



*As of August 27, 2015  
Draft for EDA*

**Modification to the Development Program  
for Development District No. 1**

**and the**

**Tax Increment Financing Plan**

**for the establishment of**

**Tax Increment Financing District No. 15 - Life Fitness  
(a renewal and renovation district)**

**within**

**Development District No. 1**

City of Ramsey  
Anoka County  
State of Minnesota

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Adopted:



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(for reference purposes only)

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***Section 1 - Modification to the Development Program  
for Development District No. 1***

**Foreword**

The following text represents a Modification to the Development Program for Development District No. 1. This modification represents a continuation of the goals and objectives set forth in the Development Program for Development District No. 1. Generally, the substantive changes include the establishment of Tax Increment Financing District No. 15.

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

## **Section 2 - Tax Increment Financing Plan for Tax Increment Financing District No. 15 - Life Fitness**

### **Subsection 2-1. Foreword**

The City of Ramsey (the "City"), staff and consultants have prepared the following information to expedite the establishment of Tax Increment Financing District No. 15 - Life Fitness (the "District"), a renewal and renovation tax increment financing district, located in Development District No. 1.

### **Subsection 2-2. Statutory Authority**

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

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

### **Subsection 2-3. Statement of Objectives**

The District currently consists of three parcels of land and adjacent and internal rights-of-way. The District is being created to facilitate the construction of an approximately 98,325 square foot manufacturing/warehouse expansion in the City. Please see Appendix A for further District information. The City will enter into an agreement with Life Fitness as the owner of the business expanding within the District. This TIF Plan is expected to achieve many of the objectives outlined in the Development Program for Development District No. 1.

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

### **Subsection 2-4. Development Program Overview**

1. Property to be Acquired - Selected property located within the District may be acquired by the City and is further described in this TIF Plan.
2. Relocation - Relocation services, to the extent required by law, are available pursuant to *M.S., Chapter 117* and other relevant state and federal laws.
3. Upon approval of a developer's plan relating to the project and completion of the necessary legal requirements, the City may sell to a developer selected properties that it may acquire within the District or may lease land or facilities to a developer.
4. The City may perform or provide for some or all necessary acquisition, construction, relocation, demolition, and required utilities and public street work within the District.

## **Subsection 2-5. Description of Property in the District and Property To Be Acquired**

The District encompasses all property and adjacent rights-of-way and abutting roadways identified by the parcels listed in Appendix C of this TIF Plan. Please also see the map in Appendix B for further information on the location of the District.

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

## **Subsection 2-6. Classification of the District**

The City, in determining the need to create a tax increment financing district in accordance with *M.S., Sections 469.174 to 469.1794*, as amended, inclusive, finds that the District, to be established, is a redevelopment district pursuant to *M.S., Section 469.174, Subd. 10a* as defined below:

- (a) *"Renewal and renovation district" means a type of tax increment financing district consisting of a project, or portions of a project, within which the City finds by resolution that:*
- (1) (i) *parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures;*
- (ii) *20 percent of the buildings are structurally substandard; and*
- (iii) *30 percent of the other buildings require substantial renovation or clearance to remove existing conditions such as: inadequate street layout, incompatible uses or land use relationships, overcrowding of buildings on the land, excessive dwelling unit density, obsolete buildings not suitable for improvement or conversion, or other identified hazards to the health, safety, and general well-being of the community; and*
- (2) *the conditions described in clause (1) are reasonably distributed throughout the geographic area of the district.*
- (b) *For purposes of determining whether a building is structurally substandard, whether parcels are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures, or whether noncontiguous areas qualify, the provisions of subdivision 10, paragraphs (b) through (f) apply.*

In meeting the statutory criteria the City relies on the following facts and findings:

- The District consists of three parcels.
- An inventory shows that parcels consisting of more than 70 percent of the area in the District are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures.
- An inspection of the buildings located within the District finds that more than 20 percent of the buildings are structurally substandard as defined in the TIF Act. (See Appendix F).
- Observation of the remaining buildings located within the District finds that more than 30 percent of the buildings require substantial renovation or clearance to remove existing conditions such as defined in the

TIF Act. (See Appendix F).

Pursuant to *M.S., Section 469.176, Subd. 7*, the District does not contain any parcel or part of a parcel that qualified under the provisions of *M.S., Sections 273.111, 273.112, or 273.114* or *Chapter 473H* for taxes payable in any of the five calendar years before the filing of the request for certification of the District.

### **Subsection 2-7. Duration and First Year of Tax Increment of the District**

Pursuant to *M.S., Section 469.175, Subd. 1, and Section 469.176, Subd. 1*, the duration and first year of tax increment of the District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b.*, the duration of the District will be 15 years after receipt of the first increment by the City (a total of 16 years of tax increment). The City elects to receive the first tax increment in 2017, which is no later than four years following the year of approval of the District. Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2032, or when the TIF Plan is satisfied. The City reserves the right to decertify the District prior to the legally required date.

### **Subsection 2-8. Original Tax Capacity, Tax Rate and Estimated Captured Net Tax Capacity Value/Increment and Notification of Prior Planned Improvements**

Pursuant to *M.S., Section 469.174, Subd. 7 and M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the assessor in 2015 for taxes payable 2016.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2017) the amount by which the original value has increased or decreased as a result of:

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

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

The original local tax rate for the District will be the local tax rate for taxes payable 2016, assuming the request for certification is made before June 30, 2016. The ONTC and the Original Local Tax Rate for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. 4 and M.S., Section 469.177, Subd. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within Development District No. 1, upon completion of the projects within the District, will annually approximate tax increment revenues as shown in the table below. The City requests 100 percent of the available increase in tax capacity for repayment of its obligations and current expenditures, beginning in the tax year payable 2017. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

<b>Project Estimated Tax Capacity upon Completion (PTC)</b>	<b>\$362,576</b>	
<b>Original Estimated Net Tax Capacity (ONTC)</b>	<b>\$158,584</b>	
<b>Fiscal Disparities Election</b>	<b>\$78,622</b>	
<b>Estimated Captured Tax Capacity (CTC)</b>	<b>\$125,370</b>	
<b>Original Local Tax Rate</b>	<b>1.0841</b>	Pay 2015
<b>Estimated Annual Tax Increment (CTC x Local Tax Rate)</b>	<b>\$135,914</b>	
<b>Percent Retained by the City</b>	<b>100%</b>	

Tax capacity includes a 3% inflation factor for the duration of the District. The tax capacity included in this chart is the estimated tax capacity of the District in year 15. The tax capacity of the District in year one is estimated to be \$166,316.

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

**The City has reviewed the area to be included in the District and found no parcels for which building permits have been issued during the 18 months immediately preceding approval of the TIF Plan by the City.**

**Subsection 2-9. Sources of Revenue/Bonds to be Issued**

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

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

<u>SOURCES OF FUNDS</u>	<u>TOTAL</u>
Tax Increment	\$1,334,836
<u>Interest</u>	<u>\$133,484</u>
<b>TOTAL</b>	<b>\$1,468,320</b>

The City may issue bonds (as defined in the TIF Act) secured in whole or in part with tax increments from the District in a maximum principal amount of \$1,064,012. Such bonds may be in the form of pay-as-you-go notes, revenue bonds or notes, general obligation bonds, or interfund loans. This estimate of total bonded indebtedness is a cumulative statement of authority under this TIF Plan as of the date of approval.

## Subsection 2-10. Uses of Funds

Currently under consideration for the District is a proposal to facilitate the construction of an approximately 98,325 square foot manufacturing/warehouse expansion in the City. The City has determined that it will be necessary to provide assistance to the project(s) for certain District costs, as described. The City has studied the feasibility of the development or redevelopment of property in and around the District. To facilitate the establishment and development or redevelopment of the District, this TIF Plan authorizes the use of tax increment financing to pay for the cost of certain eligible expenses. The estimate of public costs and uses of funds associated with the District is outlined in the following table.

<u>USES OF TAX INCREMENT FUNDS</u>	<u>TOTAL</u>
Land/Building Acquisition	\$425,000
Site Improvements/Preparation	\$350,000
Utilities	\$100,000
Other Qualifying Improvements	\$55,528
<u>Administrative Costs (up to 10%)</u>	<u>\$133,484</u>
PROJECT COST TOTAL	\$1,064,012
<u>Interest</u>	\$404,308
<b>PROJECT AND INTEREST COSTS TOTAL</b>	<b>\$1,468,320</b>

The total project cost, including financing costs (interest) listed in the table above does not exceed the total projected tax increments for the District as shown in Subsection 2-9.

Estimated costs associated with the District are subject to change among categories without a modification to this TIF Plan. The cost of all activities to be considered for tax increment financing will not exceed, without formal modification, the budget above pursuant to the applicable statutory requirements. Pursuant to *M.S., Section 469.1763, Subd. 2*, no more than 25 percent of the tax increment paid by property within the District will be spent on activities related to development or redevelopment outside of the District but within the boundaries of Development District No. 1, (including administrative costs, which are considered to be spent outside of the District) subject to the limitations as described in this TIF Plan.

## Subsection 2-11. Fiscal Disparities Election

Pursuant to *M.S., Section 469.177, Subd. 3*, the City may elect one of two methods to calculate fiscal disparities. If the calculations pursuant to *M.S., Section 469.177, Subd. 3, clause b*, (within the District) are followed, the following method of computation shall apply:

- (1) The original net tax capacity shall be determined before the application of the fiscal disparity provisions of Chapter 276A or 473F. The current net tax capacity shall exclude any fiscal disparity commercial-industrial net tax capacity increase between the original year and the current year multiplied by the fiscal disparity ratio determined pursuant to M.S., Section 276A.06, subdivision 7 or M.S., Section 473F.08, subdivision 6. Where the original net tax capacity is equal to or greater than the current net tax capacity, there is no captured tax capacity and no tax increment determination. Where the original tax capacity is less than the current tax capacity, the difference between the original net tax capacity and the current net tax capacity*

*is the captured net tax capacity. This amount less any portion thereof which the authority has designated, in its tax increment financing plan, to share with the local taxing districts is the retained captured net tax capacity of the authority.*

- (2) *The county auditor shall exclude the retained captured net tax capacity of the authority from the net tax capacity of the local taxing districts in determining local taxing district tax rates. The local tax rates so determined are to be extended against the retained captured net tax capacity of the authority as well as the net tax capacity of the local taxing districts. The tax generated by the extension of the less of (A) the local taxing district tax rates or (B) the original local tax rate to the retained captured net tax capacity of the authority is the tax increment of the authority.*

**The City will choose to calculate fiscal disparities by clause b.**

According to *M.S., Section 469.177, Subd. 3*:

- (c) *The method of computation of tax increment applied to a district pursuant to paragraph (a) or (b) shall remain the same for the duration of the district, except that the governing body may elect to change its election from the method of computation in paragraph (a) to the method in paragraph (b).*

**Subsection 2-12. Business Subsidies**

Pursuant to *M.S., Section 116J.993, Subd. 3*, the following forms of financial assistance are not considered a business subsidy:

- (1) A business subsidy of less than \$150,000;
- (2) Assistance that is generally available to all businesses or to a general class of similar businesses, such as a line of business, size, location, or similar general criteria;
- (3) Public improvements to buildings or lands owned by the state or local government that serve a public purpose and do not principally benefit a single business or defined group of businesses at the time the improvements are made;
- (4) Redevelopment property polluted by contaminants as defined in *M.S., Section 116J.552, Subd. 3*;
- (5) Assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code and assistance provided for designated historic preservation districts, provided that the assistance is equal to or less than 50% of the total cost;
- (6) Assistance to provide job readiness and training services if the sole purpose of the assistance is to provide those services;
- (7) Assistance for housing;
- (8) Assistance for pollution control or abatement, including assistance for a tax increment financing hazardous substance subdistrict as defined under *M.S., Section 469.174, Subd. 23*;
- (9) Assistance for energy conservation;
- (10) Tax reductions resulting from conformity with federal tax law;
- (11) Workers' compensation and unemployment compensation;
- (12) Benefits derived from regulation;
- (13) Indirect benefits derived from assistance to educational institutions;
- (14) Funds from bonds allocated under chapter 474A, bonds issued to refund outstanding bonds, and bonds issued for the benefit of an organization described in section 501 (c) (3) of the Internal Revenue Code of 1986, as amended through December 31, 1999;
- (15) Assistance for a collaboration between a Minnesota higher education institution and a business;
- (16) Assistance for a tax increment financing soils condition district as defined under *M.S., Section 469.174, Subd. 19*;

- (17) Redevelopment when the recipient's investment in the purchase of the site and in site preparation is 70 percent or more of the assessor's current year's estimated market value;
- (18) General changes in tax increment financing law and other general tax law changes of a principally technical nature;
- (19) Federal assistance until the assistance has been repaid to, and reinvested by, the state or local government agency;
- (20) Funds from dock and wharf bonds issued by a seaway port authority;
- (21) Business loans and loan guarantees of \$150,000 or less;
- (22) Federal loan funds provided through the United States Department of Commerce, Economic Development Administration; and
- (23) Property tax abatements granted under *M.S., Section 469.1813* to property that is subject to valuation under Minnesota Rules, chapter 8100.

The City will comply with *M.S., Sections 116J.993 to 116J.995* to the extent the tax increment assistance under this TIF Plan does not fall under any of the above exemptions.

### **Subsection 2-13. County Road Costs**

Pursuant to *M.S., Section 469.175, Subd. 1a*, the county board may require the City to pay for all or part of the cost of county road improvements if the proposed development to be assisted by tax increment will, in the judgment of the county, substantially increase the use of county roads requiring construction of road improvements or other road costs and if the road improvements are not scheduled within the next five years under a capital improvement plan or within five years under another county plan.

If the county elects to use increments to improve county roads, it must notify the City within forty-five days of receipt of this TIF Plan. In the opinion of the City and consultants, the proposed development outlined in this TIF Plan will have little or no impact upon county roads, therefore the TIF Plan was not forwarded to the county 45 days prior to the public hearing. The City is aware that the county could claim that tax increment should be used for county roads, even after the public hearing.

### **Subsection 2-14. Estimated Impact on Other Taxing Jurisdictions**

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

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**IMPACT ON TAX BASE**

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	<b>2014/Pay 2015 Total Net Tax Capacity</b>	<b>Estimated Captured Tax Capacity (CTC) Upon Completion</b>	<b>Percent of CTC to Entity Total</b>
Anoka County	252,501,492	125,370	<b>0.0497%</b>
City of Ramsey	18,605,528	125,370	<b>0.6738%</b>
Anoka-Hennepin ISD No. 11	131,670,082	125,370	<b>0.0952%</b>

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**IMPACT ON TAX RATES**

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	<b>Pay 2015 Extension Rates</b>	<b>Percent of Total</b>	<b>CTC</b>	<b>Potential Taxes</b>
Anoka County	0.381230	35.17%	125,370	<b>47,795</b>
City of Ramsey	0.422590	38.98%	125,370	<b>52,980</b>
Anoka-Hennepin ISD No. 11	0.224820	20.74%	125,370	<b>28,186</b>
Other	<u>0.055460</u>	<u>5.12%</u>	<u>125,370</u>	<b>6,953</b>
<b>Total</b>	1.084100	100.00%		<b>135,914</b>

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the actual Pay 2015 rate. The total net capacity for the entities listed above are based on actual Pay 2015 figures. The District will be certified under the actual Pay 2016 rates, which were unavailable at the time this TIF Plan was prepared.

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

- (1) Estimate of total tax increment. It is estimated that the total amount of tax increment that will be generated over the life of the District is \$1,334,836;
- (2) Probable impact of the District on city provided services and ability to issue debt. An impact of the District on police protection is not expected. With any addition of new residents or businesses, police calls for service will be increased. New developments add an increase in traffic, and additional overall demands to the call load. The City does not expect that the proposed development, in and of itself, will necessitate new investment.

The probable impact of the District on fire protection is not expected to be significant. Typically new buildings generate few calls, if any, and are of superior construction.

The impact of the District on public infrastructure is expected to be minimal. The development is not expected to significantly impact any traffic movements in the area. The current infrastructure for sanitary sewer, storm sewer and water will be able to handle the additional volume generated from the proposed development. Based on the development plans, there are no additional costs associated with street maintenance, sweeping, plowing, lighting and sidewalks.

**The probable impact of any District general obligation tax increment bonds on the ability to issue debt for general fund purposes is expected to be minimal. It is not anticipated that there will be any general obligation debt issued in relation to this project, therefore there will be no impact on the**

**City's ability to issue future debt or on the City's debt limit.**

- (3) Estimated amount of tax increment attributable to school district levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is \$276,845;
- (4) Estimated amount of tax increment attributable to county levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same, is \$469,462;
- (5) Additional information requested by the county or school district. The City is not aware of any standard questions in a county or school district written policy regarding tax increment districts and impact on county or school district services. The county or school district must request additional information pursuant to *M.S. Section 469.175 Subd. 2(b)* within 15 days after receipt of the tax increment financing plan.

No requests for additional information from the county or school district regarding the proposed development for the District have been received.

**Subsection 2-15. Supporting Documentation**

Pursuant to *M.S. Section 469.175, Subd. 1 (a), clause 7* the TIF Plan must contain identification and description of studies and analyses used to make the findings are required in the resolution approving the District. Following is a list of reports and studies on file at the City that support the City's findings:

- A list of applicable studies will be listed here prior to the public hearing.

**Subsection 2-16. Definition of Tax Increment Revenues**

Pursuant to *M.S., Section 469.174, Subd. 25*, tax increment revenues derived from a tax increment financing district include all of the following potential revenue sources:

1. Taxes paid by the captured net tax capacity, but excluding any excess taxes, as computed under *M.S., Section 469.177*;
2. The proceeds from the sale or lease of property, tangible or intangible, to the extent the property was purchased by the authority with tax increments;
3. Principal and interest received on loans or other advances made by the authority with tax increments;
4. Interest or other investment earnings on or from tax increments;
5. Repayments or return of tax increments made to the Authority under agreements for districts for which the request for certification was made after August 1, 1993; and
6. The market value homestead credit paid to the Authority under *M.S., Section 273.1384*.

**Subsection 2-17. Modifications to the District**

In accordance with *M.S., Section 469.175, Subd. 4*, any:

1. Reduction or enlargement of the geographic area of the District, if the reduction does not meet the requirements of *M.S., Section 469.175, Subd. 4(e)*;
2. Increase in amount of bonded indebtedness to be incurred;
3. A determination to capitalize interest on debt if that determination was not a part of the original TIF

Plan;

4. Increase in the portion of the captured net tax capacity to be retained by the City;
5. Increase in the estimate of the cost of the District, including administrative expenses, that will be paid or financed with tax increment from the District; or
6. Designation of additional property to be acquired by the City,

shall be approved upon the notice and after the discussion, public hearing and findings required for approval of the original TIF Plan.

Pursuant to *M.S. Section 469.175 Subd. 4(f)*, the geographic area of the District may be reduced, but shall not be enlarged after five years following the date of certification of the original net tax capacity by the county auditor. If a renewal and renovation district is enlarged, the reasons and supporting facts for the determination that the addition to the district meets the criteria of *M.S., Section 469.174, Subd. 10a*, must be documented in writing and retained. The requirements of this paragraph do not apply if (1) the only modification is elimination of parcel(s) from the District and (2)(A) the current net tax capacity of the parcel(s) eliminated from the District equals or exceeds the net tax capacity of those parcel(s) in the District's original net tax capacity or (B) the City agrees that, notwithstanding *M.S., Section 469.177, Subd. 1*, the original net tax capacity will be reduced by no more than the current net tax capacity of the parcel(s) eliminated from the District.

The City must notify the County Auditor of any modification to the District. Modifications to the District in the form of a budget modification or an expansion of the boundaries will be recorded in the TIF Plan.

### **Subsection 2-18. Administrative Expenses**

In accordance with *M.S., Section 469.174, Subd. 14*, administrative expenses means all expenditures of the City, *other than*:

1. Amounts paid for the purchase of land;
2. Amounts paid to contractors or others providing materials and services, including architectural and engineering services, directly connected with the physical development of the real property in the District;
3. Relocation benefits paid to or services provided for persons residing or businesses located in the District;
4. Amounts used to pay principal or interest on, fund a reserve for, or sell at a discount bonds issued pursuant to *M.S., Section 469.178*; or
5. Amounts used to pay other financial obligations to the extent those obligations were used to finance costs described in clauses (1) to (3).

For districts for which the request for certification were made before August 1, 1979, or after June 30, 1982, and before August 1, 2001, administrative expenses also include amounts paid for services provided by bond counsel, fiscal consultants, and planning or economic development consultants. Pursuant to *M.S., Section 469.176, Subd. 3*, tax increment may be used to pay any **authorized and documented** administrative expenses for the District up to but not to exceed 10 percent of the total estimated tax increment expenditures authorized by the TIF Plan or the total tax increments, as defined by *M.S., Section 469.174, Subd. 25, clause (1)*, from the District, whichever is less.

For districts for which certification was requested after July 31, 2001, no tax increment may be used to pay any administrative expenses for District costs which exceed ten percent of total estimated tax increment expenditures authorized by the TIF Plan or the total tax increments, as defined in *M.S., Section 469.174, Subd. 25, clause (1)*, from the District, whichever is less.

Pursuant to *M.S., Section 469.176, Subd. 4h*, tax increments may be used to pay for the County's actual administrative expenses incurred in connection with the District and are not subject to the percentage limits of *M.S., Section 469.176, Subd. 3*. The county may require payment of those expenses by February 15 of the year following the year the expenses were incurred.

Pursuant to *M.S., Section 469.177, Subd. 11*, the County Treasurer shall deduct an amount (currently .36 percent) of any increment distributed to the City and the County Treasurer shall pay the amount deducted to the State Commissioner of Management and Budget for deposit in the state general fund to be appropriated to the State Auditor for the cost of financial reporting of tax increment financing information and the cost of examining and auditing authorities' use of tax increment financing. This amount may be adjusted annually by the Commissioner of Revenue.

### **Subsection 2-19. Limitation of Increment**

The tax increment pledged to the payment of bonds and interest thereon may be discharged and the District may be terminated if sufficient funds have been irrevocably deposited in the debt service fund or other escrow account held in trust for all outstanding bonds to provide for the payment of the bonds at maturity or redemption date.

Pursuant to *M.S., Section 469.176, Subd. 6*:

*if, after four years from the date of certification of the original net tax capacity of the tax increment financing district pursuant to M.S., Section 469.177, no demolition, rehabilitation or renovation of property or other site preparation, including qualified improvement of a street adjacent to a parcel but not installation of utility service including sewer or water systems, has been commenced on a parcel located within a tax increment financing district by the authority or by the owner of the parcel in accordance with the tax increment financing plan, no additional tax increment may be taken from that parcel, and the original net tax capacity of that parcel shall be excluded from the original net tax capacity of the tax increment financing district. If the authority or the owner of the parcel subsequently commences demolition, rehabilitation or renovation or other site preparation on that parcel including qualified improvement of a street adjacent to that parcel, in accordance with the tax increment financing plan, the authority shall certify to the county auditor that the activity has commenced and the county auditor shall certify the net tax capacity thereof as most recently certified by the commissioner of revenue and add it to the original net tax capacity of the tax increment financing district. The county auditor must enforce the provisions of this subdivision. The authority must submit to the county auditor evidence that the required activity has taken place for each parcel in the district. The evidence for a parcel must be submitted by February 1 of the fifth year following the year in which the parcel was certified as included in the district. For purposes of this subdivision, qualified improvements of a street are limited to (1) construction or opening of a new street, (2) relocation of a street, and (3) substantial reconstruction or rebuilding of an existing street.*

The City or a property owner must improve parcels within the District by approximately September 2019 and report such actions to the County Auditor.

### **Subsection 2-20. Use of Tax Increment**

The City hereby determines that it will use 100 percent of the captured net tax capacity of taxable property located in the District for the following purposes:

1. To pay the principal of and interest on bonds issued to finance a project;
2. To finance, or otherwise pay the capital and administration costs of Development District No. 1 pursuant to *M.S., Sections 469.124 to 469.133*;
3. To pay for project costs as identified in the budget set forth in the TIF Plan;
4. To finance, or otherwise pay for other purposes as provided in *M.S., Section 469.176, Subd. 4*;
5. To pay principal and interest on any loans, advances or other payments made to or on behalf of the City or for the benefit of Development District No. 1 by a developer;
6. To finance or otherwise pay premiums and other costs for insurance or other security guaranteeing the payment when due of principal of and interest on bonds pursuant to the TIF Plan or pursuant to *M.S., Chapter 462C, M.S., Sections 469.152 through 469.165*, and/or *M.S., Sections 469.178*; and
7. To accumulate or maintain a reserve securing the payment when due of the principal and interest on the tax increment bonds or bonds issued pursuant to *M.S., Chapter 462C, M.S., Sections 469.152 through 469.165*, and/or *M.S., Sections 469.178*.

These revenues shall not be used to circumvent any levy limitations applicable to the City nor for other purposes prohibited by *M.S., Section 469.176, Subd. 4*.

Tax increments generated in the District will be paid by Anoka County to the City for the Tax Increment Fund of said District. The City will pay to the developer(s) annually an amount not to exceed an amount as specified in a developer's agreement to reimburse the costs of land acquisition, public improvements, demolition and relocation, site preparation, and administration. Remaining increment funds will be used for City administration (up to 10 percent) and for the costs of public improvement activities outside the District.

#### **Subsection 2-21. Excess Increments**

Excess increments, as defined in *M.S., Section 469.176, Subd. 2*, shall be used only to do one or more of the following:

1. Prepay any outstanding bonds;
2. Discharge the pledge of tax increment for any outstanding bonds;
3. Pay into an escrow account dedicated to the payment of any outstanding bonds; or
4. Return the excess to the County Auditor for redistribution to the respective taxing jurisdictions in proportion to their local tax rates.

The City must spend or return the excess increments under paragraph (c) within nine months after the end of the year. In addition, the City may, subject to the limitations set forth herein, choose to modify the TIF Plan in order to finance additional public costs in Development District No. 1 or the District.

#### **Subsection 2-22. Requirements for Agreements with the Developer**

The City will review any proposal for private development to determine its conformance with the Development Program and with applicable municipal ordinances and codes. To facilitate this effort, the following documents may be requested for review and approval: site plan, construction, mechanical, and electrical system drawings, landscaping plan, grading and storm drainage plan, signage system plan, and any other drawings or narrative deemed necessary by the City to demonstrate the conformance of the development with City plans and ordinances. The City may also use the Agreements to address other issues related to the development.

Pursuant to *M.S., Section 469.176, Subd. 5*, no more than 25 percent, by acreage, of the property to be acquired in the District as set forth in the TIF Plan shall at any time be owned by the City as a result of acquisition with the proceeds of bonds issued pursuant to *M.S., Section 469.178* to which tax increments from

property acquired is pledged, unless prior to acquisition in excess of 25 percent of the acreage, the City concluded an agreement for the development or redevelopment of the property acquired and which provides recourse for the City should the development or redevelopment not be completed.

### **Subsection 2-23. Assessment Agreements**

Pursuant to *M.S., Section 469.177, Subd. 8*, the City may enter into a written assessment agreement in recordable form with the developer of property within the District which establishes a minimum market value of the land and completed improvements for the duration of the District. The assessment agreement shall be presented to the County Assessor who shall review the plans and specifications for the improvements to be constructed, review the market value previously assigned to the land upon which the improvements are to be constructed and, so long as the minimum market value contained in the assessment agreement appears, in the judgment of the assessor, to be a reasonable estimate, the County Assessor shall also certify the minimum market value agreement.

### **Subsection 2-24. Administration of the District**

Administration of the District will be handled by the City Administrator.

### **Subsection 2-25. Annual Disclosure Requirements**

Pursuant to *M.S., Section 469.175, Subds. 5, 6, and 6b* the City must undertake financial reporting for all tax increment financing districts to the Office of the State Auditor, County Board and County Auditor on or before August 1 of each year. *M.S., Section 469.175, Subd. 5* also provides that an annual statement shall be published in a newspaper of general circulation in the City on or before August 15.

If the City fails to make a disclosure or submit a report containing the information required by *M.S., Section 469.175 Subd. 5 and Subd. 6*, the Office of the State Auditor will direct the County Auditor to withhold the distribution of tax increment from the District.

### **Subsection 2-26. Reasonable Expectations**

As required by the TIF Act, in establishing the District, the determination has been made that the anticipated development would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the TIF Plan. In making said determination, reliance has been placed upon written representation made by the developer to such effects and upon City staff awareness of the feasibility of developing the project site(s) within the District. A comparative analysis of estimated market values both with and without establishment of the District and the use of tax increments has been performed as described above. Such analysis is included with the cashflow in Appendix D, and indicates that the increase in estimated market value of the proposed development (less the indicated subtractions) exceeds the estimated market value of the site absent the establishment of the District and the use of tax increments.

### **Subsection 2-27. Other Limitations on the Use of Tax Increment**

1. General Limitations. All revenue derived from tax increment shall be used in accordance with the TIF Plan. The revenues shall be used to finance, or otherwise pay the capital and administration costs of Development District No. 1 pursuant to *M.S., Sections 469.124 to 469.133*. Tax increments may not be

used to circumvent existing levy limit law. No tax increment may be used for the acquisition, construction, renovation, operation, or maintenance of a building to be used primarily and regularly for conducting the business of a municipality, county, school district, or any other local unit of government or the state or federal government. This provision does not prohibit the use of revenues derived from tax increments for the construction or renovation of a parking structure.

2. Pooling Limitations. At least 75 percent of tax increments from the District must be expended on activities in the District or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities within said district or to pay, or secure payment of, debt service on credit enhanced bonds. Not more than 25 percent of said tax increments may be expended, through a development fund or otherwise, on activities outside of the District except to pay, or secure payment of, debt service on credit enhanced bonds. For purposes of applying this restriction, all administrative expenses must be treated as if they were solely for activities outside of the District.
3. Five Year Limitation on Commitment of Tax Increments. Tax increments derived from the District shall be deemed to have satisfied the 75 percent test set forth in paragraph (2) above only if the five year rule set forth in *M.S., Section 469.1763, Subd. 3*, has been satisfied; and beginning with the sixth year following certification of the District, 75 percent of said tax increments that remain after expenditures permitted under said five year rule must be used only to pay previously committed expenditures or credit enhanced bonds as more fully set forth in *M.S., Section 469.1763, Subd. 5*.
4. Redevelopment District. At least 90 percent of the revenues derived from tax increment from a redevelopment district or renewal and renovation district must be used to finance the cost of correcting conditions that allow designation of redevelopment and renewal and renovation districts under *M.S., Section 469.176 Subd. 4j*. These costs include, but are not limited to, acquiring properties containing structurally substandard buildings or improvements or hazardous substances, pollution, or contaminants, acquiring adjacent parcels necessary to provide a site of sufficient size to permit development, demolition and rehabilitation of structures, clearing of the land, the removal of hazardous substances or remediation necessary for development of the land, and installation of utilities, roads, sidewalks, and parking facilities for the site. The allocated administrative expenses of the City, including the cost of preparation of the development action response plan, may be included in the qualifying costs.

## **Subsection 2-28. Summary**

The City of Ramsey is establishing the District to preserve and enhance the tax base, redevelop substandard areas, and provide employment opportunities in the City. The TIF Plan for the District was prepared by Ehlers & Associates, Inc., 3060 Centre Pointe Drive, Roseville, Minnesota 55113, telephone (651) 697-8500.

## Appendix A

The District is being created to facilitate the expansion of Life Fitness in the community. The proposed project includes construction of a first expansion totaling 48,325 square feet on the existing Life Fitness property in the District, and the demolition of an existing building in the District, the capping of all existing geothermal wells, and the preparation of the property for development.

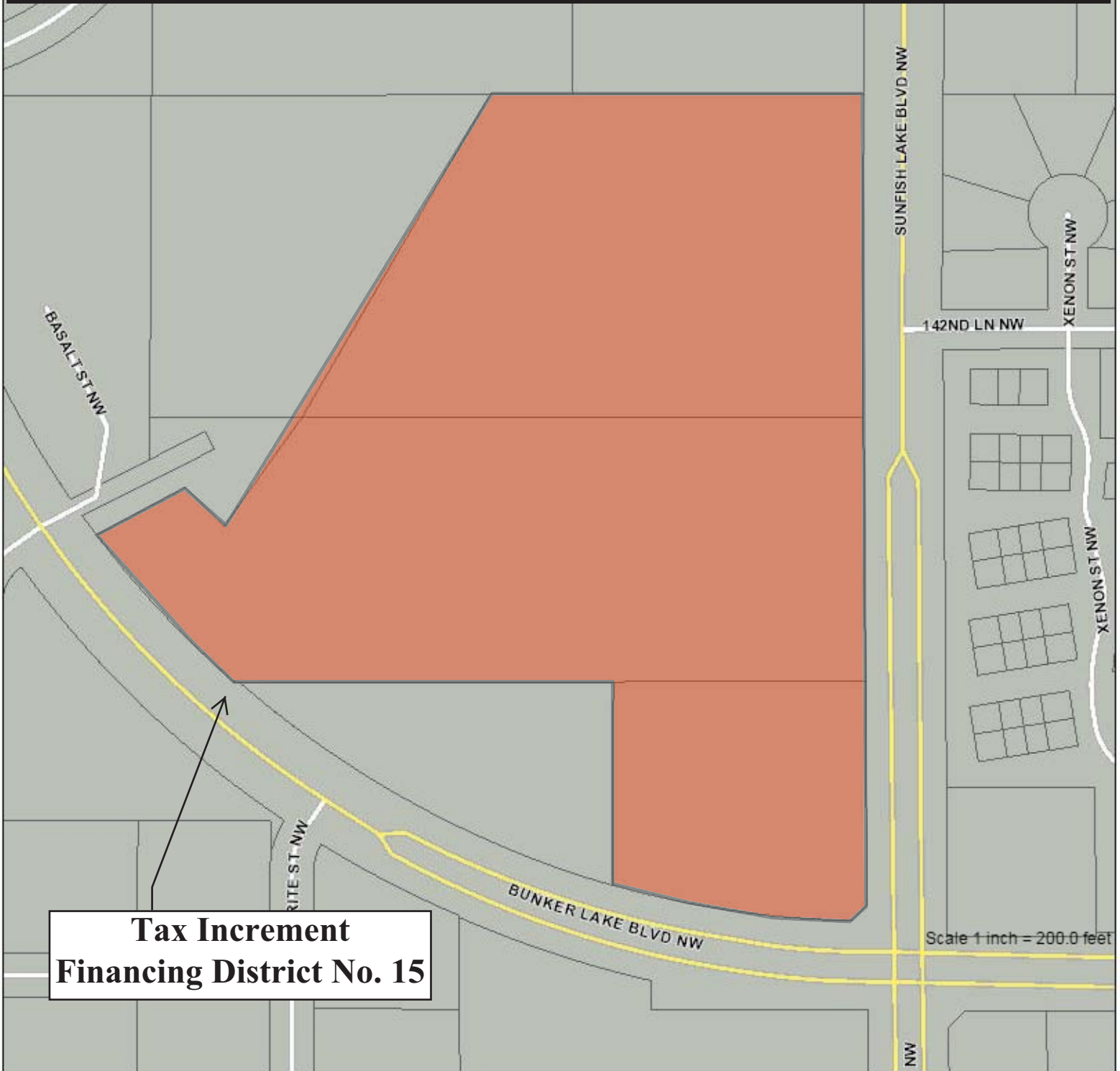
Appendix B

Map(s) of Development District No. 1 and the District

# Tax Increment Financing District No. 15

## Development District No. 1

City of Ramsey  
Anoka County, Minnesota



**Tax Increment  
Financing District No. 15**





## TIF District No. 15

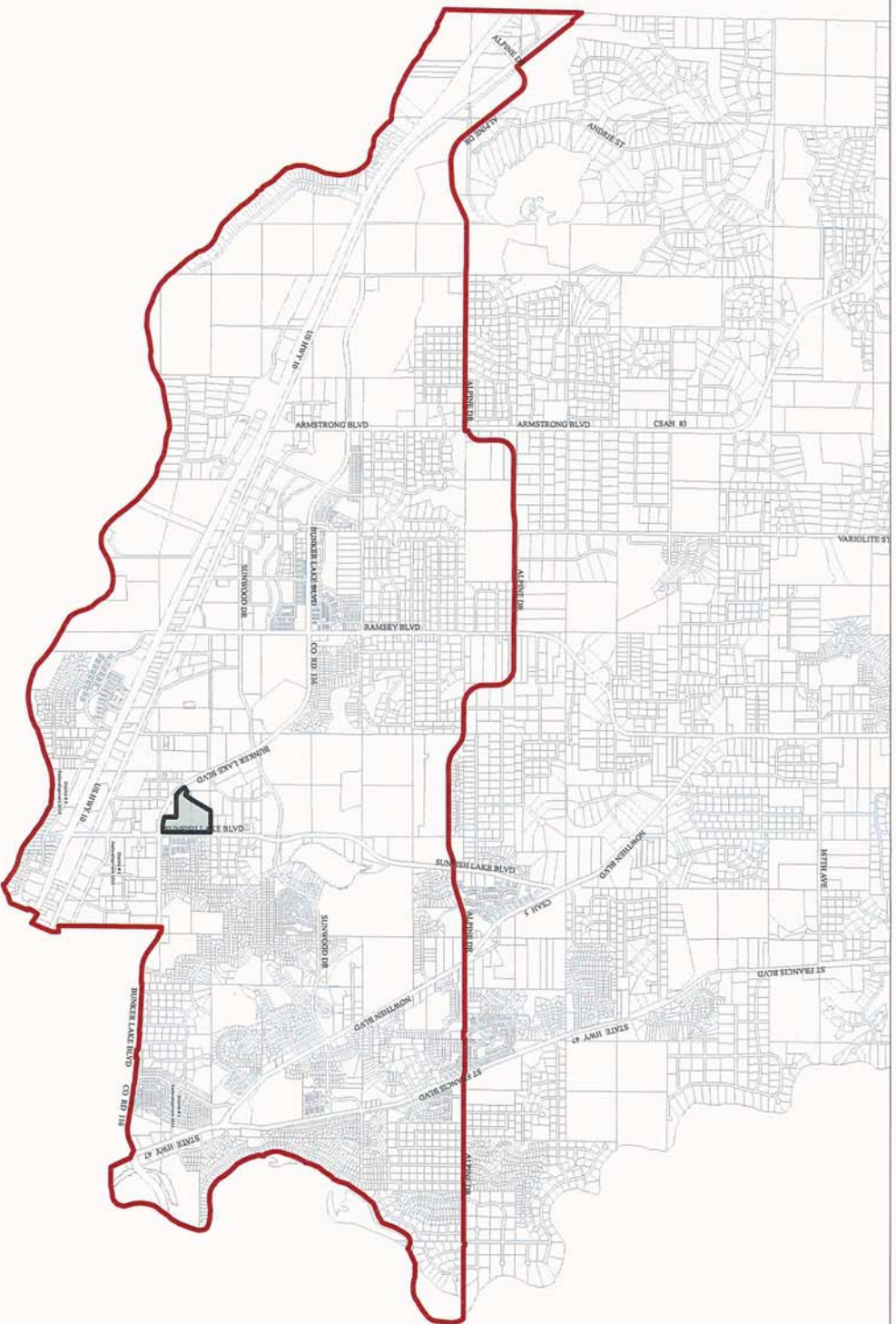
### Tax Increment Financing District No. 15

### Development District No. 1

City of Ramsey  
Anoka County, Minnesota

Map Prepared by the City of Ramsey  
Data Source: Anoka County, City of Ramsey  
August 27, 2015  
1. Import: Contoural Conic Projection  
IGDS\Users\Ylm\TIF Properties

This map has been compiled using information gathered from various governmental offices and other sources. The City of Ramsey is not responsible for errors or omissions. The City of Ramsey does not warrant the accuracy of the information shown on this map. The City of Ramsey is not liable for any damages, including consequential damages, arising from the use of this map. The City of Ramsey is not responsible for any errors or omissions. The City of Ramsey is not liable for any damages, including consequential damages, arising from the use of this map. The City of Ramsey is not responsible for any errors or omissions. The City of Ramsey is not liable for any damages, including consequential damages, arising from the use of this map.



Appendix C

Description of Property to be Included in the District

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

<u>Parcel Numbers</u>	<u>Address</u>	<u>Owner</u>
27-32-25-44-0012	14100 Sunfish Lake Blvd NW	First Minnesota Bank
27-32-25-44-0018	Unassigned	Brunswick Corporation
27-32-25-44-0019	14150 Sunfish Lk Blvd NW	Brunswick Corporation

Appendix D

Estimated Cash Flow for the District



**Life Fitness**

City of Ramsey

98,325 sq. ft. Manufacturing / Warehouse Expansion

**ASSUMPTIONS AND RATES**

<b>DistrictType:</b>	<b>Renewal and Renovation</b>
<b>District Name/Number:</b>	
<b>County District #:</b>	
<b>First Year Construction or Inflation on Value</b>	<b>2015</b>
<b>Existing District - Specify No. Years Remaining</b>	
Inflation Rate - Every Year:	<b>3.00%</b>
Interest Rate:	<b>4.00%</b>
Present Value Date:	<b>1-Aug-16</b>
First Period Ending	<b>1-Feb-17</b>
Tax Year District was Certified:	<b>Pay 2016</b>
Cashflow Assumes First Tax Increment For Development:	<b>2017</b>
Years of Tax Increment	<b>16</b>
Assumes Last Year of Tax Increment	<b>2032</b>
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	<b>Inside(B)</b>
Incremental or Total Fiscal Disparities	<b>Incremental</b>
Fiscal Disparities Contribution Ratio	38.5419% Pay 2015
Fiscal Disparities Metro-Wide Tax Rate	161.6250% Pay 2015
Maximum/Frozen Local Tax Rate:	108.410% Pay 2015
Current Local Tax Rate: (Use lesser of Current or Max.)	108.410% Pay 2015
State-wide Tax Rate (Comm./Ind. only used for total taxes)	50.8400% Pay 2015
Market Value Tax Rate (Used for total taxes)	0.21266% Pay 2015

Tax Rates		
Exempt Class Rate (Exempt)		0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)		
First \$150,000		1.50%
Over \$150,000		2.00%
Commercial Industrial Class Rate (C/I)		2.00%
Rental Housing Class Rate (Rental)		1.25%
Affordable Rental Housing Class Rate (Aff. Rental)		
First \$100,000		0.75%
Over \$100,000		0.25%
Non-Homestead Residential (Non-H Res. 1 Unit)		
First \$500,000		1.00%
Over \$500,000		1.25%
Homestead Residential Class Rate (Hmstd. Res.)		
First \$500,000		1.00%
Over \$500,000		1.25%
Agricultural Non-Homestead		1.00%

**BASE VALUE INFORMATION (Original Tax Capacity)**

Map #	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Original Market Value	Tax Year Original Market Value	Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion Orig. Tax Cap.	Area/Phase
	27-32-25-44-0018	Brunswick		666,900	0	666,900	100%	666,900	Pay 2016	C/I	13,338	C/I	13,338	
	27-32-25-44-0019	Brunswick		788,800	5,882,300	6,671,100	100%	6,671,100	Pay 2016	C/I Pref.	132,672	C/I Pref.	132,672	
	27-32-25-44-0012	1st MN Bank		310,300	318,400	628,700	100%	628,700	Pay 2016	C/I Pref.	11,824	C/I	12,574	
				<b>1,766,000</b>	<b>6,200,700</b>	<b>7,966,700</b>		<b>7,966,700</b>			<b>157,834</b>		<b>158,584</b>	

**Note:**

1. Base values are for pay 2016 and based upon review of County website on 6-1-15.



**Life Fitness**

City of Ramsey

98,325 sq. ft. Manufacturing / Warehouse Expansion

PROJECT INFORMATION (Project Tax Capacity)													
Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Total Taxable Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2015	Percentage Completed 2016	Percentage Completed 2017	Percentage Completed 2018	First Year Full Taxes Payable
	Expansion #1	40	40	48,325	1,933,000	C/I	38,660	1	20%	100%	100%	100%	2018
27-32-25-44-0018	Existing	666,900	666,900	1	666,900	C/I	13,338	13,338	100%	100%	100%	100%	2017
27-32-25-44-0019	Existing	6,671,100	6,671,100	1	6,671,100	C/I Pref.	132,672	132,672	100%	100%	100%	100%	2017
27-32-25-44-0012	Existing	628,700	628,700	1	628,700	C/I	12,574	12,574	100%	100%	100%	100%	2017
	Expansion #2	40	40	50,000	2,000,000	C/I	40,000	1	0%	0%	0%	100%	2020
<b>TOTAL</b>					<b>11,899,700</b>		<b>237,244</b>						
<b>Subtotal Residential</b>				<b>0</b>	<b>0</b>		<b>0</b>						
<b>Subtotal Commercial/Ind.</b>				<b>98,328</b>	<b>11,899,700</b>		<b>237,244</b>						

**Note:**

1. Market values are based upon estimates from the county assessor.

TAX CALCULATIONS									
New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Expansion #1	38,660	14,900	23,760	25,758	24,083	19,655	4,111	73,606	1.52
Existing	13,338	5,141	8,197	8,887	8,309	6,781	1,418	25,395	25,394.63
Existing	132,672	51,134	81,538	88,395	82,646	67,450	14,187	252,678	252,678.04
Existing	12,574	4,846	7,728	8,378	7,833	6,393	1,337	23,940	23,940.02
Expansion #2	40,000	15,417	24,583	26,651	24,917	20,336	4,253	76,157	1.52
<b>TOTAL</b>	<b>237,244</b>	<b>91,438</b>	<b>145,806</b>	<b>158,068</b>	<b>147,787</b>	<b>120,615</b>	<b>25,306</b>	<b>451,776</b>	

**Note:**

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

WHAT IS EXCLUDED FROM TIF?	
Total Property Taxes	451,776
less State-wide Taxes	(120,615)
less Fiscal Disp. Adj.	(147,787)
less Market Value Taxes	(25,306)
less Base Value Taxes	(105,659)
<b>Annual Gross TIF</b>	<b>52,409</b>

MARKET VALUE BUT / FOR ANALYSIS	
Current Market Value - Est.	7,966,700
New Market Value - Est.	11,899,700
Difference	3,933,000
Present Value of Tax Increment	888,804
Difference	3,044,196
Value likely to occur without Tax Increment is less than:	<b>3,044,196</b>



**Life Fitness**  
**City of Ramsey**  
**98,325 sq. ft. Manufacturing / Warehouse Expansion**

<b>TAX INCREMENT CASH FLOW</b>														
% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 10%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
100%	166,316	(158,584)	(2,980)	4,752	108.410%	5,152	2,576	(9)	(257)	2,310	2,220	0.5	2017	02/01/17
100%	202,002	(158,584)	(16,734)	26,684	108.410%	28,928	2,576	(9)	(257)	2,310	4,397	1	2017	02/01/18
100%	208,062	(158,584)	(19,070)	30,408	108.410%	32,965	14,464	(52)	(1,441)	12,971	16,380	1.5	2018	08/01/18
100%	254,303	(158,584)	(36,892)	58,827	108.410%	63,775	14,464	(52)	(1,441)	12,971	28,127	2	2018	02/01/19
100%	261,933	(158,584)	(39,832)	63,516	108.410%	68,858	16,483	(59)	(1,642)	14,781	41,253	2.5	2019	08/01/19
100%	269,790	(158,584)	(42,861)	68,345	108.410%	74,093	16,483	(59)	(1,642)	14,781	54,120	3	2019	02/01/20
100%	277,884	(158,584)	(45,981)	73,320	108.410%	79,486	31,887	(115)	(3,177)	28,595	78,526	3.5	2020	08/01/20
100%	286,221	(158,584)	(49,194)	78,443	108.410%	85,040	31,887	(115)	(3,177)	28,595	102,453	4	2020	02/01/21
100%	294,807	(158,584)	(52,503)	83,720	108.410%	90,761	34,429	(124)	(3,430)	30,874	127,781	4.5	2021	08/01/21
100%	303,652	(158,584)	(55,912)	89,156	108.410%	96,654	34,429	(124)	(3,430)	30,874	152,612	5	2021	02/01/22
100%	312,761	(158,584)	(59,423)	94,754	108.410%	102,723	37,047	(133)	(3,691)	33,222	178,808	5.5	2022	08/01/22
100%	322,144	(158,584)	(63,039)	100,521	108.410%	108,975	37,047	(133)	(3,691)	33,222	204,489	6	2022	02/01/23
100%	331,808	(158,584)	(66,764)	106,460	108.410%	115,414	39,743	(143)	(3,960)	35,640	231,500	6.5	2023	08/01/23
100%	341,763	(158,584)	(70,600)	112,578	108.410%	122,046	39,743	(143)	(3,960)	35,640	257,981	7	2023	02/01/24
100%	352,015	(158,584)	(74,552)	118,879	108.410%	128,877	42,520	(153)	(4,237)	38,130	285,757	7.5	2024	08/01/24
100%	362,576	(158,584)	(78,622)	125,370	108.410%	135,913	42,520	(153)	(4,237)	38,130	312,988	8	2024	02/01/25
							45,381	(163)	(4,522)	40,695	341,481	8.5	2025	08/01/25
							45,381	(163)	(4,522)	40,695	369,416	9	2025	02/01/26
							48,327	(174)	(4,815)	43,338	398,581	9.5	2026	08/01/26
							48,327	(174)	(4,815)	43,338	427,174	10	2026	02/01/27
							51,362	(185)	(5,118)	46,059	456,967	10.5	2027	08/01/27
							51,362	(185)	(5,118)	46,059	486,175	11	2027	02/01/28
							54,487	(196)	(5,429)	48,862	516,554	11.5	2028	08/01/28
							54,487	(196)	(5,429)	48,862	546,337	12	2028	02/01/29
							57,707	(208)	(5,750)	51,749	577,261	12.5	2029	08/01/29
							57,707	(208)	(5,750)	51,749	607,579	13	2029	02/01/30
							61,023	(220)	(6,080)	54,723	639,010	13.5	2030	08/01/30
							61,023	(220)	(6,080)	54,723	669,825	14	2030	02/01/31
							64,439	(232)	(6,421)	57,786	701,727	14.5	2031	08/01/31
							64,439	(232)	(6,421)	57,786	733,004	15	2031	02/01/32
							67,957	(245)	(6,771)	60,941	765,341	15.5	2032	08/01/32
							67,957	(245)	(6,771)	60,941	797,044	16	2032	02/01/33
<b>Total</b>							<b>1,339,659</b>	<b>(4,823)</b>	<b>(133,484)</b>	<b>1,201,352</b>				
		<b>Present Value From 08/01/2016</b>		<b>Present Value Rate</b>	<b>4.00%</b>		<b>888,804</b>	<b>(3,200)</b>	<b>(88,560)</b>	<b>797,044</b>				

## Appendix E

### Minnesota Business Assistance Form (Minnesota Department of Employment and Economic Development)

A Minnesota Business Assistance Form (MBAF) should be used to report and/or update each calendar year's activity by April 1 of the following year.

Please see the Minnesota Department of Employment and Economic Development (DEED) website at <http://www.deed.state.mn.us/Community/subsidies/MBAFForm.htm> for information and forms.

Appendix F

Redevelopment Qualifications for the District

*To be added to prior to the public hearing*

Appendix G

Findings Including But/For Qualifications

*To be added to prior to the public hearing*

<b>But-For Analysis</b>	
Current Market Value	7,966,700
New Market Value - Estimate	11,899,700
Difference	3,933,000
Present Value of Tax Increment	888,804
Difference	3,044,196
<b>Value Likely to Occur Without TIF is Less Than:</b>	<b>3,044,196</b>