

POLICY FOR THE REIMBURSEMENT OF CITY FUNDS WITH LAND PROCEEDS AND TAX INCREMENT FOR TIF AREA #14 (COR)

SECTION I: PURPOSE

- To reimburse city for initial land purchase of the COR area in 2009
- To reimburse city for two internal loans that were established to purchase land – Water Fund and Sewer Fund. Initial principal of each loan was \$2,334,394 with a 2% interest rate
- To reimburse city for all other expenses incurred in the COR area: Public Improvements, Parking Ramp, Transit Station, Roads (Including Armstrong Interchange and County Road #116), Administration and Marketing

SECTION II: POLICY STATEMENT

It is the intent of the City of Ramsey to recoup all of the city funds that have been expended to purchase and develop the COR area. The city will use land proceeds from the COR area and future tax increment from Tax Increment District No. 14 to pay itself back.

SECTION III: PROCESS

- **Distribution of Land Proceeds. The following will be administered sequentially as proceeds are received:**
 1. When land proceeds are received from the sale of lots in the COR area, the proceeds will first be applied against the reduction of the outstanding internal loans of the water and sewer funds and their respective interest rates.
 2. After the Water and Sewer loans have been paid in full, land proceeds generated in the COR area will next be applied

against park obligations as park improvements are non-TIF eligible. Park Trust Fund will be the benefitting fund.

3. After steps 1 and 2 above have been paid in full, additional land proceeds generated will pay back the city HRA (other designated City Fund if HRA dissolved) for any expended funds related to non-TIF eligible items such as administrative expenses and marketing.
4. After steps 1, 2 and 3 above have been paid in full, additional land proceeds will be distributed to the respective city funds per percentages outlined below:

		Percentage of Total costs
City Funds Expended:		
COR Revolving-Future Armstrong & CR #116	\$ 10,000,000	29.44%
EDA	\$ 600,000	1.77%
Equipment Revolving Fund	\$ 1,132,686	3.33%
Landfill Trust Fund	\$ 256,638	0.76%
MSA	\$ 8,498,931	25.02%
Public Improvement Revolving (PIR)	\$ 1,031,579	3.04%
Stormwater Management	\$ 200,000	0.59%
Stormwater Utility	\$ 381,882	1.12%
Street Light Utility	\$ 112,000	0.33%
TIF 1	\$ 2,183,728	6.43%
TIF 2	\$ 6,921,287	20.37%
TIF 4	\$ 2,255,015	6.64%
Water Fund	\$ 396,146	1.17%
Total	<u>\$ 33,969,892</u>	<u>100.00%</u>

- **Distribution of Tax Increment Funds. The following will be administered sequentially as funds are received:**

1. When Tax Increment Funds are received from the County, any increment remaining after the payment of obligated debt will repay the city funds per percentages outlined below:

City Funds Expensed:		Percentage of Total costs
COR Revolving-Future Armstrong & CR #116	\$ 10,000,000	29.44%
EDA	\$ 600,000	1.77%
Equipment Revolving Fund	\$ 1,132,686	3.33%
Landfill Trust Fund	\$ 256,638	0.76%
MSA	\$ 8,498,931	25.02%
Public Improvement Revolving (PIR)	\$ 1,031,579	3.04%
Stormwater Management	\$ 200,000	0.59%
Stormwater Utility	\$ 381,882	1.12%
Street Light Utility	\$ 112,000	0.33%
TIF 1	\$ 2,183,728	6.43%
TIF 2	\$ 6,921,287	20.37%
TIF 4	\$ 2,255,015	6.64%
Water Fund	\$ 396,146	1.17%
Total	<u>\$ 33,969,892</u>	<u>100.00%</u>

