



# Tax Increment Financing District Overview

## City of Ramsey

### Tax Increment Financing District No. 15 – Life Fitness

The following summary contains an overview of the basic elements of the Tax Increment Financing Plan for Tax Increment Financing District No. 15 – Life Fitness. More detailed information on each of these topics can be found in the complete Tax Increment Financing Plan.

Proposed action:	<ul style="list-style-type: none"><li>➤ Recommending the City Council establish Tax Increment Financing District No. 15 – Life Fitness (District) and adopt Tax Increment Financing Plan (TIF Plan).</li><li>➤ Recommending the City Council modify the Development Program for Development District No. 1 which includes the establishment of Tax Increment Financing District No. 15 – Life Fitness, a continuation of the goals and objectives set forth in the Development Program for Development District No. 1.</li></ul>
Type of TIF District:	A renewal and renovation district
Parcel Numbers:	27-32-25-44-0012                      27-32-25-44-0018 27-32-25-44-0019
Proposed Development:	The District is being created to facilitate the construction of an approximately 98,500 square foot manufacturing/warehouse expansion in the City. Please see Appendix A of the TIF Plan for a more detailed project description.
Maximum duration:	The duration of the District will be 15 years from the date of receipt of the first increment (16 years of increment). The City elects to receive the first tax increment in 2017. It is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after December 31, 2032, or when the TIF Plan is satisfied.
Estimated annual tax increment:	Up to \$135,914

Authorized uses:	The TIF Plan contains a budget that authorizes the maximum amount that may be expended:  Land/Building Acquisition.....\$425,000 Site Improvements/Preparation.....\$350,000 Public Utilities .....\$100,000 Other Qualifying Improvements .....\$55,528 Administrative Costs (up to 10%).....\$133,484 <b>PROJECT COSTS TOTAL</b> .....\$1,064,012 Interest .....\$404,308 <b>PROJECT COSTS TOTAL</b> ..... <b><u>\$1,468,320</u></b>
	See Subsection 2-10, on page 2-5 of the TIF Plan for the full budget authorization.
Form of financing:	The project is proposed to be financed by a pay-as-you-go note and an interfund loan.
Administrative fee:	Up to 10% of annual increment, if costs are justified.
Interfund Loan Requirement:	If the City wants to pay for administrative expenditures from a tax increment fund, it is recommended that a resolution authorizing a loan from another fund be passed <i>PRIOR</i> to the issuance of the check.
4 Year Activity Rule (§ 469.176 Subd. 6)	After four years from the date of certification of the District one of the following activities must have been commenced on each parcel in the District: <ul style="list-style-type: none"> <li>• Demolition</li> <li>• Rehabilitation</li> <li>• Renovation</li> <li>• Other site preparation (not including utility services such as sewer and water)</li> </ul> If the activity has not been started by approximately September 2015, no additional tax increment may be taken from that parcel until the commencement of a qualifying activity.
5 Year Rule (§ 469.1763 Subd. 3)	Within 5 years of certification revenues derived from tax increments must be expended or obligated to be expended.  Any obligations in the District made after approximately September 2015, will not be eligible for repayment from tax increments.

The reasons and facts supporting the findings for the adoption of the TIF Plan for the District, as required pursuant to *M.S., Section 469.175, Subd. 3*, are included in Exhibit A of the City resolution.

MAP OF DEVELOPMENT DISTRICT NO. 1 AND  
TAX INCREMENT FINANCING DISTRICT NO. 15 – LIFE FITNESS

