1. The 2013 Pay Ranges for Full Time are listed in Exhibit 2. Based on acceptable work performance, employees shall advance in their Grade based on current Policy in place.
2. The 2013 Pay Plan continues the City's effort to comply with the Comparable Worth Law.
3. The City shall contribute \$650.00 per month towards the purchase of Health Insurance, Life Insurance, Disability coverage, etc. through a City provided plan. Employees who have Health Insurance coverage through another source and/or opt not to elect voluntary coverage(s), may receive the unused portion of the City's contribution for this coverage, up to \$650.00 per month, as taxable income. All employees shall be required to provide proof of Health Insurance if they do not select Health Insurance coverage through a City provided plan.
4. The City shall provide Short Term Disability Coverage, Long Term Disability Coverage and Life Insurance coverage through Assurant Employee Benefits.
5. The City Council retains all authority to amend or otherwise adjust this Pay Plan or any section thereof as well as an individual's placement on the pay system.
6. Employees subject to this Pay Plan are those "Public Employees" as defined in Minnesota Statute Section 179A.03, Subd. 14.

AGENDA REPORT

TO: Matt Hylan, City Administrator
FROM: Darcy Mulvihill, Finance Director
SUBJECT: **Certify Levy, Adopt Budget and Approve End of Year Transfers**
DATE: December 10, 2012

INTRODUCTION

The Minnesota State Legislature requires all Minnesota cities to annually adopted a tax levy and certify it to the county by December 28th of the year before. A budget must all be approved at this time.

BACKGROUND

The proposed 2013 budget was discussed on December 3rd at 6:00 p.m. The tax levy needs to be adopted before the budget is adopted. The final levy can be decreased from the proposed levy that was set in September, but not increased. This resolution does approve a levy with an increase of 4% which is down from the original increase of 7% approved in September. Please note that the 2013 Proposed Budget Book is on the city's website under the Finance Department.

RECOMMENDATION

It is recommended that the council make the following motions: 1. Motion to adopt Resolution 2012-41 certifying taxes payable in 2013; 2. Motion to adopt Resolution 2012-42 adopting the budget for 2013. 3) Motion to adopt Resolution 2012-43 approving End of Year Transfers

BUDGET IMPACT

None.

Attachments:

1. Resolution 2012-41
2. Resolution 2012-42
3. Resolution 2012-43

CITY OF ST. FRANCIS
ST. FRANCIS, MN

RESOLUTION 2012-41

RESOLUTION CERTIFYING TAXES PAYABLE IN 2013

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ST. FRANCIS,
MINNESOTA that:

1. The following sums of money be levied for the current year, collectible in 2013,
upon the taxable property in said City of St. Francis, for the following purposes:

General Fund	\$2,967,186
Debt Service	<u>20,900</u>
TOTAL LEVY	\$2,988,086

ADOPTED BY THE CITY COUNCIL OF THE CITY OF ST. FRANCIS THIS 17TH DAY OF
DECEMBER, 2012.

APPROVED:

Jerry Tveit
Mayor of St. Francis

ATTEST:

Barbara I. Held
City Clerk

CITY OF ST. FRANCIS
ST. FRANCIS, MN

RESOLUTION 2012-42

RESOLUTION ADOPTING A BUDGET FOR 2013

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ST. FRANCIS, MINNESOTA that a budget for 2013 is hereby adopted as outlined in the following summary:

	OPERATING BUDGET	CAPITAL IMPROVEMENTS BUDGET	DEBT SERVICE BUDGET	TOTAL
Revenues	\$7,999,429	\$57,500	\$47,300	\$8,104,229
Net other increases (decreases)	(544,880)	-0-	544,880	\$0
Expenditures	(7,887,817)	-0-	(620,652)	(\$8,508,469)
Net change in fund balance	(\$433,268)	\$57,500	(\$28,472)	(\$404,240)

BE IT FURTHER RESOLVED that the department appropriations totaling \$7,887,817 as listed in the budget booklet are hereby approved for the 2013 Operating Budget.

BE IT FURTHER RESOLVED that the expenses for the Municipal Liquor Operations Fund may exceed the appropriation provided that the net operating income before other revenues and expenses excluding depreciation for 2013 is not less than \$103,027.

BE IT FURTHER RESOLVED that the following appropriations are hereby approved for the 2013 Capital Improvements Budget:

CAPITAL EQUIPMENT	\$0
CREEKVIEW ESTATES	0
IVYWOOD STREET & 230 TH LANE	0
TOTAL CAPITAL IMPROVEMENTS BUDGET APPROPRIATIONS	\$0

BE IT FURTHER RESOLVED that the Finance Director shall establish a budget for each public improvement project when the Council orders the project and that the budget amounts shall be recorded at amounts specified in the feasibility study for the project.

BE IT FURTHER RESOLVED that the following appropriations are hereby approved for the 2013 Debt Service Budget:

\$260,000	Principal
360,227	Interest
425	Paying Agent Fees
<hr/>	
\$620,652	TOTAL DEBT SERVICE BUDGET APPROPRIATIONS

BE IT FURTHER RESOLVED that the above budgets for Governmental Funds are hereby adopted for financial reporting and management control.

BE IT FURTHER RESOLVED that the above budgets for all other funds are hereby adopted for management purposes only.

BE IT FURTHER RESOLVED that the transfer of appropriations among the various accounts, within a fund, shall only require the approval of the City Administrator or his designee. However, City Council approval is required for transfers from contingency accounts.

BE IT FURTHER RESOLVED that all appropriations which are not encumbered or expended at the end of the fiscal year shall lapse and shall become part of the unencumbered fund balance which may be appropriated for the next fiscal year except appropriations for capital improvement projects which shall not lapse until the project is completed or canceled by the City Council.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF ST. FRANCIS THIS 17TH DAY OF DECEMBER, 2012.

APPROVED:

Jerry Tveit
Mayor of St. Francis

ATTEST:

Barbara I. Held
City Clerk

CITY OF ST. FRANCIS
ST. FRANCIS MN
ANOKA COUNTY

RESOLUTION 2012-43

END OF YEAR TRANSFERS
FOR THE YEAR 2012

BE IT RESOLVED that the City Council of the City of St. Francis hereby approves the following transfers of funds:

	<u>FROM</u>	<u>TO</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
1	Liquor Fund	General Fund	Budgeted amount	50,000
2	Liquor Fund	General Fund	Pioneer Days	10,000

1. Annual budgeted transfer from Liquor Fund in lieu of taxes.
2. Annual contribution to Pioneer Days.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF ST. FRANCIS THIS 17TH DAY OF DECEMBER, 2012.

APPROVED:

Jerry Tveit, Mayor

ATTEST:

Barbara I. Held, City Clerk

**CITY OF ST. FRANCIS
ST. FRANCIS, MN
ANOKA COUNTY**

RESOLUTION NO. 2012-44

**A RESOLUTION ORDERING CONDEMNATION OF CERTAIN LANDS FOR PUBLIC
RIGHT-OF-WAY PURPOSES**

- WHEREAS, by previous actions of the City Council of St. Francis, Minnesota, (the "Council"), it was determined to acquire additional highway right-of-way easement for the construction of a new right-hand turn lane from St. Francis Boulevard [also designated as State Trunk Highway No. 47] onto southbound Cree Street N.W.; and,
- WHEREAS, the Council has received reports stating that the project is feasible; and,
- WHEREAS, public hearings were held on the matter by the Council; and,
- WHEREAS, following said public hearings, the Council has resolved that the project is feasible and necessary; and,
- WHEREAS, as a part of said improvements, the Council has received reports that it is necessary to acquire only an easement title interest in the parcel of land shown on the attached **Exhibit A** hereto, which easement is described on the attached **Exhibit B**; and,
- WHEREAS, the Council has declared its goal to open the contemplated right-hand turn lane to public use during the Spring or Summer of 2013; and,
- WHEREAS, to meet the scheduled opening date for this right-of-way, it is necessary to take possession of the land at the earliest possible date to accommodate site preparation and construction; and,
- WHEREAS, the Council has received an appraisal of the property interest to be taken in these proceedings; and,

NOW, THEREFORE, BE IT RESOLVED by the City of St. Francis, a Minnesota municipal corporation:

1. That the stated acquisition is in the public interest and for a public purpose.
2. City staff and counsel are directed to start the condemnation proceedings forthwith to acquire the easement title to the parcel of land described on the attached **Exhibit B**, and where legally appropriate, to acquire these lands, by direct purchase, if feasible and practical.

3. The time required for construction and the need to open the contemplated right-hand turn lane to public use during the Spring or Summer of 2013 makes it necessary for the City to acquire possession of the property, identified on the attached **Exhibit B**. To expedite the acquisition process and the construction of the project, the City staff and counsel shall also petition for title and possession of any or all condemnation parcels prior to commission award, in accordance with Minn. Stat. §117.042.
4. The Council has received an appraisal of the easement interest of the property to be taken in these proceedings and hereby approves the appraised value for the parcel in accordance with Minn. Stat. §117.042. Staff is directed to prepare the necessary funds for deposit with the district court administrator pursuant to statute. Staff and counsel are authorized to negotiate the purchase of the easement interest on the parcel based upon the approved appraisal.

The motion for the adoption of the foregoing Resolution was duly made by

Council member _____

and seconded by Council member _____

and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against same:

Adopted by the City of St. Francis, Minnesota this 17th day of December, 2012.

Jerry Tveit, Mayor

ATTEST:

Barbara I. Held
City Clerk

LIST OF LANDS TO BE ACQUIRED

IDENTITY OF OWNERS, NATURE OF INTERESTS, AND LEGAL DESCRIPTIONS.

Easement Parcel

Anoka County Property Tax Identification No. **06-33-24-13-0006**

Street Address **4140 St. Francis Boulevard N.W. , St. Francis, MN 55070**

Legal Description of underlying parcel: See the attached **Exhibit A.**

Legal Description of easement parcel to be taken: See the attached **Exhibit B.**

Approved Appraisal Value for easement parcel to be taken: **\$4,774.00**

Record Owner(s), Encumbrancers, and Other Parties in Interest	Nature of Interest
Richard Dean Sonsteby also known as Richard Sonsteby	Fee title
Ronnie McNeil formerly known as Susan L. Sonsteby and Susan Lynn Sonsteby	Lien holder under Torrens Document Number 493152.001
County of Anoka	Real Estate Taxes; Minerals and Mineral Rights
All other parties unknown having any right, title or interest in the property herein, together with the unknown heirs or devisees, if any, of the parties may be deceased, and including unknown spouses of any party, if any.	Possible holders of an unrecorded interest

EXHIBIT A
Description of Underlying Parcel

(From Certificate of Title No. 96580)

The East 620.00 feet of that part of the Southwest Quarter of the Northeast Quarter, Section 6, Township 33, Range 24, Anoka County, Minnesota, lying north of the South 825.00 feet of said Southwest Quarter of the Northeast Quarter and South of the road.

AND

The West 157.00 feet of that part of the Southeast Quarter of the Northeast Quarter, Section 6, Township 33, Range 24, Anoka County, Minnesota, which lies North of the South 825.00 feet of said Southeast Quarter of the Northeast Quarter.

Subject to reservations to the State of Minnesota in trust for taxing districts concerned of all mineral and mineral rights therein as provided by law.

Subject to:

The right of access, being the right of ingress to and egress from Trunk Highway 47, which has been taken by the State of Minnesota, except that the abutting owner shall retain the right of access Westerly of a triangular piece adjoining and Westerly of Line A and Southerly of Strip B, which lies Northeasterly of the following described line:

Beginning at a point on the Westerly boundary of Line A, distant 100 feet Southerly of its intersection with the Southerly boundary of the Strip B; thence run Northwesterly to a point on the Southerly boundary of Strip B distant 100 feet Westerly of said intersection and there terminating.

Line A: Beginning at a point on the North line of said Section 6, distant 45.54 feet West of the Northeast corner thereof; thence run Southerly at an angle of 91 degrees 49 minutes with said North section line (measured from east to south) for 2600 feet and there terminating.

Strip B: From a point on the above-described Line A, distant 383.8 feet Southerly of its point of beginning; run Westerly at right angles to said line for 42 feet; thence deflect to the left at an angle of 90 degrees for 100 feet; thence deflect to the right on a ten chord spiral curve of decreasing radius (spiral angle 24 degrees 00 minutes) for 400 feet; thence deflect to the right on a 12 degrees 00 minutes circular curve (delta angle 42 degrees 50 minutes) for 356.94 feet; thence deflect to the right on a ten chord spiral curve of increasing radius (spiral angle 24 degrees 00 minutes) for 400 feet; thence on tangent to said curve for 100 feet; thence run Easterly on the last described course for 100 feet to the point of beginning of the line to be described; thence continue Easterly on the last described course for 739.39 feet and there terminating.

EXHIBIT B
Description of Easement Parcel to be Taken

A perpetual easement for roadway purposes over, under and across those parts of the west 157.00 feet of the Southeast Quarter of the Northeast Quarter and the east 620.00 feet of the Southwest Quarter of the Northeast Quarter, EXCEPT the south 825.00 feet thereof, all in Section 6, Township 33, Range 24, Anoka County, Minnesota, described as follows:

Beginning at the northeast corner of said west 157.00 feet of the Southeast Quarter of the Northeast Quarter; thence on an assumed bearing of South 01 degree 13 minutes 20 seconds West along the east line of said west 157.00 feet of the Southeast Quarter of the Northeast Quarter, a distance of 25.04 feet; thence North 87 degrees 21 minutes 06 seconds West a distance of 476.57 feet; thence North 02 degrees 38 minutes 54 seconds East a distance of 11.73 feet to the north line of the Southwest Quarter of the Northeast Quarter; thence South 88 degrees 57 minutes 08 seconds East along the north lines of said Southwest Quarter of the Northeast Quarter and said Southeast Quarter of the Northeast Quarter, a distance of 476.13 feet to the point of beginning;

EXCEPT those parts lying within the existing right-of-way of State Trunk Highway No. 47;

Together with the ownership of and the right to remove all trees and shrubs and all other natural or man-made impediments lying within the easement area;

Together with a temporary easement for construction purposes, 10.00 feet wide, over, under and across the above-described parcel of land, lying southerly of and adjoining the south line of the above-described perpetual easement. The sidelines of said temporary easement shall be prolonged or shortened to terminate at the east line of the above-described parcel of land.

Said temporary easement shall expire on October 15, 2013.

**CITY OF ST. FRANCIS
ST. FRANCIS, MN**

RESOLUTION 2012-45

**A RESOLUTION ADOPTING THE
LICENSE RENEWALS FOR 2013**

(See Attached Exhibit A)

ADOPTED BY THE CITY COUNCIL OF THE CITY OF ST. FRANCIS THIS 17th
DAY OF DECEMBER, 2012.

APPROVED:

Jerry Tveit
Mayor of St. Francis

ATTEST:

Barbara I. Held
City Clerk

Exhibit A
LICENSE RENEWALS FOR 2013

<u>LIQUOR LICENSES:</u>	<u>REGULAR</u>	<u>SUNDAY</u>
(1) Beef O'Bradys	\$ 4,000.00	\$ 200.00
(2) Patriot Lanes	4,000.00	200.00
(3) Rum River Inn	4,000.00	200.00
(4) St. Francis American Legion	4,000.00	200.00

<u>WINE/BEER LICENSES:</u>	
(1) Mansetti's	200.00
(2) Tasty Pizza	200.00

<u>TOBACCO LICENSES:</u>	
(1) Casey's General Store	150.00
(2) County Market	150.00
(3) St. Francis Foods	150.00
(4) St. Francis Bottle Shop	150.00
(5) Reliance USS	150.00

<u>AMUSEMENT MACHINES</u>	<u># OF MACHINES</u>	<u>TOTAL</u>
(1) Beef O'Bradys	9	\$150.00
(2) Mansetti's	3	60.00
(3) Patriot Lanes	11	180.00
(4) Rum River Inn	3	45.00
(5) St. Francis American Legion	5	90.00
(6) Tasty Pizza	1	30.00

<u>REFUSE HAULERS:</u>	<u># OF TRUCKS</u>	
(1) Ace Solid Waste Management	3	\$350.00
(2) Allied Waste Services	4	350.00
(3) East Central Sanitation	3	350.00

<u>TOWING LICENSE:</u>	
(1) Gerdin's	\$150.00

<u>MASSAGE THERAPY LICENSE:</u>	
(1) St. Francis Physical Therapy	\$200.00

**CITY OF ST. FRANCIS
ST. FRANCIS, MN
ANOKA COUNTY**

RESOLUTION 2012-46

**A RESOLUTION DECLARING SURPLUS
PROPERTY AND AUTHORIZING THE DISPOSAL
OF SAID PROPERTY**

WHEREAS, Section 8-7-3 of the St. Francis City Code entitled "Disposal of Excess Property" outlines the procedure for disposal of City owned property; and

WHEREAS, pursuant to Section 8-7-3, the City has identified property owned by the City that is no longer needed for municipal service; and

WHEREAS, by the City Council of the City of St. Francis that the following property is hereby classified as surplus property, with the approximate value said property assigned as follows:

Fire Department Ladders:	Estimated Value
40' Banger Ladder	\$ 150
14' Roof Ladder	\$ 75
14' A Frame Ladder	\$ 75
24' Extension Ladder	\$ 100

BE IT FURTHER RESOLVED that Fire Chief Dean Kapler is hereby authorized to dispose of said property by donating these items to the Anoka County Fire Training Academy.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF ST. FRANCIS THIS 17th
DAY OF DECEMBER, 2012.

APPROVED:

Jerry Tveit
Mayor of St. Francis

ATTEST:

Barbara I. Held
City Clerk

A Market Feasibility Study
for Active Adult Senior Housing and
Affordable General Occupancy Housing in
St. Francis, Minnesota

Prepared for:

Anoka County HRA
Anoka, Minnesota

September 2012



1221 Nicollet Avenue
Suite 218
Minneapolis, MN 55403
612.338.0012
www.maxfieldresearch.com



September 11, 2012

Ms. Karen Skepper
Anoka County HRA
2100 3rd Avenue
Anoka, MN 55303

Dear Ms. Skepper:

Attached is our report *A Market Feasibility Study for Active Adult Senior Housing and Affordable General Occupancy Housing in St. Francis, Minnesota*. Based on an analysis of demographic trends and an analysis of the current and proposed supply of active adult senior housing and affordable general occupancy affordable housing, we find that demand exists for 22 market rate owner-occupied active adult units, 28 market rate active adult rental units, 43 affordable active adult units, and 45-49 affordable general occupancy rental units by 2017.

We recommend building either affordable active adult or affordable general occupancy rental units due to the greatest demand and lack of competitive properties. We estimate that approximately 35% of the affordable active adult units would be pre-leased (14 units) with the remaining units leasing at a rate of between 4 and 5 units per month, with stabilized occupancy (95%) reached within 5 to 6 months of opening. For the affordable general occupancy units, we project that approximately 45% of the units would be pre-leased (20 to 22 units) with the remaining units leasing at a rate of between 5 and 6 units per month, with stabilized occupancy (95%) reached within 4 to 5 months of opening.

We have enjoyed performing this study for you and are available if you need additional information.

Sincerely,

MAXFIELD RESEARCH INC.

Mary Bujold
President

Amanda Janzen
Research Analyst

Attachment

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Study Purpose

Maxfield Research Inc. was engaged by Anoka County Housing and Redevelopment Authority (HRA) to complete a market feasibility study for market rate active adult senior housing, affordable active adult senior housing, and/or affordable general occupancy rental housing to be located at 3518 Bridge Street, immediately east of the Rum River in St. Francis, Minnesota.

Scope of Services

The scope of this study includes an evaluation of the subject Site, a demographic review including population and household growth trends, age distribution trends, household incomes, tenure by age of householder, and a survey of active adult senior and affordable general occupancy rental developments in the Primary Market Area. Maxfield Research Inc. also inventories pending developments in the Primary Market Area and provides a calculation of demand for additional active adult senior housing and affordable general occupancy rental housing. We provide recommendations for an appropriate development concept for the property based on the type of housing with the greatest demand.

This report includes both primary and secondary research. Primary research includes interviews with rental property managers, city staff and other housing professionals. All of the information on competitive rental housing projects and pending rental housing developments was gathered by Maxfield Research Inc. and is accurate to the best of our knowledge. Secondary research is credited to the source when used. This study utilizes secondary data from the sources listed below. Secondary research is always used as a basis for analysis and is carefully reviewed in light of other factors that may impact projections.

- U.S. Census Bureau
- ESRI
- Minnesota Department of Employment and Economic Development
- Metropolitan Council
- Minnesota Demographic Center

Site Location and Surrounding Land Uses

The subject Site is located south of Bridge Street and East of the Rum River at 3518 Bridge Street in St. Francis, Minnesota. The parcel is approximately 5.1 acres and currently has a garage located on site, which would be demolished. The following summarizes the land uses that surround the subject Site.

- North: The St. Francis Branch Library and a farmstead that also sells antiques.
- East: Casey's General Store Gas Station. Further east is the St. Francis High School.
- South: Single-family homes and wooded areas.
- West: The Rum River. Across the Rum River is Downtown St. Francis with businesses including Rum River Inn, St. Francis True Value Hardware, Bridge Street Market, Subway, St. Francis Dental Care, etc.

The following photos and map show the Site's location in St. Francis. Maxfield Research Inc. visited the Site on September 7, 2012.



View of Site looking South.



View of Site looking East.



View of St. Francis Library north of subject Site.



View of farmstead north of subject Site.

SITE LOCATION AND ANALYSIS



View of Casey's General Store located east of subject Site.



View of St. Francis High School located east of subject Site.



View of single-family homes near 229th Lane NW and Quay Street NW located south of subject Site.



View of Bridge Street looking West of subject Site.



View of Rum River located west of subject Site.



View of Woodbury Park located west of Rum River.

Access and Visibility

Primary access to the subject Site will be Bridge Street, a main east-west thoroughfare in the City. The subject Site is located approximately one mile east of Highway 47 that travels through Nowthen, Ramsey, Anoka, and Coon Rapids.

According to the most recent information available (2011) from the Minnesota Department of Transportation (MNDOT), the segment of Bridge Street west of the subject Site to Ambassador Boulevard experienced a daily traffic volume of 9,400 trips per day. Bridge Street, east of the subject Site to Rum River Boulevard experienced a daily traffic volume of 10,800 trips per day. Sufficient traffic in the immediate area is available to facilitate awareness of the development.

Finally, visibility will be excellent for motorists and pedestrians. The subject Site has direct frontage on Bridge Street providing unobstructed views. Its close proximity to the Rum River and the Downtown also provides greater exposure.

Proximity to Area Retail and Services

Potential residents on the subject Site will have convenient access to retail goods and services.

Downtown St. Francis is located just west of the Rum River and includes goods and services such as Rum River Inn, St. Francis True Value Hardware, Bridge Street Market, Subway, St. Francis Dental Care, etc.

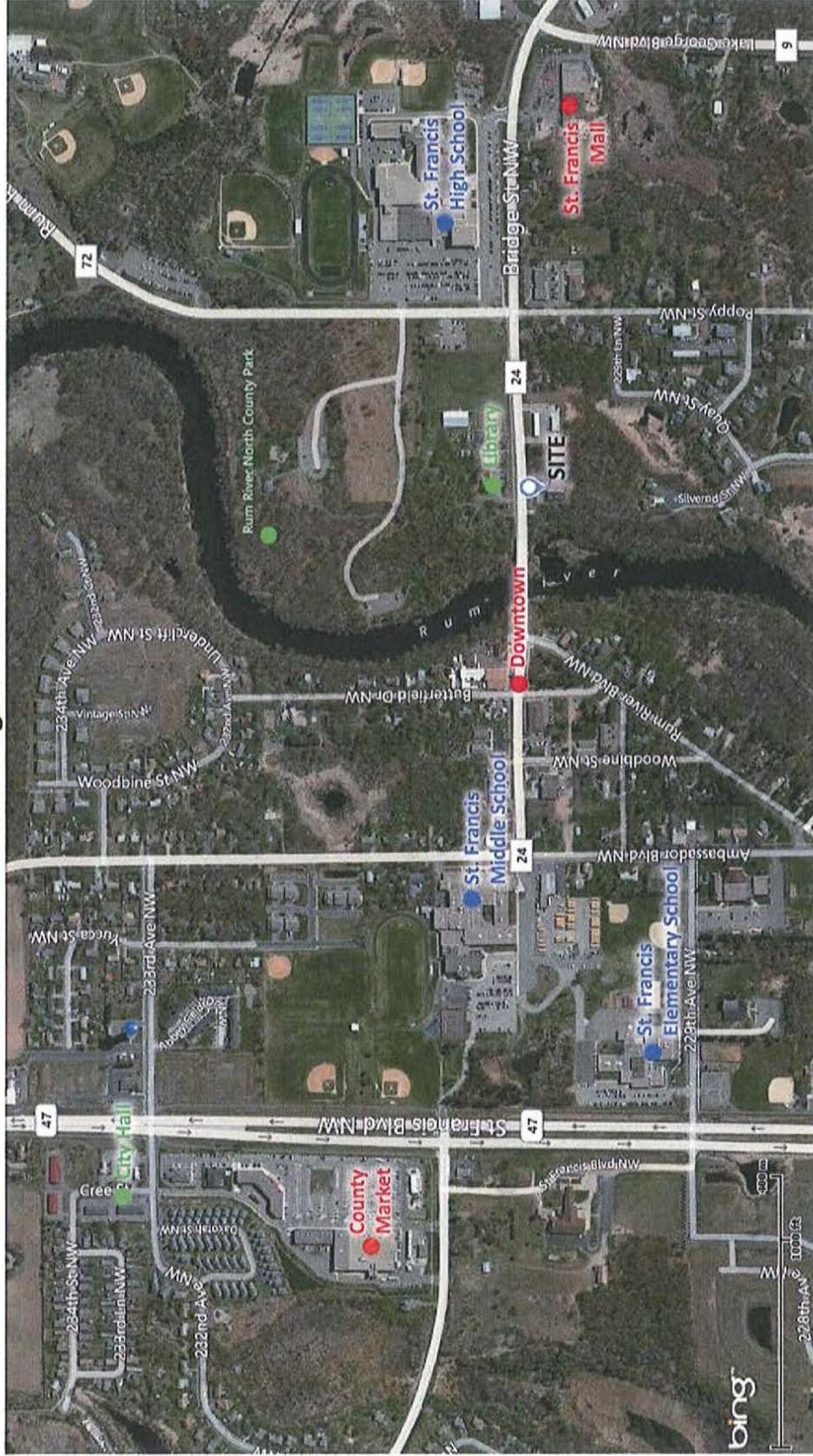
The main commercial area in St. Francis is located along Highway 47 and Pederson Drive and is anchored by County Market grocery store. Other retailers in the area include McDonald's, Credit Union St. Francis, Verizon Wireless, Dominos, Totally Tan, Great Clips, Dollar Plus, etc.

For more extensive retail needs, Riverdale Village, a major regional shopping center, is located in Coon Rapids approximately 13 miles south of the subject Site. Anchor tenants include Target, Rainbow Foods, Home Depot, JCPenney, Costco, Menards, Best Buy, Sears, Old Navy, Kohls, Cub Foods and Walmart.

The subject Site is also located within one mile of area schools, a key factor that has attracted current residents to the community. It is also located immediately east of the Rum River North County Park Trail Access.

SITE LOCATION AND ANALYSIS

Site Location and Neighborhood Amenities



- Retail
- Educational
- Governmental

Appropriateness of Site for Senior or General Occupancy Rental Housing

Based on our analysis of the community orientation and layout of the subject Site, we identified key characteristics and classified them as strengths and weaknesses for senior and general occupancy rental housing:

Rental Housing – Strengths

- Convenient access to neighborhood goods and services in Downtown St. Francis as well as the commercial district near Highway 47.
- Scenic views of the Rum River to the west.
- The City of St. Francis has a small-town feel and is located within a reasonable distance from employment, either in St. Francis or closer in the Metro Area.
- Limited supply of newer rental properties in the area.

Rental Housing – Weaknesses

- Potential noise, odor, and traffic coming from the Casey's General Store gas station located immediately east of the subject Site;
- Potential for noise and odor and delay from traffic congestion along Bridge Street.

Primary Market Area Definition

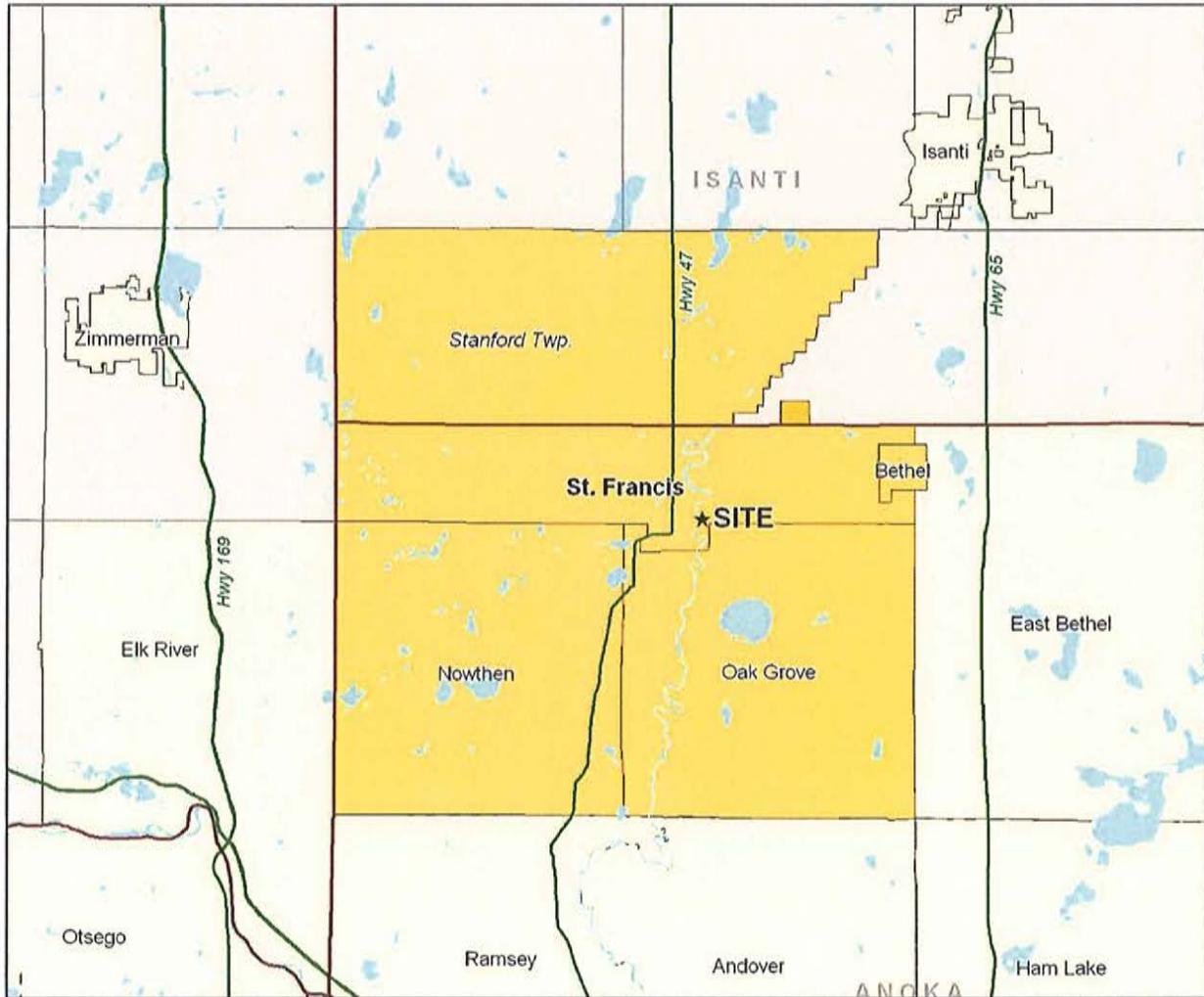
The draw area (herein referred to as the Primary Market Area) for senior and general occupancy rental housing in St. Francis was determined based on our analysis of the subject Site's accessibility and visibility, characteristics of the surrounding area, community orientation, renter leasing patterns, geographic and man made boundaries and our experience in housing feasibility. The primary draw or Primary Market Area (otherwise referred to as the "PMA") for both product categories, includes the Cities of St. Francis, Bethel, Nowthen and Oak Grove as well as the Township of Stanford.

We estimate that this PMA will constitute 80% of the PMA's support for senior housing and 70% for general occupancy rental housing. A portion of the demand for housing products on the subject Site will come from outside the defined PMA. In the case for senior housing, these individuals will include persons currently residing just outside the PMA who have an orientation to the area (i.e. church, doctor, etc.); persons who once resided in the area that desire to move back to be near friends and family, as well as parents of adult children living in the PMA. In the case of rental housing, it will include people who are working but not living in the area, those who will move to the area because of product that meets their needs and those working just outside of the PMA who find the location and product type attractive.

A map of the PMA is located on the following page.

The following sections present our analysis for senior housing and then general occupancy rental housing.

Primary Market Area



Older Adult (Age 55+) Population and Household Trends

Table 1 shows the age distribution of people and households age 55 and older in the PMA. Historical information for 2000 and 2010 is supplied by the U.S. Census Bureau. Estimates for 2012 and projections through 2017 were based on demographic information supplied by ESRI (national demographics service provider) and the Metropolitan Council along with the Minnesota Demographic Center for Stanford Township in Isanti County. Maxfield Research Inc. adjusted projections from the Metropolitan Council and Minnesota Demographic Center downward based on the slowdown in the housing market due to the recession.

- As of 2010, the PMA totaled 22,425 people and 7,695 households. The older adult and senior population (age 55+) comprised 18.8% of the total population and 32.1% of the total households in the PMA.
- The 55+ population experienced more rapid population growth between 2000 and 2010 than the PMA as a whole. Between 2000 and 2010, the PMA population age 55+ increased by +2,164 (+103.6%) and +1,206 households (+95.1%).

TABLE 1									
55+ POPULATION & HOUSEHOLD AGE DISTRIBUTION									
PRIMARY MARKET AREA									
2000-2017									
POPULATION									
Age	2000	2010	2012	2017	2000-2010		2012-2017		
55 to 64	1,324	2,491	2,509	2,775	1,167	88.1%	266	10.6%	
65 to 69	315	742	747	890	427	135.6%	143	19.1%	
70 to 74	192	472	475	641	280	145.8%	166	34.9%	
75 to 79	141	267	269	356	126	89.4%	87	32.3%	
80 to 84	70	148	149	185	78	111.4%	36	24.4%	
85 +	46	102	103	110	56	121.7%	7	6.7%	
Total 55+	2,088	4,222	4,252	4,958	2,164	103.6%	705	16.6%	
Total 65+	764	1,731	1,743	2,182	967	126.6%	439	25.2%	
Total 75+	257	517	521	651	260	101.2%	130	25.0%	
Tot. Pop.	17,888	22,425	22,585	24,666	4,537	25.4%	2,081	9.2%	
HOUSEHOLDS									
Age	2000	2010	2012	2017	2000-2010		2012-2017		
55 to 64	756	1,399	1,408	1,645	643	85.1%	237	16.8%	
65 to 74	337	753	758	996	416	123.4%	238	31.5%	
75 +	175	322	324	450	147	84.0%	126	38.8%	
Total 55+	1,268	2,474	2,490	3,091	1,206	95.1%	601	24.1%	
Total 65+	512	1,075	1,082	1,446	563	110.0%	364	33.6%	
Total 75+	175	322	324	450	147	84.0%	126	38.8%	
Tot. HH	5,814	7,695	7,745	8,639	1,881	32.4%	894	11.5%	

Sources: U.S. Census Bureau; ESRI; Maxfield Research Inc.

DEMOGRAPHIC ANALYSIS – SENIOR HOUSING

- Projected forward, the older adult and senior population is anticipated to grow through 2017. Between 2012 and 2017, the PMA's older adult and senior population is projected to add 705 people (+16.6%) and 671 households (26.9%).
- The target market for active adult housing varies somewhat by age. Typically, older adult households (55 to 64) often prefer to continue to own their housing yet want more conveniences in their living arrangements and less outdoor and exterior maintenance. As seniors age, a larger proportion consider senior housing alternatives such as rental, condominiums or cooperatives. This trend is shown later in the household tenure information. Between 2012 and 2017, the PMA population age 55 to 64 is projected to increase by +266 people (+10.6%).
- Representing the leading edge of the baby boom population, growth among the 55 to 64 age cohort is likely to impact the demand for active adult housing, but we project, only modestly. A more direct impact will be felt from those ages 65 to 74, many of which are likely to consider more convenient lifestyle options to their single-family homes. Seniors age 75+ are also a market for active adult housing, but a portion of the oldest elderly typically prefers housing with services. Between 2012 and 2017, the PMA population age 65 to 74 is projected to increase by +309 people (+25.3%) and those 75+ are projected to increase by +651 people (+25.0%).

Older Adult and Senior Household Incomes

Table 2 provides data on incomes for older adult and senior households in the PMA in 2012 and 2017 based on information provided by ESRI. It is important to note that the data does not account for the asset base of senior households or supplemental income that a senior household could gain from the proceeds of the sale of a home or from contributions from family members. This data helps determine demand for senior housing based on the size of the market at specific income levels. This data is incorporated into our demand calculations, which are presented in a following section.

The frailer the senior, the greater the proportion of their income they will typically spend on housing and services. Studies have shown that seniors are willing to pay increasing proportions of their incomes on housing with services, beginning with an income allocation of 40% to 50% for market rate adult senior housing with little or no services, increasing to 65% for congregate (independent with some services) and to 80% to 90% or more for assisted living and memory care housing. Seniors also often use the proceeds from the sales of their homes, as well as financial assistance from their adult children, as supplemental income in order to afford senior housing alternatives. Those at the highest level of care will often spend down assets to avoid nursing home placement.

DEMOGRAPHIC ANALYSIS – SENIOR HOUSING

**TABLE 2
OLDER ADULT INCOME DISTRIBUTION
PRIMARY MARKET AREA
2012 & 2017**

2012								
	55-64		65-74		75+		Total 65+	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Under \$15,000	30	2.1	45	5.9	18	5.6	63	5.8
\$15,000-\$24,999	38	2.7	87	11.5	80	24.7	167	15.4
\$25,000-\$34,999	143	10.2	122	16.1	52	16.0	174	16.1
\$35,000-\$49,999	173	12.3	210	27.7	73	22.5	283	26.2
\$50,000-\$74,999	334	23.7	161	21.2	22	6.8	183	16.9
\$75,000-\$99,999	194	13.8	66	8.7	31	9.6	97	9.0
\$100,000 or more	495	35.2	67	8.8	47	14.5	114	10.5
Total	1,408	100.0	758	100.0	324	100.0	1,082	100.0
Median Income	\$73,863		\$43,915		\$37,399		\$42,261	
2017								
	55-64		65-74		75+		Total 65+	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Under \$15,000	15	0.9	52	5.1	32	7.1	84	5.7
\$15,000-\$24,999	36	2.1	77	7.6	76	16.8	153	10.5
\$25,000-\$34,999	98	5.8	139	13.7	53	11.7	192	13.1
\$35,000-\$49,999	162	9.5	230	22.7	75	16.6	305	20.8
\$50,000-\$74,999	378	22.3	253	25.0	38	8.4	291	19.9
\$75,000-\$99,999	239	14.1	106	10.5	58	12.8	164	11.2
\$100,000 or more	770	45.4	153	15.1	120	26.5	273	18.6
Total	1,697	100.0	1,011	100.0	453	100.0	1,464	100.0
Median Income	\$91,807		\$50,638		\$47,963		\$49,901	
Change 2012-2017								
	55-64		65-74		75+		Total 65+	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Under \$15,000	-15	-50.0	7	15.6	14	77.8	21	33.3
\$15,000-\$24,999	-2	-5.3	-10	-11.5	-4	-5.0	-14	-8.4
\$25,000-\$34,999	-45	-31.5	17	13.9	1	1.9	14	8.3
\$35,000-\$49,999	-11	-6.4	20	9.5	2	2.7	22	7.8
\$50,000-\$74,999	44	13.2	92	57.1	16	72.7	108	59.0
\$75,000-\$99,999	45	23.2	40	60.6	27	87.1	67	69.1
\$100,000 or more	275	55.6	86	128.4	73	155.3	159	139.5
Total	291	20.7	252	33.3	129	39.8	377	34.9
Median Income	\$17,944 24.3		\$6,723 15.3		\$10,564 28.2		\$7,640 18.1	

Sources: ESRI; Maxfield Research Inc.

DEMOGRAPHIC ANALYSIS – SENIOR HOUSING

- In 2012, the median income for all age 65+ households in the PMA was \$42,261. Within this age group, the median incomes for households between the ages of 65 and 74 and 75+ were \$43,915 and \$37,399, respectively. The higher median income for younger senior households (age 65 to 74) compared to older seniors (age 75+) is primarily due to the fact that a higher proportion of younger seniors is married and more likely to have two pensions, along with the fact that many younger seniors continue to have income-producing employment.
- The target market for active adult senior housing is typically senior households age 65+ with incomes of at least \$35,000 (plus some senior homeowners with incomes of at least \$25,000). Older adults, ages 55 to 64, may also move to active adult housing, but overall, they usually account for a small portion of the demand depending on the type of housing product developed. As of 2012, there were approximately 677 senior households age 65+ in the PMA with incomes of at least \$35,000, or about 62.6% of all 65+ households.
- This study also considers the portion of senior households that cannot afford market rate senior housing alternatives. The target market for affordable senior housing is senior households with incomes below 60% Area Median Income (AMI). Based on the Anoka County AMI, the following are current income-restrictions at 60% AMI:

2012 Income Limits by Household Size

Pct of AMI	1P	2P	3P	4P
60%	\$35,280	\$40,320	\$45,360	\$50,340

- After adjusting for typical household sizes, approximately 4,095 households age 65+ earn \$40,000 or less, or about 50.0% of all 65+ households. A portion of these individuals, however, would not be able to afford the contract rent prices associated with the proposed development. Based on the recommended pricing for a one-bedroom unit (see Table 23), a household would have to earn about \$27,450 to afford monthly rents of \$800, if they are willing to allocate 35% of their adjusted gross income. Thus, the more specific target market would be renter households that earn an estimated \$27,450 to \$40,000 annually. There are approximately 224 households (20.7%) age 65+ earning between \$27,450 and \$40,000 in 2012.

Older Adult and Senior Household Tenure

Table 3 shows the number of older adult and senior households that owned and rented their housing in the PMA in 2000 and 2010. Data from 2000 and 2010 is from the U.S. Census. This information aids in quantifying the number of households that may still have homes to sell and could potentially supplement their incomes from the sales of their homes to cover the costs associated with either purchasing a new residence or using the income derived to support a rent-

DEMOGRAPHIC ANALYSIS – SENIOR HOUSING

al format. Additionally, the information provides insight into the propensity of seniors to rent instead of own their housing.

- Typically, homeownership declines as households age. In 2010, homeownership rates remained high in older adult and younger senior household groups, with 96% among households age 55 to 64 and 95% among households age 65 to 74.
- As seniors age, they may no longer desire or be able to maintain their single-family homes. They may prefer to move to housing that offers greater freedom from maintenance and/or has supportive services. The decline in homeownership between the 65 to 74 and 75+ age cohorts indicates that PMA seniors begin to consider moving into senior housing alternatives in their mid-70s.

TABLE 3 OLDER ADULT HOUSEHOLD TENURE PRIMARY MARKET AREA 2000 & 2010								
	Age of Householder							
	55-64		65-74		75+		Total 65+	
	Own	Rent	Own	Rent	Own	Rent	Own	Rent
2010								
No. of Households	1,345	54	712	41	284	38	996	79
Homeownership Rate	96%		95%		88%		93%	
2000								
No. of Households	751	21	303	16	147	20	450	36
Homeownership Rate	97%		95%		88%		93%	
Change 2010 - 2000								
No. of Households	594	33	409	25	137	18	546	43
Homeownership Rate	44%	61%	57%	61%	48%	47%	55%	54%
Sources: U.S. Census Bureau, Maxfield Research Inc.								

- With homeownership rates of 93% for all households over the age of 65, a sizeable portion of residents would be able to use the proceeds from the sales of their homes toward purchasing an equal or lower cost alternative such as a cooperative or condominium. Additionally, residents could use the proceeds from resales of their single-family homes toward a rental format. A greater proportion of seniors could qualify for market rate housing products, since equity from the home sale could be used as supplemental income for alternative housing.

Home Resale Values

Table 4 presents residential sales data for single-family homes (built before 1997) for the City of St. Francis and the Remainder of the PMA from the Regional Multiple Listing Service of Minnesota. The data is presented from 2006 through August 31, 2012. This data is useful in that it represents the amount of equity seniors may be able to derive from the sales of their homes that could be used to cover the cost of senior housing alternatives. We exclude newer homes, since most seniors have lived in their homes for about 15 years or more.

- As of the end of August 2012, the average sales price of a single-family home built before 1997 in St. Francis was \$99,887 and the median price was \$106,000. It should be noted that median sale prices are generally a more accurate portrayal of home equity since average figures can be skewed by a few very high- or low-priced homes. Sale prices in St. Francis are lower than the Remainder of the PMA. The median sale price in St. Francis in 2012 is \$106,000 compared to \$141,000 in the Remainder of the PMA.
- Consistent with housing conditions across the Nation, home values have depreciated in St. Francis and the Remainder of the PMA due to the slow down in the housing market and economy. From 2006 to 2012, the median sales price in St. Francis decreased -13.1% and in the Remainder of the PMA decreased -11.6%.
- The Cumulative Days on Market (CDOM) differs from Days on Market (DOM) by keeping a running tally of the DOM for a property for any listing of that property that occurs within one year of a listing of that same property. Data from the MLS was incomplete regarding CDOM in 2006 as many listings were missing the information.
- Based on the 2012 year-to-date median resale value of homes built before 1997 in St. Francis (\$106,000), a senior household could generate approximately \$1,995 of additional income annually (about \$166 per month), if they invested in an income-producing account (2.0% interest rate) after accounting for marketing costs and/or real estate commissions (6.0% of home sale price).
- Residents living in the Remainder of the PMA will generate slightly higher additional revenue because the median resale value is higher than in St. Francis. Based on the 2012 year-to-date median resale value in the Remainder of the PMA (\$141,000), a senior household could generate approximately \$2,650 of additional income annually (about \$220 per month), if they invested in an income-producing account (2.0% interest rate) after accounting for marketing costs and/or real estate commissions (6.0% of home sale price).

**TABLE 4
SINGLE-FAMILY HOME RESALE VALUES BUILT BEFORE 1997
PRIMARY MARKET AREA
2006 to 2012***

Area	No. of Sales	Average Price	Median Price	Average CDOM**
City of St. Francis				
2012*	12	\$99,887	\$106,000	81
2011	34	\$91,083	\$88,000	141
2010	16	\$87,226	\$79,750	85
2009	29	\$100,066	\$104,800	153
2008	6	\$106,808	\$113,375	127
2007	2	\$100,375	\$100,375	173
2006	1	\$122,000	\$122,000	21
% Change 2006-2011		-18.1%	-13.1%	
Remainder of Primary Market Area				
2012*	20	\$150,101	\$141,000	110
2011	28	\$123,679	\$126,522	176
2010	18	\$158,467	\$142,500	114
2009	16	\$134,038	\$135,500	174
2008	6	\$131,917	\$142,200	256
2007	6	\$169,133	\$181,750	127
2006	6	\$163,550	\$159,450	85
% Change 2006-2011		-8.2%	-11.6%	

* January 1, 2012 to August, 2012

** Data from 2007 through 2012 is the Cumulative Days on Market.

Sources: Multiple Listing Service; Maxfield Research Inc.

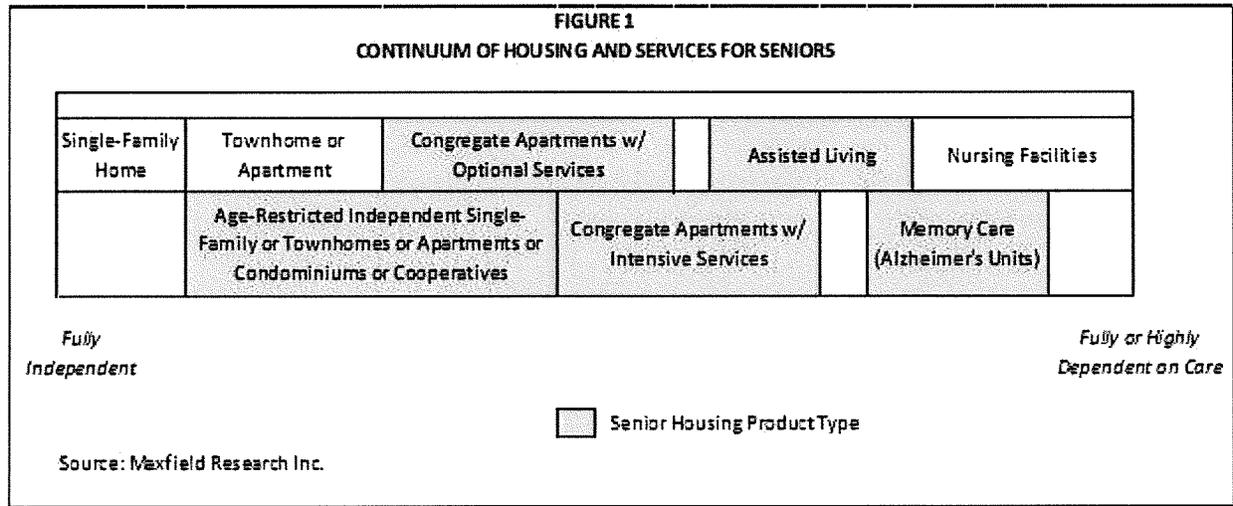
Introduction

The preceding section examined demographic factors that impact demand for active adult senior housing. This section provides an overview of contemporary senior housing alternatives and an assessment of the current supply of competitive active adult housing in the PMA. Additionally, any planned or pending senior housing developments are identified that may compete with the subject development and would satisfy some potential demand for senior housing in St. Francis.

Types of Senior Housing in Today's Market

For analytical purposes, Maxfield Research Inc. classifies market rate senior housing into four categories based on the level and type of services offered:

- ▶ **Active Adult** properties (or independent living without services available) are similar to a general-occupancy apartment building, in that they offer virtually no services but have age-restrictions (typically 55 or 62 or older). Organized activities and occasionally a transportation program are usually all that are available at these properties. Because of the lack of services, active adult properties typically do not command the rent premiums of more service-enriched senior housing.
- ▶ **Congregate** properties (or independent living with services available) offer support services such as meals and/or housekeeping, either on an optional basis or a limited amount included in the rents. These properties typically dedicate a larger share of the overall building area to common areas, in part, because the units are smaller than in adult housing and in part to encourage socialization among residents. Congregate properties attract a slightly older target market than adult housing, typically seniors age 75 or older. Rents are also above those of the active adult buildings, even excluding the services. Sponsorship by a nursing home, hospital or other health care organization is common.
- ▶ **Assisted Living** properties come in a variety of forms, but the target market for most is generally the same: very frail seniors, typically age 80 or older (but can be much younger, depending on their particular health situation), who are in need of extensive support services and personal care assistance. Absent an assisted living option, these seniors would otherwise need to move to a nursing facility. At a minimum, assisted living properties include two meals per day and weekly housekeeping in the monthly fee, with the availability of a third meal and personal care (either included in the monthly fee or for an additional cost). Assisted living properties also have either staff on duty 24 hours per day or at least 24-hour emergency response.



- ▶ **Memory Care** properties, designed specifically for persons suffering from Alzheimer’s disease or other dementias, is one of the newest trends in senior housing. Properties consist mostly of suite-style or studio units or occasionally one-bedroom apartment-style units, and large amounts of communal areas for activities and programming. In addition, staff typically undergoes specialized training in the care of this population. Because of the greater amount of individualized personal care required by residents, staffing ratios are much higher than traditional assisted living and thus, the costs of care are also higher. Unlike conventional assisted living, however, which deals almost exclusively with widows or widowers, a higher proportion of persons afflicted with Alzheimer’s disease are in two-person households. That means the decision to move a spouse into a memory care facility involves the caregiver’s concern of incurring the costs of health care at a special facility while continuing to maintain their home.

- ▶ **Skilled Nursing Care**, or long-term care facilities, provides a living arrangement that integrates shelter and food with medical, nursing, psychosocial and rehabilitation services for persons who require 24-hour nursing supervision. Residents in skilled nursing homes can be funded under Medicare, Medicaid, Veterans, HMOs, insurance as well as use of private funds.

The senior housing products available today, when combined with long-term care facilities form a full continuum of care, extending from virtually a purely residential model to a medically intensive one. Often the services available at these properties overlap with another making these definitions somewhat ambiguous. In general, active adult properties tend to attract younger active seniors, who merely wish to rid themselves of home maintenance; congregate properties serve independent seniors that desire support services (i.e., meals, housekeeping, transportation, etc.) while assisted living properties tend to attract older, frail seniors who need assistance with daily activities, but not the skilled medical care available only in a nursing facility.

Supply of Active Adult Senior Housing in the PMA

Maxfield Research Inc. identified and collected market information on market rate and affordable active adult senior rental properties. There is only one development located in the PMA. Due to the limited supply of active adult properties in the PMA, we inventoried active adult developments located outside the PMA. The inventoried developments in neighboring cities are intended to serve as a guide in assessing current trends in the active adult housing industry. We do not, however, consider communities outside the PMA to be directly competitive. Information regarding age of the structure, number of units, vacancies, unit mix and sizes, and monthly rents are displayed in Tables 5, 6 and 7, while Table 8 provides a comparison of amenities available at the properties.

Market Rate Active Adult Ownership Developments

- There are no ownership developments located in the PMA. Maxfield Research Inc. surveyed four active adult ownership developments in Anoka, Andover, Coon Rapids, and Elk River. There is a total of 305 units with 12 units available for a vacancy rate of 3.9%. This is slightly above the market equilibrium rate of 2%.
- *Realife Cooperative* and *Pullman Place Cooperative* are limited equity cooperatives. Cooperative products involve purchasing a unit (or share of the blanket mortgage) and then paying monthly fees which include utilities, maintenance of property and common areas, and future building maintenance. Shares at *Realife Cooperative* range from \$25,889 to \$50,589 depending on the unit and \$46,000 to \$99,000 at *Pullman Place Cooperative*.
- The sale price for each unit type at *Historic Rum River District* and *Grey Oaks Community* is based on the resale values within the last few years. Unit types that have not been sold do not have data available.
- Approximately 60% of the units at the surveyed properties are two-bedroom units. One-bedroom plus den units comprise 22%, one-bedroom units comprise 17% of the units, and two-bedroom/three bedroom plus den units comprise 1% of the units.

Market Rate Active Adult Rental Developments

- Maxfield Research Inc. surveyed six market rate active adult senior housing developments. Only one development (*Oaks of Lake George*) is located in the PMA. The remaining developments are located in Ham Lake, Fridley, Ramsey, and Anoka.
- Typically, a healthy rental market should maintain a vacancy rate of 5% to allow for sufficient consumer choice and adequate turnover of units. *Oaks of Lake George* has eight vacant units, or a vacancy rate of 15.7%. Management has indicated that the property has had challenges leasing the units since it opened in 2006 due, in part, to seniors unable to sell their homes, the remote location, and lack of transportation for residents. However,

SENIOR HOUSING MARKET ANALYSIS

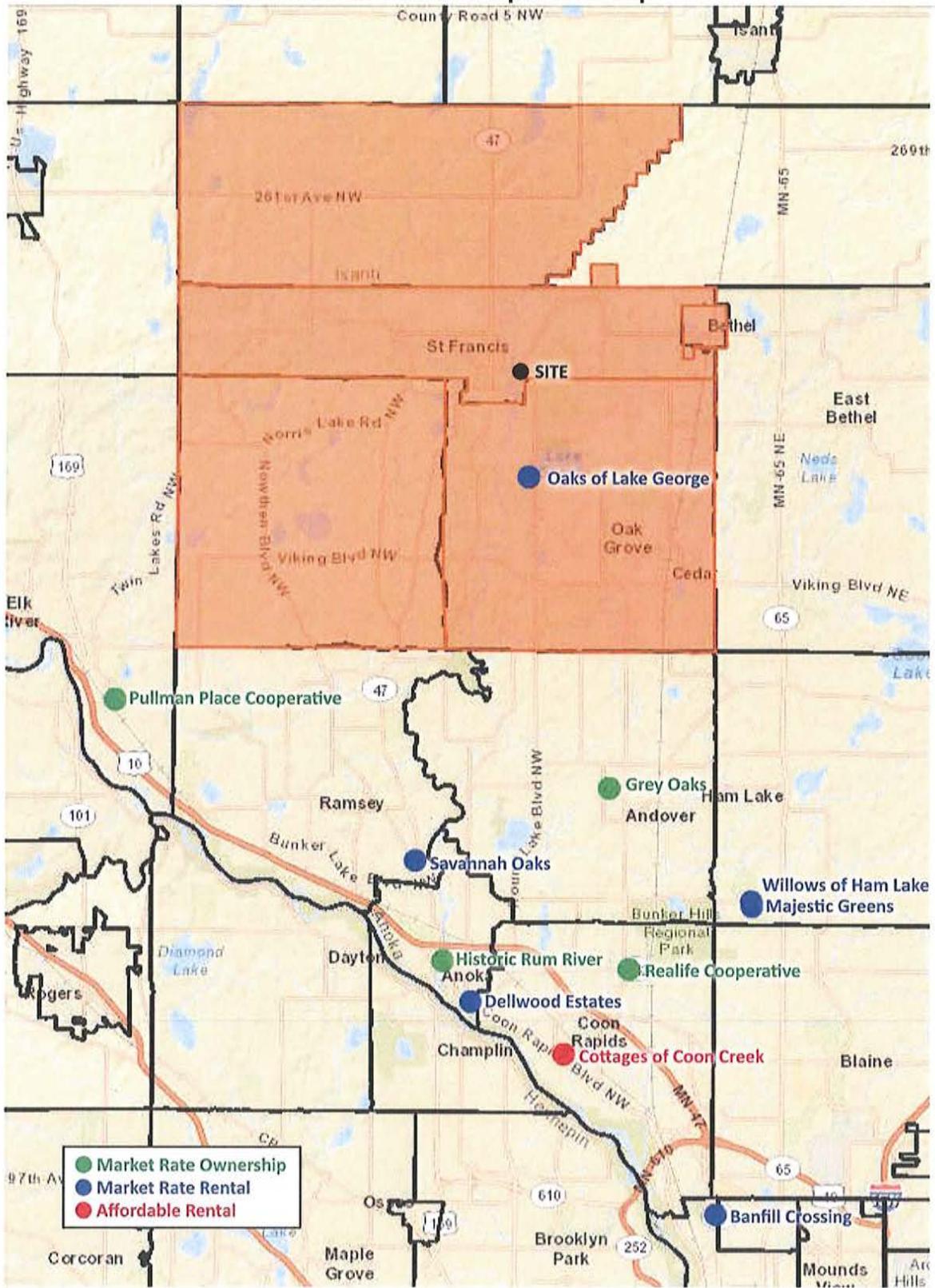
the market rate active adult properties located outside the PMA are performing well with a vacancy rate of 1.1%.

- *Oaks of Lake George, Savannah Oaks, and The Willows of Ham Lake* were built by Anoka County HRA. The monthly rents are generally lower than market rate properties but do not have strict income restrictions compared to Low Income Housing Tax Credit properties.
- Approximately 50% of the units at the surveyed properties are one-bedroom units. Two-bedroom units comprise 44%, one-bedroom plus den units comprise 11% of the units, and two-bedroom plus den units comprise 7%.
- Monthly rents in the PMA range from \$660 to \$905 for one-bedroom units, \$871 to \$1,048 for one-bedroom plus den units, \$829 to \$1,355 for two-bedroom units, and \$1,213 to \$1,367 for two-bedroom plus den units.

Affordable Active Adult Rental Developments

- There are no affordable active adult developments located in the PMA. *Banfill Crossing* and *Cottages of Coon Creek* are located just outside of the PMA in Fridley and Coon Rapids.
- The existing supply of affordable senior housing outside of the PMA has a vacancy rate of 1.2%.
- Approximately 73% of the units at the surveyed properties are one-bedroom units. Two-bedroom units comprise the remaining 27% of the units.
- Monthly rents average \$782 for one-bedroom units and \$949 for two-bedroom units.
- *Banfill Crossing* has 44 affordable units and 66 market rate units. Properties that have a mixture of market rate and affordable units tend to have greater community amenities such as a fitness center, guest suites, etc. than properties with just affordable units.

Senior Active Adult Properties Map



SENIOR HOUSING MARKET ANALYSIS

**TABLE 5
ACTIVE ADULT SENIOR DEVELOPMENTS
PRIMARY MARKET AREA
August 2012**

Project Name	Year Built	Units/ Vacant	Unit Mix	Unit Size (Sq. Feet)	Purch. Price/Share Cost Monthly Fee	Fee/ Sq. Ft	Comments
in PMA							
<i>none</i>							
outside PMA							
Historic Rum River District 2200 Second Avenue N Anoka	2009/ 2010	40 1 2.5%	6 - 1BR 34 - 2BR	828 - 928 1,343 - 1,760	\$136,312 - \$183,839 \$299 - \$299 \$174,000 - \$311,983 \$299 - \$299	\$164.63 - \$222.03 \$129.56 - \$232.30	Age restricted 55+. One UG parking stall included in sale.
Pullman Place Cooperative 17155 Quincey Street Elk River	2005	65 5 7.7%	14 - 1BR 9 - 1BR/D 39 - 2BR 1 - 2BR/D 2 - 3BR/D	798 - 920 1,058 - 1,058 1,110 - 1,272 1,440 - 1,440 1,440 - 1,440	\$46,000 - \$63,500 \$658 - \$905 \$73,000 - \$73,000 \$1,045 - \$1,045 \$76,500 - \$88,000 \$1,088 - \$1,250 \$99,000 - \$99,000 \$1,422 - \$1,422 \$99,000 - \$99,000 \$1,422 - \$1,422	\$57.64 - \$79.57 \$69.00 - \$69.00 \$68.92 - \$79.28 \$68.75 - \$68.75 \$68.75 - \$68.75	Age restricted 55+. Association fees include heat, water, sewer, garbage, maintenance. Residents pay electric and parking.
Grey Oaks Community 15550 Linnest Street NW Andover	2003	100 1 1.0%	30 - 1BR 60 - 2BR 10 - 2BR TH	875 - 875 1,050 - 1,450 1,272 - 1,272	na \$100,000 - \$133,900 \$170 - \$170 na	na \$95.24 - \$127.52 na	Age restricted 55+. Association fee includes water, sewer, garbage maintenance. Residents pay electric, and gas. One UG stall included in 1BR and 2BR units. Two-car garage included in THs.
Realife Cooperative 1555 Main Street NW Coon Rapids	2002	100 5 5.0%	3 - 1BR 58 - 1BR/D 39 - 2BR	805 - 805 962 - 1,200 1,091 - 1,512	\$25,889 - \$25,889 \$708 - \$708 \$33,687 - \$45,334 \$858 - \$1,120 \$42,447 - \$50,589 \$1,016 - \$1,263	\$32.16 - \$32.16 \$35.02 - \$47.12 \$38.91 - \$46.37	Age restricted 62+. Association fees include heat, water, sewer, garbage, maintenance. Residents pay electric and parking.
Total / Average - Outside PMA		305		1,154	\$105,322	\$86.43	
Vacant Units		12		3.9%			

Source: Maxfield Research Inc.

SENIOR HOUSING MARKET ANALYSIS

**TABLE 6
ACTIVE ADULT SENIOR DEVELOPMENTS
PRIMARY MARKET AREA
August 2012**

Project Name	Year Built	Units/ Vacant	Unit Mix	Unit Size (Sq. Feet)	Base Monthly Fees	Fee/ Sq. Ft	Comments
in PMA							
Oaks of Lake George*	2006	51	13 - 1BR	691 - 800	\$848 - \$848	\$1.23 - \$1.23	Age restricted 55+. Residents pay electric. Average age is early 70s.
21201 Lake George Boulevard		8	18 - 1BR/D	887 - 887	\$1,048 - \$1,048	\$1.18 - \$1.18	
<i>Oak Grove</i>		15.7%	14 - 2BR	935 - 1060	\$1,075 - \$1,186	\$1.15 - \$1.27	
			6 - 2BR/D	1,225 - 1,225	\$1,367 - \$1,367	\$1.12 - \$1.12	
outside PMA							
Majestic Greens	2002	50	22 - 1BR	703 - 793	\$807 - \$863	\$1.15 - \$1.23	Age restricted 55+. Residents pay electric. 60% of residents between ages 65 to 75.
13633 Van Buren Street NE		0	2 - 1BR/D	982 - 982	\$1,045 - \$1,045	\$1.06 - \$1.06	
<i>Harm Lake</i>		0.0%	14 - 2BR	978 - 1067	\$1,015 - \$1,100	\$1.04 - \$1.12	
			12 - 2BR/D	1,207 - 1,207	\$1,213 - \$1,213	\$1.00 - \$1.00	
Banfill Crossing	2000	66	28 - 1BR	790 - 790	\$905 - \$905	\$1.15 - \$1.15	Age restricted 62+. Additional 44 affordable units. Residents pay electric. Average age is 65.
8310 University Avenue NE		1	38 - 2BR	947 - 1,205	\$1,065 - \$1,355	\$1.12 - \$1.43	
<i>Fridley</i>		1.5%					
Savannah Oaks*	1999	50	18 - 1BR	705 - 705	\$748 - \$748	\$1.06 - \$1.06	Age restricted 55+. Tenants pay electric. Average age is 77-78.
14351 Dysprosium Street		0	20 - 1BR/D	908 - 956	\$883 - \$922	\$0.97 - \$1.02	
<i>Ramsey</i>		0.0%	12 - 2BR	1,020 - 1,020	\$1,082 - \$1,082	\$1.06 - \$1.06	
The Willows of Ham Lake*	1997	49	26 - 1BR	660 - 854	\$660 - \$855	\$1.00 - \$1.30	Age restricted 55+. Tenants pay electric. Average age is 71, 9 couples.
845 Bunker Lake Boulevard NE		0	11 - 1BR/D	920 - 920	\$871 - \$871	\$0.95 - \$0.95	
<i>Harm Lake</i>		0.0%	12 - 2BR	1,037 - 1,220	\$923 - \$1,081	\$0.89 - \$1.04	
Dellwood Estates	1992	57	28 - 1BR	940 - 940	\$729 - \$799	\$0.78 - \$0.85	Age restricted 55+. Tenants pay electric. Second building includes 72 general occupancy units.
749 East River Road		2	29 - 2BR	1,085 - 1,295	\$829 - \$999	\$0.76 - \$0.92	
<i>Anoka</i>		3.5%					
Total / Average - Outside PMA		272		958	\$950	\$1.04	
Vacant Units		3	1.1%				

* built by Anoka County HRA. Rents are below market rate but have no income restrictions
Source: Maxfield Research Inc.

SENIOR HOUSING MARKET ANALYSIS

TABLE 7
ACTIVE ADULT SENIOR DEVELOPMENTS
PRIMARY MARKET AREA
August 2012

Project Name	Year Built	Units/ Vacant	Unit Mix	Unit Size (Sq. Feet)	Base Monthly Fees	Fee/ Sq. Ft	Comments
in PMA							
<i>none</i>							
outside PMA							
Banfill Crossing 8310 University Avenue NE <i>Fridley</i>	2000	44 0 0.0%	44 - 1BR	697 - 697	\$785 - \$785	\$1.13 - \$1.13	Age restricted 62+. Income restricted at 60% AMI. Additional 66 market rate units.
Cottages of Coon Creek 2637 110th Lane NW <i>Coon Rapids</i>	1997	37 1 2.7%	15 - 1BR 32 - 2BR	700 - 700 882 - 882	\$779 - \$779 \$949 - \$949	\$1.11 - \$1.11 \$1.08 - \$1.08	Age restricted 50+. Income restricted at 60% AMI. All utilities included. Average age is 72.
Total / Average - Outside PMA		81		760	\$838	\$1.11	
Vacant Units		1	1.2%				

Source: Maxfield Research Inc.

SENIOR HOUSING MARKET ANALYSIS

TABLE 8
 AMENITY COMPARISON
 ACTIVE ADULT SENIOR DEVELOPMENTS
 PRIMARY MARKET AREA
 August 2012

	In-Unit Amenities										Building Amenities										Other	
	Air Conditioner	Patio/Balcony/Deck	Washer/Dryer	Kitchen Sink	Range	Microwave Oven	Dishwasher	Private Bath	Walk-in Closet	Emergency Call	Community Room	Dining Room	Activity Rm.	Library	Exercise Room	Salon	Storage	Chapel	Terrace/porch	Guest Suites		Parking
MARKET RATE ACTIVE ADULT OWNERSHIP																						
Historic River Rum District*	Cent.	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	N	Y	N	N	Y	Y	Y	UG Inc.	views of Rum River and Park
Pullman Place*	Cent.	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	N	Y	N	N	Y	Y	Y	UG Inc.	wood shop
Grey Oaks Community*	Cent.	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	N	N	N	Y	UG Inc.	putting area
Realife Cooperative*	Cent.	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	N	Y	Y	Y	UG \$40	wood shop, garden plots
MARKET RATE ACTIVE ADULT RENTAL																						
Oaks of Lake George	Cent.	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	N	N	Y	Y	UG \$40	wood shop
Majestic Greens*	Cent.	S	Y	Y	Y	N	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	N	Y	N	Y	UG \$45	vegetable and flower garden
Banfill Crossing*	Cent.	N	S	Y	Y	S	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	N	Y	Y	Y	UG \$50	Country Store Grocery
Savannah Oaks*	Cent.	Y	Y	Y	Y	Y	Y	Y	S	Y	N	N	N	N	Y	Y	N	Y	Y	Y	UG \$40	
The Willows of Ham Lake*	Cent.	S	Y	Y	Y	Y	Y	Y	S	Y	N	Y	Y	N	N	Y	Y	N	Y	Y	UG \$40	garden plots
Dellwood Estates*	Cent.	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	N	N	N	Y	Y	N	UG Inc.	outdoor pool
AFFORDABLE ACTIVE ADULT RENTAL																						
Banfill Crossing*	Cent.	N	S	Y	Y	S	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	N	Y	Y	Y	UG \$50	Country Store Grocery
Cottages of Coon Creek*	Cent.	Y	HU	Y	Y	N	Y	Y	N	Y	N	N	N	N	N	N	N	N	N	N	Gar Inc.	

* Located outside PMA
 Source: Maxfield Research, Inc.

Pending PMA Senior Housing Developments

Maxfield Research interviewed planning staff to identify any planned or pending rental developments in the PMA. As of August 2012, there are no pending or planned active adult developments in the PMA.

Outside PMA – Ramsey

First Phoenix Group is planning to break ground on *Stoney River* in fall 2012. *Stoney River* is a senior housing project consisting of 72 service-enhanced senior housing units. The project is located at 14400 Nowthen Boulevard NW in Ramsey. The project will consist of 12 congregate units, 36 assisted living units and 24 memory care units. Since the units are targeted toward more service-intensive residents, it is not included in the demand calculation.

Outside PMA – Andover

Trident Development of St. Cloud started construction on *Arbor Oaks of Andover* in July 2012. The facility will consist of 70 senior units located on the southwest corner of 155th Lane and Hanson Boulevard in the Grey Oaks Community PUD. Out of the 70 units, 49 will be assisted living and 21 will be memory care units. Anticipated opening is August 2013. Since the units are targeted toward more service-intensive residents, it is not included in the demand calculation.

Outside PMA – Anoka

Volunteers of America (VOA) is currently constructing/renovating *Homestead at Anoka*. Phase I consists of tearing down and replacing the existing skilled nursing facility with 120 beds, in addition to constructing 27 congregate units and 32 assisted living units. VOA has been approved for a Phase II project consisting of another 43 units of both skilled nursing and assisted living units. Since the units are targeted toward more service-intensive residents, it is not included in the demand calculation.

Market Rate Active Adult Housing Demand

Table 9 illustrates the estimated demand for adult senior housing units in the PMA for 2012 and 2017. As a starting point, we identify that all individuals age 55 and older would be age-qualified for market rate adult housing. In order to arrive at the potential age/income/asset-qualified base for market rate adult housing, we include all older adult and senior households with annual incomes at or above \$35,000. We also include older adult and senior households who own their homes and would be able to derive additional income from the sale of their single-family homes. At the estimated 2012 year-to-date median sales price of \$106,000 in St. Francis (the median sales price in the Remainder of the PMA is \$141,000), a senior household could generate about \$1,995 of additional income annually from the invested home resale assets after accounting for marketing and moving costs. Conservatively, we include all homeowner households with incomes between \$25,000 and \$35,000 who would be able to derive additional income from the sale of their single-family homes. Qualifying homeowner households are calculated based on the homeownership rate for each age cohort as highlighted in Table 2. Based on these factors, we estimate the number of age/income/asset-qualified households in the PMA to be about 2,555 households.

Next, we adjust to include achievable capture rates for each age cohort (0.5% of households age 55 to 64, 5.5% of households age 65 to 74, and 16.5% of households age 75 and older), which results in a local demand potential for 107 adult housing units in 2012. These capture rates reduce the total number of age/income/asset-qualified households to consider only the portion of older adult and senior households who would be able, willing, and inclined to move to senior housing alternatives, including both owner- and renter-occupied housing.

Demand for adult housing products is divided between seniors interested in renter-occupied housing due to the lack of commitment involved and those preferring owner-occupied housing due to the tax advantages and potential for equity gains. Overarching the housing decision, however, is that the housing alternative must meet the needs of the resident in regard to affordability, location, features and amenities, regardless of the renter- or owner-occupied nature of the complex. Based on the demographic characteristics of PMA seniors as well as the performance of competitive projects, we estimate that 30% of the demand for adult housing will be for owner-occupied units while the remaining 70% of the potential market will be for renter-occupied units. Applying this percentage results in a demand potential for 32 units of owner-occupied housing and 75 renter-occupied housing in 2012.

Some demand on the subject Site will be generated by seniors who are currently residing outside the PMA. We estimate that demand from these seniors will generate 20% of the total demand for adult housing – increasing demand by 8 units for owner-occupied and by 19 units for renter-occupied housing. This demand will consist primarily of parents of adult children living in the PMA, individuals who live just outside the PMA and have an orientation to the area, and former residents who desire to return upon retirement. Together, the demand from PMA older adults and seniors and demand from those who would relocate to the PMA totals 40 owner-occupied adult housing units and 94 renter-occupied units as of 2012.

SENIOR HOUSING MARKET ANALYSIS

From the total demand potential, we subtract existing competitive units since these units are already satisfying some demand for active adult housing. There is no owner-occupied housing, inside the PMA. For renter-occupied housing, we subtract a total of 48 units after accounting for a 5% vacancy rate.

No single Site can capture all of the potential demand in a PMA. We estimate that the Site in St. Francis can capture 50% of the market share, resulting in demand for 20 owner-occupied units and 22 renter-occupied units on the subject Site in St. Francis in 2012.

	2012			2017		
	Age of Householder			Age of Householder		
	55-64	65-74	75+	55-64	65-74	75+
Number of Households w/ Incomes of \$35,000+/\$40,000+ (plus)	1,196	504	173	1,495	665	266
Number of Households w/ Incomes of \$25-\$35K/\$30-\$40K (times) Homeownership Rate (equals) Potential Market	x 143 96%	x 434 95%	x 149 88%	x 139 96%	x 53 95%	x 192 88%
(equals) Total Potential Market Base	= 137	= 412	= 131	= 133	= 50	= 169
(times) Potential Capture Rate (equals) Demand Potential	x 0.5%	x 5.5%	x 16.5%	x 0.5%	x 5.5%	x 16.5%
Total Local Demand Potential	= 7	= 50	= 50	= 8	= 39	= 72
	= 107 ↩			= 119 ↩		
(times) % for Ownership or Rental Units (equals) Demand Potential	x <u>30%</u>	x <u>70%</u>		x <u>30%</u>	x <u>70%</u>	
(plus) Demand from Outside the Market Area (20%) (equals) Total Demand Potential	= 32	= 75		= 36	= 83	
	+ 8	+ 19		+ 9	+ 21	
(equals) Total Demand Potential	= 40	= 94		= 45	= 104	
(minus) Existing Competitive and Pending Units (equals) Excess Adult Demand Potential	- 0	- 48		- 0	- 48	
	= 40	= 45		= 45	= 56	
(times) Percent of Demand Capturable by subject Site (equals) Total Adult Demand Capturable by subject Site	x 50%	x 50%		x 50%	x 50%	
	= 20	= 23		= 22	= 28	

Source: Maxfield Research Inc.

Adjusting for inflation, we have estimated that households with incomes of \$40,000 or more and homeowners with incomes of \$30,000 to \$40,000 would best qualify for owner-occupied adult housing in 2017. The same calculations were applied to the age/income-qualified based in 2017. We account for the pending competitive developments in the PMA, which would come online during this timeframe. However, there are no pending active adult units in the PMA. We project that demand will increase to 22 owner-occupied units and 28 renter-occupied units by 2017.

Affordable Active Adult Housing Demand

Table 10 presents our demand calculations for affordable active adult senior housing in the PMA in 2012 and 2017.

While the methodology used to calculate demand for affordable housing closely mirrors the methodology used to calculate demand for market rate housing, we make several adjustments to more precisely quantify demand among this market segment. The following points summarize these adjustments:

- **Income-Qualifications:** The target market for affordable active adult rental housing is households age 55+ who earn up to 60% of the Area Median Income and can afford the rents at affordable senior properties. After adjusting for typical household sizes, households earning \$40,000 or less would be income qualified for income-restricted housing products. However, households must be able to afford contract monthly rents. Based on the competitive monthly pricing at affordable properties, a household would have to earn about \$27,450 to afford monthly rents of \$800, if they are willing to allocate 35% of their adjusted gross income. Therefore, we use \$40,000 as the upper end of the income range and \$27,450 as the lower end of the income range. We also include homeowner households earning incomes between \$22,450 and \$27,450, as these households would have additional equity that could be converted to monthly income following the sales of their single-family homes. To account for inflation, our figures in 2017 are adjusted to include households earning incomes between \$32,450 and \$45,000; homeowner households with incomes between \$27,450 and \$32,450 are included with the market potential for financially-assisted housing.
- **Capture Rates:** Households in a need-based situation (either requiring services or financial assistance) more readily move to housing alternatives than those in non-need based situations. Hence, the capture rate among each age group is higher than for market rate housing. Capture rates are employed at 2.0% for households age 55 to 64, 10.0% for households age 65 to 74 and 20.0% for households age 75 and older.
- **Potential Demand Capture:** Seniors in need-based situations are less selective when securing housing than those in non-need based situations. We estimate that a high-quality site would capture a greater proportion of total demand for financially-assisted housing than for market rate housing; hence, the potential capture rate increases to 65% for affordable active adult housing.

Using the methodology described above results in a demand potential for 53 affordable active adult housing units in 2012. We estimate that seniors currently residing outside the PMA will generate 20% of the demand for affordable active adult housing – increasing demand to 66 affordable units. Demand for outside the PMA includes parents of adult children living in the PMA, individuals who live just outside the PMA and have an orientation to the area and former residents who desire to return upon retirement.

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The existing supply of affordable senior housing satisfies some of the housing needs in the PMA. However, there is no affordable senior housing, inside the PMA. No single Site can capture all of the excess demand in a PMA. We estimate that the Site in St. Francis can capture 65% of the market share, resulting in demand for 43 affordable active adult senior units in 2012.

TABLE 10 AFFORDABLE ACTIVE ADULT HOUSING DEMAND PRIMARY MARKET AREA 2012 & 2017						
	2012			2017		
	Age of Householder			Age of Householder		
	55-64	65-74	75+	55-64	65-74	75+
# of Households w/ Incomes of \$27,450 to \$40,000	165	161	63	132	188	63
Plus Households w/ Incomes of \$22,450 to \$27,450	+ 153	52	72	+ 49	70	27
(times) Homeownership Rate	x 96%	95%	88%	x 96%	95%	88%
(equals) Total Potential Market	= 312	210	126	= 179	255	87
(times) Potential Capture Rate	x 2.0%	10.0%	20.0%	x 2.0%	10.0%	20.0%
(equals) Demand Potential	= 6	21	25	= 4	25	17
Total Market Rate Demand Potential	= 53			= 46		
(plus) Demand from Outside the Market Area (20%)	+ 13			+ 12		
(equals) Total Demand Potential	= 66			= 58		
(minus) Existing Competitive and Pending Units ²	- 0			- 0		
(equals) Total Demand Potential in Market Area	= 66			= 58		
(times) Percent of Demand Capturable by subject Site	x 65%			x 65%		
(equals) Total Demand Capturable by subject Site	= 43			= 38		

¹ 2017 calculations define income-qualified households as all households with incomes between \$32,450 and \$45,000 plus homeowners with incomes between \$27,450 and \$32,450.
² Includes existing and pending units at 95% occupancy, or market equilibrium.

Source: Maxfield Research Inc.

Adjusting for inflation, we estimate that households with incomes between \$32,450 and \$45,000 would be candidates for affordable active adult housing in 2017. We increase the potential market by homeowner households earning between \$27,450 and \$32,450 that would have additional equity that could be converted to monthly income following the sales of their single-family homes. We account for the pending competitive developments in the PMA, which would come online during this timeframe. However, there are no pending active adult units in the PMA. Following the same methodology, we project that demand capturable by the subject Site in St. Francis will decrease slightly to 38 affordable active adult senior housing units by 2017.

Population and Household Growth Trends and Projections

Table 11 presents population and household growth trends in the PMA from 2000 to 2020. Figures for 2000 and 2010 are sourced from the U.S. Census Bureau. Estimates for 2012 and projections through 2020 are based on information from ESRI (national demographics service provider) and the Metropolitan Council along with the Minnesota Demographic Center for Stanford Township in Isanti County. Maxfield Research Inc. adjusted projections from the Metropolitan Council and Minnesota Demographic Center downward based on the slowdown in the housing market due to the recession.

- As of 2010, the PMA totaled 22,425 people and 7,695 households. The City of St. Francis comprised approximately 32.2% of the total population and 32.7% of total households in the PMA.
- Between 2000 and 2010, the PMA added 4,537 people (+25.4%) and the household base grew by 1,881 households (+32.4%). The City of St. Francis accounted for 50.9% of the PMA growth in the last decade, adding 2,308 people.
- Due to the slowdown in the housing market and other economic pressures, we estimate that the population base in St. Francis, the PMA, and the Twin Cities Metro Area for 2020 will be less than current forecasts by Metropolitan Council. The revised forecast is based on projected growth from residential building permits and average household size. Over the next ten years, 2010 to 2020, the PMA is forecast to add 3,490 people (+15.6 %) and 1,480 households (+19.2%). By 2020, the PMA is forecast to contain a total of 25,915 people and 9,175 households.

DEMOGRAPHIC ANALYSIS – GENERAL OCCUPANCY HOUSING

<p style="text-align: center;">TABLE 11 POPULATION AND HOUSEHOLD GROWTH TRENDS AND PROJECTIONS PRIMARY MARKET AREA 2000 to 2020</p>										
	U.S. Census		Estimate		Forecast		Change			
	2000	2010	2012	2020	2000 to 2010	2010 to 2020	No.	Pct.	No.	Pct.
POPULATION										
St. Francis	4,910	7,218	7,275	9,200	2,308	47.0	1,982	27.5		
Remainder of the PMA	12,978	15,207	15,310	16,715	2,229	17.2	1,508	9.9		
Primary Market Area	17,888	22,425	22,585	25,915	4,537	25.4	3,490	15.6		
<i>Twin Cities Metro Area</i>	<i>2,642,062</i>	<i>2,849,567</i>	<i>2,897,000</i>	<i>3,035,000</i>	<i>207,505</i>	<i>7.9</i>	<i>185,433</i>	<i>6.5</i>		
St. Francis	1,638	2,520	2,545	3,285	882	53.8	765	30.4		
Remainder of the PMA	4,176	5,175	5,200	5,890	999	23.9	715	13.8		
Primary Market Area	5,814	7,695	7,745	9,175	1,881	32.4	1,480	19.2		
<i>Twin Cities Metro Area</i>	<i>1,021,454</i>	<i>1,117,749</i>	<i>1,137,500</i>	<i>1,205,000</i>	<i>96,295</i>	<i>9.4</i>	<i>87,251</i>	<i>7.8</i>		

Sources: U.S. Census Bureau; Metropolitan Council; Maxfield Research Inc.

Population Age Distribution Trends

Table 12 shows the age distribution of the PMA population in 2000 and 2010 with estimates for 2012 and projections for 2017. The 2000 and 2010 distributions are from the U.S. Census Bureau and 2012 figures are an estimate based on 2010 Census data. Maxfield Research Inc. derived the 2017 projections by adjustments made to data obtained from ESRI, Inc.

- Families with children are the dominant demographic of the PMA, as illustrated by the high percentage of children (28.1% of the PMA population in 2012).
- Mirroring trends observed across the Nation, the aging baby boomer generation is substantially impacting the composition of the PMA’s population. Born between 1946 and 1964, these individuals generally comprise the age groups 45 to 54 and 55 to 64 in 2012. As of 2012, baby boomers account for an estimated 29.2% of the total population in the PMA.
- Younger households are a primary market for rental housing. As of 2012, 19.1% of the population (4,325 people) is estimated to be between ages 18 and 34. Between 2012 and 2017, the 18 to 24 age cohort is projected to increase by 118 people and the 25 to 34 age cohort is projected to increase by 315 people. Overall, these younger age groups typically account for the highest proportion of the renter population in many rental properties.
- Overall, the non-elderly population (64 and younger) is expected to increase by 1,560 people (7.5%) between 2012 and 2017. The largest growth in the non-elderly population is anticipated to occur among those age 55 to 64 (+17.5%) and 25 to 34 (+12.5%).

Age	Census		Estimate	Projection	Change			
	2000	2010	2012	2017	2000-2010		2012-2017	
	No.	No.	No.	No.	No.	Pct.	No.	Pct.
Under 18	5,852	6,296	6,341	6,841	444	7.6	501	7.9
18 to 24	1,338	1,796	1,809	1,927	458	34.2	118	6.5
25 to 34	2,538	2,498	2,516	2,831	-40	-1.6	315	12.5
35 to 44	3,648	3,554	3,579	3,758	-94	-2.6	179	5.0
45 to 54	2,424	4,059	4,088	4,092	1,635	67.5	4	0.1
55 to 64	1,324	2,491	2,509	2,953	1,167	88.1	444	17.7
65 and over	764	1,731	1,743	2,265	967	126.6	521	29.9
Total	17,888	22,425	22,585	24,666	4,537	25.4	2,081	9.2

Sources: U.S. Census Bureau; ESRI; Maxfield Research Inc.

Household Income by Age of Householder

Income data is important when considering the ability of households to pay different rent levels. Table 13 presents data on household income by age of householder for the PMA based on data from ESRI. This data assists in quantifying the number of households that comprise the target market based on the income level of households at various ages. The Department of Housing and Urban Development (HUD) defines affordable housing costs for families as 30% of a household's adjusted gross income.

- In 2012, the median household income in the PMA was estimated to be \$79,954. Compared to the Twin Cities Metro Area as a whole, incomes in the PMA are slightly lower. A review of income data from the Census reveals that the PMA's incomes are 10.4% lower than the Metro Area's median income (\$89,200 in 2012 according to ESRI projections).
- Median income often peaks in late middle age. In 2012, the median income in the PMA is an estimated \$50,000 for households age 15 to 24 increasing to a median income of \$78,507 for households age 45 to 54. After age 45 to 54, household income declines with age, as senior households often do not have income-producing employment and are more likely to have only one income per household.
- The target market for affordable housing is households with incomes below 60% Area Median Income (AMI). Based on the Anoka County AMI, the following are current income-restrictions at 60% AMI:

2012 Income Limits by Household Size

Pct of AMI	1P	2P	3P	4P
60%	\$35,280	\$40,320	\$45,360	\$50,340

- The target market for the proposed affordable units will be primarily younger renter households with low to moderate incomes. The median income for households in the PMA under 25 was \$50,000 and the median income for households age 25 to 34 was \$62,935 in 2012. Households earning the median income for these age groups could afford monthly housing costs of about \$1,250 and \$1,575, respectively. Renters of the affordable units will be earning less than the median incomes, sometimes substantially less.

DEMOGRAPHIC ANALYSIS – GENERAL OCCUPANCY HOUSING

<p align="center">TABLE 13 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER PRIMARY MARKET AREA (Number of Households) 2012 & 2017</p>								
	Age of Householder							
	Total	Under 25	25-34	35-44	45-54	55-64	65-74	75+
2012								
Less than \$15,000	163	20	61	85	114	30	45	18
\$15,000 to \$24,999	380	0	76	81	51	38	87	80
\$25,000 to \$34,999	261	32	55	73	101	143	122	52
\$35,000 to \$49,999	746	31	169	160	284	173	210	73
\$50,000 to \$74,999	1,989	40	314	334	497	334	161	22
\$75,000 to \$99,999	1,675	24	161	452	504	194	66	31
\$100,000 to \$149,999	1,986	18	169	490	516	328	27	31
\$150,000 to \$199,999	382	0	34	94	95	108	22	10
\$200,000+	161	0	9	38	73	59	18	6
Total	7,745	165	1,048	1,807	2,235	1,408	758	324
<i>Median Income</i>	<i>\$79,954</i>	<i>\$50,000</i>	<i>\$62,935</i>	<i>\$84,421</i>	<i>\$78,507</i>	<i>\$73,863</i>	<i>\$43,915</i>	<i>\$37,399</i>
2017								
Less than \$15,000	147	9	48	60	17	15	52	32
\$15,000 to \$24,999	284	14	52	57	45	36	77	76
\$25,000 to \$34,999	209	25	46	53	17	98	139	53
\$35,000 to \$49,999	558	19	115	117	104	162	230	75
\$50,000 to \$74,999	2,037	40	325	338	446	378	253	38
\$75,000 to \$99,999	1,702	22	162	466	448	239	106	58
\$100,000 to \$149,999	2,884	25	266	746	997	530	70	86
\$150,000 to \$199,999	569	0	51	135	94	166	50	22
\$200,000+	249	0	9	60	53	74	33	12
Total	8,639	153	1,074	2,031	2,220	1,697	1,011	453
<i>Median Income</i>	<i>\$90,931</i>	<i>\$56,251</i>	<i>\$71,252</i>	<i>\$95,980</i>	<i>\$101,867</i>	<i>\$91,807</i>	<i>\$50,638</i>	<i>\$47,963</i>
Change - 2012 to 2017								
Less than \$15,000	-142	-11	-13	-25	-97	-16	7	14
\$15,000 to \$24,999	-56	14	-24	-23	-5	-3	-10	-4
\$25,000 to \$34,999	-146	-7	-10	-20	-84	-45	18	1
\$35,000 to \$49,999	-279	-12	-54	-44	-181	-11	21	2
\$50,000 to \$74,999	115	-0	11	3	-51	44	92	16
\$75,000 to \$99,999	68	-2	2	14	-56	45	39	27
\$100,000 to \$149,999	1,140	6	97	256	481	202	43	55
\$150,000 to \$199,999	156	0	17	41	-1	58	28	12
\$200,000+	88	0	0	22	-21	15	16	6
Total	945	-12	26	224	-15	289	254	129
<i>Median Income</i>	<i>\$10,977</i>	<i>\$6,251</i>	<i>\$8,317</i>	<i>\$11,559</i>	<i>\$23,359</i>	<i>\$17,944</i>	<i>\$6,722</i>	<i>\$10,564</i>

Sources: ESRI; Maxfield Research Inc.

Household Tenure by Income

Table 14 shows household tenure by age of householder for the City of St. Francis and the PMA in 2010. Data is an estimate from the American Community Survey. Household tenure information is important to assess the propensity for owner-occupied or renter-occupied housing options based on household affordability. As stated earlier, the Department of Housing and Urban Development determines affordable housing as not exceeding 30% of the household’s income. It is important to note that the higher the income, the lower percentage a household typically allocates to housing. Many lower income households, as well as many young and senior households, spend more than 30% of their income, while middle-aged households in their prime earning years typically allocate 20% to 25% of their income.

- Typically, as income increases, so does the rate of homeownership. This can be seen in the PMA, where the homeownership rate steadily increases from 42.3% of households with incomes below \$15,000 to 97.8% of households with incomes above \$100,000.

	City of St. Francis				Market Area Total			
	Own		Rent		Own		Rent	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Less than \$15,000	41	22.3	144	77.7	246	57.7	180	42.3
\$15,000 to \$24,999	151	69.4	67	30.6	295	73.0	109	27.0
\$25,000 to \$34,999	191	91.9	17	8.1	517	91.9	46	8.1
\$35,000 to \$49,999	224	94.5	13	5.5	974	91.3	93	8.7
\$50,000 to \$74,999	613	95.1	32	4.9	1,609	95.3	79	4.7
\$75,000 to \$99,999	519	88.8	66	11.2	1,368	93.9	89	6.1
\$100,000+	435	98.4	7	1.6	2,043	97.8	46	2.2
<i>Total</i>	<i>2,175</i>	<i>86.3</i>	<i>345</i>	<i>13.7</i>	<i>7,053</i>	<i>91.7</i>	<i>642</i>	<i>8.3</i>

Source: U.S. Census Bureau; American Community Survey; Maxfield Research Inc.

- In 2012, approximately 70% of the PMA’s renter households have incomes below \$45,000 (the weighted average of household income to household size). These households would be the primary market for affordable housing. A portion of these individuals, however, would not be able to afford the contract rent prices associated with the proposed rental. Thus, the more specific target market would be renter households that earn an estimated \$15,000 to \$45,000 annually.

Tenure by Age of Household

Table 15 shows household tenure by age of householder for the City of St. Francis and PMA in 2000 and 2010. The data is compiled from the U.S. Census Bureau. All data excludes unoccupied units and group quarters such as dormitories. Household tenure information is important in understanding households' preferences to either rent or own their housing. In addition to preferences, factors that contribute to these proportions include mortgage interest rates, household age, and lifestyle considerations, among others.

- Between 2000 and 2010, the proportion of renters has increased in every age group except age 65+. Overall, 5.7% of all households rented in the PMA in 2000 compared to 8.3% in 2010. This is mainly due to problems in the economy and the crisis in the housing market.
- Households under the age of 35 are among the most likely to rent their housing. The younger age groups tend to be mobile, are more likely to be single, may not have yet accumulated a down payment for a single-family home or do not want to settle into homeownership. In 2010, 40.2% of households age 15 to 24 and 14.2% of households age 25 to 34 rented their housing. Households over age 65 are also likely to rent; however, a number of older renter households often live in age-restricted senior apartments that may have services and do not necessarily compete with general occupancy rental housing.
- All age groups rented at higher rates in the City of St. Francis than in the PMA. Overall, 13.7% of all households rented in St. Francis compared to 8.3% in the PMA.
- It is likely that the proposed development would attract a wide range of ages. Based on tenure by age patterns, however, the majority of those who choose to reside at the community will likely be younger aged households (age 34 and younger).

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**TABLE 15
TENURE BY AGE OF HOUSEHOLDER
PRIMARY MARKET AREA
2000 & 2010**

Age		City of St. Francis				Primary Market Area			
		2000		2010		2000		2010	
		No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
15-24	Own	88	65.7	62	55.4	132	68.8	98	59.8
	Rent	46	34.3	50	44.6	60	31.3	66	40.2
	Total	134	100.0	112	100.0	192	100.0	164	100.0
25-34	Own	404	83.8	467	84.3	1,004	90.5	893	85.8
	Rent	78	16.2	87	15.7	106	9.5	148	14.2
	Total	482	100.0	554	100.0	1,110	100.0	1,041	100.0
35-44	Own	448	92.4	577	85.4	1,846	96.1	1,625	90.5
	Rent	37	7.6	99	14.6	74	3.9	170	9.5
	Total	485	100.0	676	100.0	1,920	100.0	1,795	100.0
45-54	Own	240	92.3	508	91.2	1,300	97.5	2,096	94.4
	Rent	20	7.7	49	8.8	34	2.5	125	5.6
	Total	260	100.0	557	100.0	1,334	100.0	2,221	100.0
55-64	Own	145	90.6	303	92.1	751	97.3	1,345	96.1
	Rent	15	9.4	26	7.9	21	2.7	54	3.9
	Total	160	100.0	329	100.0	772	100.0	1,399	100.0
65 +	Own	87	74.4	258	88.4	450	92.6	996	92.7
	Rent	30	25.6	34	11.6	36	7.4	79	7.3
	Total	117	100.0	292	100.0	486	100.0	1,075	100.0
TOTAL	Own	1,412	86.2	2,175	86.3	5,483	94.3	7,053	91.7
	Rent	226	13.8	345	13.7	331	5.7	642	8.3
	Total	1,638	100.0	2,520	100.0	5,814	100.0	7,695	100.0

Sources: U.S. Census Bureau; Maxfield Research Inc.

Resident Employment

Table 16 shows employment information from 2000 to July 2012 that is sourced from the Minnesota Department of Employment and Economic Development (DEED). Resident employment data is calculated as an annual average and reveals the work force and *number of employed people living in Anoka County*. It is important to note that not all of these individuals necessarily work in the County. All information is reported as an annual average of each individual month.

- Resident employment in Anoka County increased by 4,172 people between 2000 and 2011 (+2.4%). However, the number of unemployed people increased at a higher rate, which resulted in an increase in unemployment from 2.7% (2000) to 6.3% (2011).

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- The County's unemployment rate of 6.3% in 2011 was lower than the State of Minnesota (6.4%) and the Nation (8.9%).
- Between 2009 and year to date 2012, the unemployment rate in Anoka County dropped from a high of 8.7% to 6.1%. The State of Minnesota also saw a sizable decrease between 2009 and 2012, decreasing from 8.0% in 2009 to 6.0% in 2012. These are indicators that the economy is recovering.

TABLE 16 RESIDENT EMPLOYMENT (ANNUAL AVERAGE) ANOKA COUNTY 2000 to 2012						
Year	Total Labor Force	Total Employed	Total Unemployed	Unemply. Rate	Minnesota Unemply. Rate	U.S. Unemply. Rate
2000	178,990	174,185	4,805	2.7%	3.1%	4.0%
2001	183,326	176,721	6,605	3.6%	3.8%	4.7%
2002	184,935	176,702	8,233	4.5%	4.5%	5.8%
2003	187,044	178,107	8,937	4.8%	4.9%	6.0%
2004	188,661	180,215	8,446	4.5%	4.6%	5.6%
2005	189,688	182,174	7,514	4.0%	4.2%	5.1%
2006	190,694	183,129	7,565	4.0%	4.1%	4.6%
2007	189,854	181,115	8,739	4.6%	4.7%	4.6%
2008	190,605	180,294	10,311	5.4%	5.4%	5.8%
2009	191,516	174,869	16,647	8.7%	8.0%	9.3%
2010	191,213	176,324	14,889	6.9%	7.3%	9.6%
2011	191,193	178,357	12,836	6.3%	6.4%	8.9%
2012*	190,875	179,212	11,662	6.1%	6.0%	8.3%
Change 2000-11	12,203	4,172	8,031	3.6%	3.3%	4.9%
* Through July 2012						
Sources: MN Dept. of Employment and Economic Development; Maxfield Research Inc.						

Covered Employment by Industry

Tables 17 and 18 present covered employment in the City of St. Francis and Anoka County in 2006 and 2011 from the Minnesota Department of Employment and Economic Development (DEED). Covered employment data is calculated as an annual average and *reveals the number of jobs in the City* that are covered by unemployment insurance. Most farm jobs, self-employed people and some other types of jobs are not covered by unemployment insurance and are not included in the table.

- There were 106,625 jobs in Anoka County in 2011, of which 1.3% were located in St. Francis (1,433 jobs).
- Between 2006 and 2011, the City of St. Francis added 35 jobs. The industries that experienced the most substantial growth occurred in the Trade, Transportation, & Utilities industry, which added 55 jobs. In contrast, Anoka County lost -8,814 jobs (-7.6%) in the same time period.
- The overall average annual wage among covered employees was \$31,564 in 2011 in St. Francis, up from \$29,936 in 2006. Wages vary by industry with Leisure & Hospitality having the lowest annual average wage (\$9,724) and Goods Producing Industries having the highest annual average wage (\$42,224).

	2006			2011			Change	
	Employment		Avg. Wage	Employment		Avg. Wage	No.	Pct.
Goods Producing Industries ¹	161	11.5%	\$32,656	202	14.1%	\$42,224	41	25.5%
TTU ²	189	13.5%	\$18,772	244	17.0%	\$22,100	55	29.1%
Information	0	0.0%	NA	0	0.0%	NA	0	NA
Financial Activities	71	5.1%	\$23,816	76	5.3%	\$31,980	5	7.0%
Professional & Business Services	7	0.5%	\$45,396	17	1.2%	\$38,012	10	142.9%
Education & Health Services	649	46.4%	\$35,308	625	43.6%	\$38,948	-24	-3.7%
Leisure and Hospitality	281	20.1%	\$8,632	211	14.7%	\$9,724	-70	-24.9%
Other Services	40	2.9%	\$20,384	NA	NA	NA	NA	NA
Public Administration	NA	NA	NA	58	4.0%	\$35,568	NA	NA
Total	1,398	100%	\$26,936	1,433	100%	\$31,564	35	2.5%

¹ Includes natural resource/mining, construction, and manufacturing.
² Trade, transportation, & utilities.

Sources: Minnesota Department of Employment and Economic Development; Maxfield Research Inc.

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	2006		2011		Change			
	Employment	Avg. Wage	Employment	Avg. Wage	No.	Pct.		
Goods Producing Industries ¹	33,500	29.0%	\$57,200	27,198	25.5%	\$63,180	-6,302	-18.8%
TTU ²	25,233	21.9%	\$35,620	23,299	21.9%	\$37,492	-1,934	-7.7%
Information	866	0.8%	\$43,628	140	0.1%	\$28,392	-726	-83.8%
Financial Activities	4,320	3.7%	\$36,764	3,318	3.1%	\$48,932	-1,002	-23.2%
Professional & Business Services	9,482	8.2%	\$36,192	8,952	8.4%	\$43,160	-530	-5.6%
Education & Health Services	22,392	19.4%	\$40,404	23,441	22.0%	\$46,332	1,049	4.7%
Leisure and Hospitality	11,114	9.6%	\$12,584	11,360	10.7%	\$14,872	246	2.2%
Other Services	4,060	3.5%	\$23,244	4,298	4.0%	\$25,116	238	5.9%
Public Administration	4,472	3.9%	\$43,472	4,619	4.3%	\$48,828	147	3.3%
Total	115,439	100%	\$38,927	106,625	100%	\$42,275	-8,814	-7.6%
¹ Includes natural resource/mining, construction, and manufacturing.								
² Trade, transportation, & utilities.								
Sources: Minnesota Department of Employment and Economic Development; Maxfield Research Inc.								

Anoka County Commuting Patterns

Proximity to employment is often a primary consideration when choosing where to live, particularly for lower income households since transportation costs often account for a greater proportion of their budgets. Table 19 highlights the commuting patterns of workers in Anoka County in 2010 (the most recent data available), based on Employer-Household Dynamics data from the U.S. Census Bureau.

- There is a large out-migration of workers from Anoka County to other surrounding Counties. In 2010, about 30% of Anoka County residents also worked in Anoka County, while the remainder of residents commuted to jobs outside Anoka County.
- However, nearly 45% of the workers in Anoka County also live in Anoka County. This highlights the potential to add housing in Anoka County, including affordable rental housing, to accommodate the local workforce's housing needs, especially as more workers seek housing near their place of employment as the cost of fuel rises.

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TABLE 19 ANOKA COUNTY COMMUTING PATTERNS 2010			
Place of Residence	Employment	Count	Percent
Place of Employment for Anoka County Residents			
Anoka	Anoka	50,928	44.7%
Anoka	Hennepin	20,293	17.8%
Anoka	Ramsey	9,838	8.6%
Anoka	Sherburne	4,844	4.3%
Anoka	Washington	4,301	3.8%
Anoka	Isanti	3,436	3.0%
Anoka	Dakota	2,885	2.5%
Anoka	Wright	2,612	2.3%
Anoka	Chisago	2,256	2.0%
Anoka	Scott	923	0.8%
Anoka	Other	11,522	10.1%
		113,838	100.0%
Place of Residence for Workers Commuting to Anoka County			
Hennepin	Anoka	66,961	39.5%
Anoka	Anoka	50,928	30.0%
Ramsey	Anoka	31,512	18.6%
Dakota	Anoka	4,162	2.5%
Washington	Anoka	3,502	2.1%
Sherburne	Anoka	1,848	1.1%
St. Louis	Anoka	1,177	0.7%
Chisago	Anoka	1,085	0.6%
Wright	Anoka	859	0.5%
Isanti	Anoka	769	0.5%
Other	Anoka	6,742	4.0%
		169,545	100.0%
Sources: US Census Bureau; Maxfield Research Inc.			

Introduction

Market potential for rental housing is a function of supply and demand. The previous section on demographic and employment trends analyzed data related to demand for housing. This section reviews the supply of affordable rental housing in the PMA. This information, combined with data from our demographic analysis will be used to assess the potential for additional affordable rental housing in the PMA.

Selected Affordable Rental Developments

Maxfield Research Inc. surveyed selected newer affordable rental properties in and near the PMA. There are 22 units located in the PMA. Due to the limited supply of newer rental properties, Maxfield Research Inc. also inventoried some properties near the PMA that would be comparable. The inventoried properties located outside of the PMA are intended to serve as a guide in assessing current trends in the rental housing industry. We do not, however, consider the properties outside of the PMA to be directly competitive.

Table 20 provides information on the unit mix, unit sizes, rents and vacancies; Table 21 lists information on amenities of the surveyed properties.

- Maxfield Research Inc. surveyed eight affordable housing developments. Only one development (*Turtle Ridge Townhomes*) is located in the PMA. The remaining developments are located in Elk River, Coon Rapids, and Anoka.
- Typically, a healthy rental market should maintain a vacancy rate of 5% to allow for sufficient consumer choice and adequate turnover of units. The existing supply of affordable housing in the PMA currently has one available unit (a vacancy rate of 4.5%). This indicates that there is some pent up demand for affordable housing.
- Approximately 49.5% of the units at the surveyed properties are two-bedroom units. Three-bedroom units comprise 34%, one-bedroom units comprise 16% of the units, and efficiency units comprise 0.5%.
- Maxfield Research Inc. was unable to get pricing information at *Villas by Mary T*. Pricing is from the last survey conducted in February 2011. Monthly rents in the PMA range from \$640 to \$855 for one-bedroom units, \$433 to \$975 for two-bedroom units, and \$494 to \$1,200 for three-bedroom units.
- The majority of the developments include heat, water, trash removal and either an attached/detached/underground parking stall in the monthly rent. *Tralee Terrace* and *Woodland Park* have parking fees of \$30 and \$40, respectively.

GENERAL OCCUPANCY HOUSING MARKET ANALYSIS

TABLE 20
AFFORDABLE GENERAL OCCUPANCY RENTAL DEVELOPMENTS
PRIMARY MARKET AREA
August 2012

Project Name in PMA	Year Built	Total Units	Unit Mix	Unit Size	Monthly Rent	Avg Rent	Rent Per Sq Ft.	Comments/Features
Turtle Ridge Townhomes 2648 230th Court NW St. Francis	2001	22 1 4.5%	10 - 2BR 20 - 3BR	1,015 - 1,298 1,169 - 1,438	\$840 - \$840 \$940 - \$940	\$840 \$940	\$0.65 - \$0.83 \$0.65 - \$0.80	Section 42. 22 units income restricted at 60% AMI. 8 units are project-based Section 8.
outside PMA								
The Depot of Elk River Station 10653 172nd Avenue NW Elk River	2011	53 0 0.0%	11 - 1BR 26 - 2BR 26 - 3BR	796 - 796 1,097 - 1,134 1,309 - 1,332	\$640 - \$640 \$750 - \$750 \$850 - \$850	\$640 \$750 \$850	\$0.80 - \$0.80 \$0.66 - \$0.68 \$0.64 - \$0.65	Section 42. Income restricted at 60% AMI.
Jackson Place 300 Jackson Avenue Elk River	2007	32 0 0.0%	11 - 1BR 26 - 2BR	712 - 712 912 - 912	\$680 - \$680 \$780 - \$780	\$680 \$780	\$0.96 - \$0.96 \$0.86 - \$0.86	Section 42. Income restricted at 60% AMI.
Northstar Ridge 10060 Dogwood Street Coon Rapids	2003	39 0 0.0%	9 - 1BR 26 - 2BR 21 - 3BR	868 - 868 965 - 1,095 1,386 - 1,386	\$710 - \$855 \$845 - \$975 \$965 - \$1,150	\$783 \$910 \$1,058	\$0.82 - \$0.99 \$0.88 - \$0.89 \$0.70 - \$0.83	Section 42. 39 units income restricted at 60% AMI. 17 units market rate.
Tralee Terrace 9900 Redwood Street NW Coon Rapids	1993/ 2010	68 0 0.0%	1 - EFF 16 - 1BR 34 - 2BR 17 - 3BR	450 - 450 621 - 702 891 - 891 1,131 - 1,240	\$619 - \$619 \$699 - \$699 \$855 - \$855 \$1,145 - \$1,145	\$619 \$699 \$855 \$1,145	\$1.38 - \$1.38 \$1.00 - \$1.13 \$0.96 - \$0.96 \$0.92 - \$1.01	Section 42. Income restricted at 60% AMI. Rehabbed in 2010.
Villas by Mary T - Palm 812 98th Avenue NW Coon Rapids	1997	20 0 0.0%	6 - 2BR 14 - 3BR	1,092 - 1,092 1,246 - 1,246	\$800 - \$800 \$1,050 - \$1,050	\$800 \$1,050	\$0.73 - \$0.73 \$0.84 - \$0.84	Section 42. 4 units at 30% AMI, 10 units at 50% AMI, 6 market rate units.
Villas by Mary T - Caroline 1450-1589 118th Lane NW Coon Rapids	1996	30 0 0.0%	8 - 1BR 10 - 2BR 12 - 3BR	728 - 728 907 - 907 1,213 - 1,246	\$800 - \$800 \$950 - \$950 \$1,050 - \$1,050	\$800 \$950 \$1,050	\$1.10 - \$1.10 \$1.05 - \$1.05 \$0.84 - \$0.87	Section 42. Income restricted at 60% AMI.
Woodland Park Apartments 2614 Cutters Grove Avenue Anoka	1993	90 4 4.4%	9 - 1BR 57 - 2BR 24 - 3BR	600 - 624 810 - 884 1,000 - 1,248	\$725 - \$770 \$835 - \$880 \$1,009 - \$1,200	\$748 \$858 \$1,105	\$1.21 - \$1.23 \$1.00 - \$1.03 \$0.96 - \$1.01	Section 42. Income restricted at 60% AMI.
Total / Average - Outside PMA		247						
Vacant Units		4	1.6%					

Source: Maxfield Research Inc.

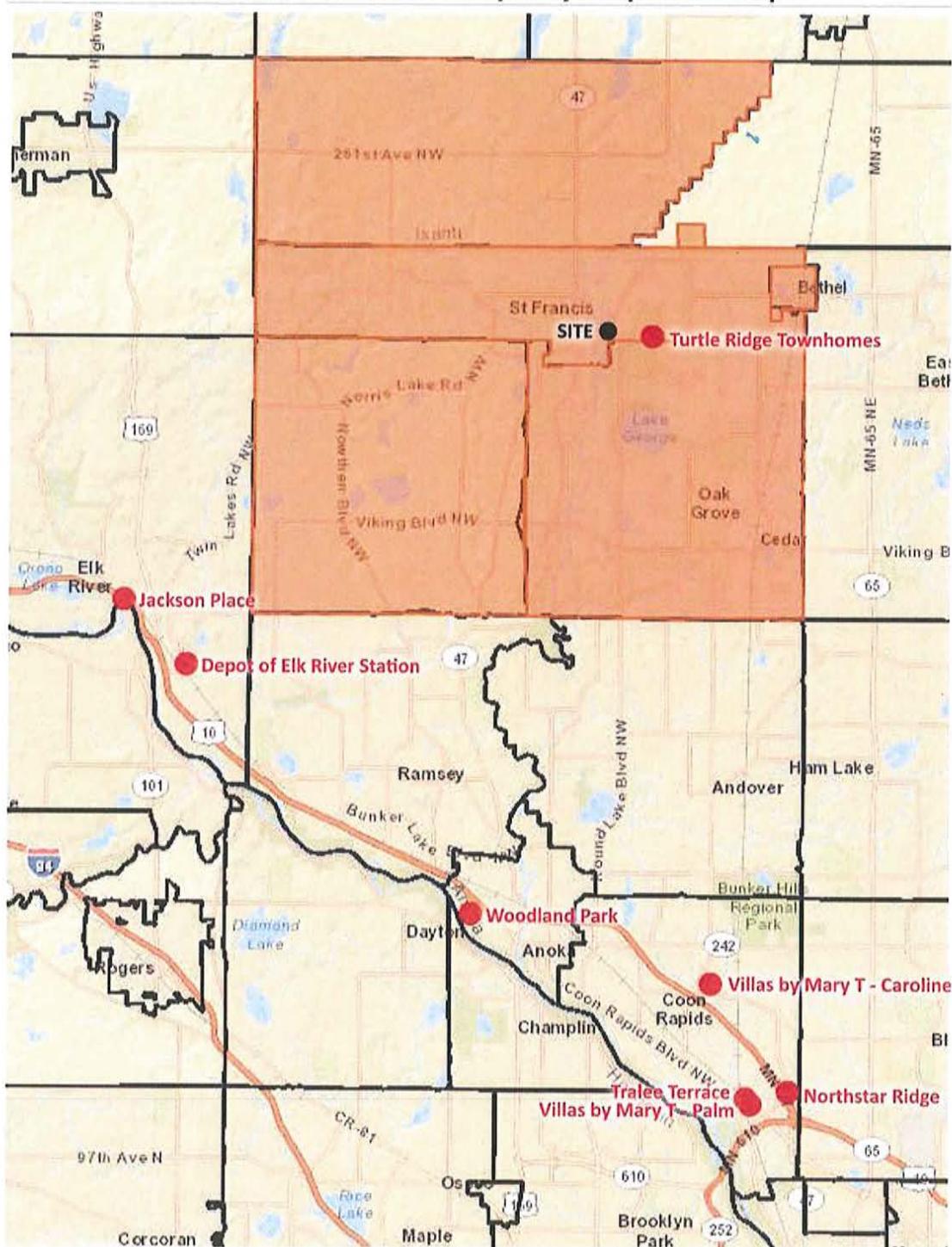
GENERAL OCCUPANCY HOUSING MARKET ANALYSIS

TABLE 21
AMENITY COMPARISON
AFFORDABLE GENERAL OCCUPANCY RENTAL DEVELOPMENTS
PRIMARY MARKET AREA
August 2012

Projects	In-Unit										Common Area										Parking and Utilities							
	Air Conditioning	Refrigerator	Microwave	Garbage Disposal	Dishwasher	Washer/Dryer	Walk-In Closet	Patio/Balcony	Community Room	Laundry Facility	Elevator	Fitness Center	Storage	Indoor Pool	Outdoor Pool	BBQ	Play Area	Walking Trail	Heat/Gas	Electricity	Water/Sewer	Trash	Cable	High Speed Internet	Parking	Parking Fee		
Turtle Ridge Townhomes	W	X			X	HU		X								X		X	X	X	X				AG	Included		
The Depot of Elk River Station*	C	X	X	X	X	FS	X	X	X	X	X	X					X		X	X	X				UG	Included		
Jackson Place	C	X	X	X	X	FS	X	X		X									X	X	X				UG	Included		
Northstar Ridge*	C	X			X	FS	X	X								X			X	X	X				TU	Included		
Tralea Terrace*	W	X			X		S	S											X	X	X				TU	\$30/mo.		
Villas by Mary T - Palm*	C	X			X	HU			X										X	X	X				AG	Included		
Villas by Mary T - Caroline*	C	X			X	HU		X											X	X	X				AG	Included		
Woodland Park*	W	X			S		S	X	X	X	X					X			X	X	X				DG	\$40/mo		

C= Central Air Conditioning; W= Wall-Unit Air Conditioning; FS = Full Size; ST = Stackable; HU = Hook-ups; CF = Community Facilities; S = Some; UG = Heated Underground; AG = Attached Garage; DG = Detached Garage; R = Off-Site Ramp, OS = Off-Street;
 Note: X indicates features/amenities that are available or utilities that are included in the monthly rents.
 * Located outside of PMA
 Source: Maxfield Research Inc.

Affordable General Occupancy Properties Map



Housing Choice Voucher Program

The Housing Choice Voucher Program (also known as Section 8) utilizes the existing private rental market to provide affordable housing to low-income households. The assistance a household is eligible to receive is equal to the difference between 30% of a household's monthly adjusted income and the unit's monthly rent, which is capped by the Voucher Payment Standard. Program participants pay a minimum of 30% of their monthly adjusted income toward rent. To be eligible, households must have incomes at or below 50% of median.

The Metro HRA payment standard for the voucher program is \$790 for one-bedroom units, \$960 for two-bedroom units, and \$1,394 for three-bedroom units – or higher than the recommended contract rents at the proposed development. Thus, if rents are set at the recommended contract level, voucher holders would be eligible to reside at the proposed development. This would expand the eligible renter pool to include these lower-income households who otherwise could not afford the monthly rents.

Pending PMA Rental Developments

Maxfield Research interviewed planning staff to identify any planned or pending rental developments in the PMA. As of August 2012, there are no pending or planned affordable developments in the PMA.

Outside PMA – Ramsey

- Developer Flaherty & Collins is currently constructing *Residence at the Cor* located adjacent to the future Northstar Commuter Rail station. Once completed in Summer 2013, it will include 230 market rate units as well as luxury amenities such as an outdoor swimming pool, fitness center, courtyard with fire pits and grills, and clubhouse. Since the units will be market rate and located outside the PMA, we do not include these units in the demand calculation.
- Podawiltz Development Corporation has plans to build 50 affordable housing units in the Cor near Bunker Lake and Armstrong Boulevards. They have submitted for tax credits from Minnesota Housing Finance Agency (MHFA). Dependent on the next round of MHFA financing approvals in January 2013, city approvals would likely occur in winter 2013 with groundbreaking in spring 2013. Due to the uncertainty of the project, we do not include these units in the demand calculation.

Outside PMA – Elk River

- Duffy Development has been approved to build 53 affordable apartments on the vacant parcel adjacent to Pullman Place and The Depot at Elk River Station off of Twin Lakes Road.

They are planning to pursue tax credits from MHFA. Depending on approvals, Duffy Development would likely move forward on construction in early spring 2014.

Affordable Rental Demand Calculations

Demand calculations analyze information from the demographic (demand-side) and market (supply-side) conditions for affordable rental housing. Table 22 presents a summary of demand calculations for affordable rental housing in the PMA over the next five years.

Demand for additional housing in the PMA will be generated by new households to the PMA as well as existing PMA residents seeking new housing. The PMA is projected to add 945 households from 2012 to 2017, as seen in the *Demographic Analysis* section of this report. Of this projected growth in households, we anticipate between 15% and 20% will seek rental housing, which is slightly higher than the current renter rate in St. Francis (13.7% in 2010). It is anticipated that a higher proportion of the population will seek rental housing in the short-term.

Maxfield Research Inc. carefully reviewed data on household income, household size, and tenure in order to estimate the percentage of renter households in the PMA that would be qualified (based on income with adjustments for household size) and able to afford the rental rates at the proposed development. Based on this data, the target income is about \$15,000 to \$45,000. We estimate that 25% of rental demand would meet the general affordability, resulting in 35 to 47 units of demand for new affordable rental housing units from new household growth.

In addition to demand generated from household growth, a portion of demand between 2012 and 2017 will come from households outside of the PMA. We project that an additional 30% will come from outside the PMA. Including demand from outside the PMA, projected demand for new rental housing generated by household growth is estimated to be between 51 and 68 units between 2012 and 2017.

Additional demand for rental housing will also come from existing renter households in the PMA through normal turnover. In 2012 there is an estimated 643 renter households in the PMA. Based on data from the U.S. Census, about 58% of all renter households in the PMA are expected to move during the next five years. Of the expected 643 renters that are expected to move, we project that 25% will be income-qualified for affordable rental housing at 60% AMI or below.

Since new housing is typically more desirable than older housing, a portion of the existing renter households turning over will seek new units – we conservatively estimate 20% to 25%. We use 20% to 25% as a conservative percentage as a higher proportion of renters will desire new housing if they income-qualify since new developments have greater amenities and modern features. Using these figures, we estimate that about 19 to 23 existing PMA income-qualified renter households would seek new housing in the PMA between 2012 and 2017.

GENERAL OCCUPANCY HOUSING MARKET ANALYSIS

Combined, demand from household growth and from turnover of existing households results in total PMA demand for about 69 to 91 rental units between 2012 and 2017.

There are no affordable rental units pending in the PMA. No single Site can capture all of the excess demand in a PMA. We estimate that the Site in St. Francis can capture 65% of the market share, resulting in demand for 45 to 59 affordable units between 2012 and 2017.

TABLE 22 AFFORDABLE RENTAL HOUSING DEMAND SUBJECT SITE IN ST. FRANCIS 2012 to 2017		
Demand from Projected Household Growth		
Projected new housing unit demand from household growth, 2012 to 2017	=	945
(times) Estimated rental demand	x	15% - 20%
(equals) Projected PMA demand for rental housing units	=	142 - 189
(times) % of Households Size & Income Qualified ¹	x	25%
(equals) Demand For Affordable Rental Housing, 2012 - 2017	=	35 - 47
(plus) Additional demand from outside PMA ²	+	15 - 20
(equals) Projected Study Area demand for new rental housing units	=	51 - 68
Demand from Existing Renter Households		
Number of renter households in PMA in 2012	=	643
(times) Estimated % Turnover between 2012 & 2017 ³	x	58%
(equals) Total Existing Households Projected to Turnover	=	373
(times) % of Households Size & Income Qualified	x	25%
(equals) Demand For Affordable Rental Housing, 2012 - 2017	=	93
(times) Estimated % desiring new rental housing	x	20% - 25%
(equals) Demand from existing PMA households	=	19 - 23
Total Demand From Household Growth and Existing Households 2012 to 2017		69 - 91
(minus) Affordable units pending for development ⁴	-	0
(equals) Excess demand for affordable rental housing units	=	69 - 91
(times) Percent of demand capturable by subject Site	x	65%
(equals) Total demand capturable by subject Site	=	45 - 59
¹ Affordable to households earning 60% or below AMI, adjusted for household size.		
² We estimate that household growth from outside the PMA will be 30%.		
³ This figure is based on previous place of residence data between 2005 and 2010 from 2010 ACS.		
⁴ At stabilized occupancy (95%).		
Source: U.S. Census American Community Survey, Maxfield Research Inc.		

CONCLUSIONS AND RECOMMENDATIONS

Recommended Development Concepts

Based on the demand calculations for senior and general occupancy housing, the greatest demand is for affordable active adult senior housing and affordable general occupancy housing. As Table 10 shows, there is sufficient demand to support up to 38 affordable active adult rental units in 2017 and up to 45 to 59 affordable general occupancy rental units (Table 22).

Table 23 presents the proposed unit mix, sizes and monthly rents for either an affordable active adult rental development or affordable general occupancy development. The senior housing concept has a greater proportion of one-bedroom units due to the smaller average household size. The recommended rents are quoted in 2012 dollars and can be trended upward by 2.5% annually prior to occupancy to account for inflation depending on overall market conditions.

TABLE 23 RECOMMENDED DEVELOPMENT CONCEPT SUBJECT SITE August 2012				
Unit Type	-- Unit Mix -- No.	Monthly Rent*	Gross Unit Size (Sq. Ft.)	Price/ Sq. Ft.
Affordable Active Adult Senior Housing				
1BR	17 - 17	\$775 - \$800	650 - 700	\$1.14 - \$1.19
1BR/D	11 - 11	\$900 - \$975	750 - 850	\$1.15 - \$1.20
2BR	12 - 12	\$1,000 - \$1,025	875 - 925	\$1.11 - \$1.14
TOTAL	40 - 40		Weighted Average	\$1.16
Affordable General Occupancy Housing				
1BR	11 - 12	\$725 - \$750	650 - 700	\$1.07 - \$1.12
2BR	23 - 25	\$825 - \$950	875 - 925	\$0.94 - \$1.03
3BR	11 - 13	\$1,100 - \$1,200	1,150 - 1,200	\$0.96 - \$1.00
TOTAL	45 - 50		Weighted Average	\$1.01
* Monthly rents are quoted in 2012 dollars and includes heat, water, and trash removal; monthly fees can be trended upward by 2.5% annually to occupancy.				
Source: Maxfield Research Inc.				

CONCLUSIONS AND RECOMMENDATIONS

Suggest Features and Amenities

At a minimum, the following bullet points outline the recommended in-unit features and community amenities that should be incorporated into the affordable units. These recommendations closely mirror the features and amenities that are available at new affordable rental developments across the Metro Area.

In-Unit Features

- Full size appliances, including built-in microwave, refrigerator, stove and dishwasher
- Abundant cabinet space
- Kitchen island in two- and three-bedroom units
- Air conditioning
- Full size washer/dryer
- Abundant closet space
- Window blinds

Building Features & Amenities

- Attractive entrance lobby/reception and waiting area;
- On-site management and leasing office;
- Community room;
- Centrally-located elevators;
- Bike rack and bike storage (secured);
- Trash & recycling room (each floor recommended);
- Underground parking (one stall included in monthly rent);
- Private resident storage areas; and
- Satellite and Cable TV access.

Projected Absorption

Based on current market conditions and vacancies among the existing competitive properties in and near the PMA, we project that approximately 30% of the affordable active adult units would be pre-leased (12 units) with the remaining units leasing at a rate of between 4 and 5 units per month, with stabilized occupancy (95%) reached within 5 to 7 months of opening.

For the affordable general occupancy units, we project that approximately 40% of the units would be pre-leased (18 to 20 units) with the remaining units leasing at a rate of between 5 and 6 units per month, with stabilized occupancy (95%) reached within 4 to 6 months of opening.

This absorption period and projected absorption rate assumes that the project would open for occupancy during the peak leasing season beginning in mid to late spring to allow for the max-

CONCLUSIONS AND RECOMMENDATIONS

imum exposure to prospective renters and that an effective marketing campaign will be undertaken to generate awareness of the project. If the project comes on-line during the late fall or winter months (November through February), absorption will be extended by an estimated two to three months beyond our initial projection, resulting in a slightly slower period from lease-up to stabilized occupancy.

Please join us at a reception
to honor and thank

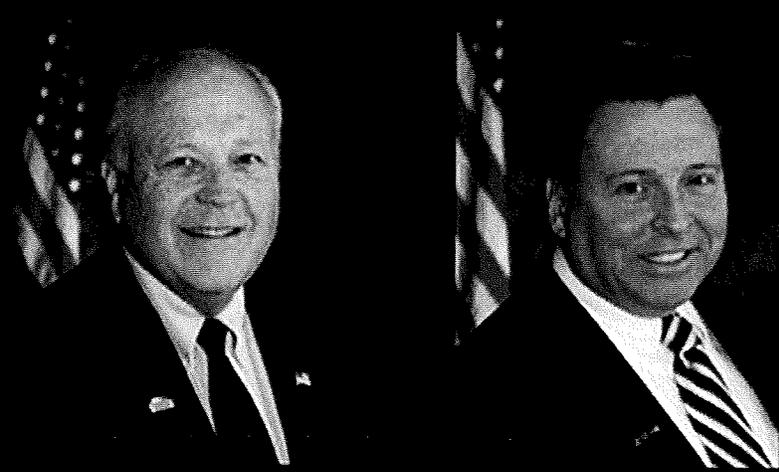
Commissioner Dan Erhart

and

Commissioner Andy Westerberg

for their many years of service

to Anoka County



Commissioner
Dan Erhart

Commissioner
Andy Westerberg

Tuesday, December 18, 2012

2 - 4 p.m.

Room 710

Anoka County Government Center

2100 Third Ave.

Anoka