



Tax Increment Financing District Overview

City of Ramsey

Tax Increment Financing District No. 16 – PSD Business Park A

The following summary contains an overview of the basic elements of the Tax Increment Financing Plan for Tax Increment Financing District No. 16 – PSD Business Park A. 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">➤ Establishment of Tax Increment Financing District No. 16 – PSD Business Park A (District) and adoption of a Tax Increment Financing Plan (TIF Plan).➤ Modification of the Development Program for Development District No. 1 which includes the establishment of Tax Increment Financing District No. 16 – PSD Business Park A, a continuation of the goals and objectives set forth in the Development Program for Development District No. 1.
Type of TIF District:	An economic development district
Parcel Numbers:	29-32-25-12-0003* The District encompasses approximately 3 acres of the parcel identified along with adjacent rights-of-way and abutting roadways. A new property identification number for the parcel to be included in the District will be provided prior to certification.
Proposed Development:	The District is being created to facilitate the construction of an approximately 60,000 square foot industrial facility 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 8 years from the date of receipt of the first increment (9 years of increment). The City expects to receive the first tax increment in 2019. It is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after December 31, 2027, or when the TIF Plan is satisfied.
Estimated annual tax increment:	Up to \$54,296

Authorized uses:	The TIF Plan contains a budget that authorizes the maximum amount that may be expended: Land/Building Acquisition.....\$200,000 Site Improvements/Preparation.....\$75,000 Public Utilities\$53,153 Administrative Costs (up to 10%).....\$40,076 PROJECT COSTS TOTAL\$368,229 Interest\$72,603 PROJECT COSTS TOTAL <u>\$440,832</u>
	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/or 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"> • Demolition • Rehabilitation • Renovation • Other site preparation (not including utility services such as sewer and water) If the activity has not been started by approximately June 2021, 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 June 2022, 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. 16 – PSD BUSINESS PARK A

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