

Malcolm Yards Housing Tax Increment Financing Plan

Draft for Public Review:
August 27, 2021

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I. Introduction

The Malcolm Yards Housing Tax Increment Financing Plan has been prepared to help finance the construction of a six-story apartment building containing 144 units of affordable housing at the intersection of 5th Street SE and Malcolm Avenue SE in Southeast Minneapolis.

The TIF Plan establishes a new housing TIF district to finance the costs of a housing project and includes a budget for the use of tax increment revenue generated by the new TIF district.

II. TIF District Boundary

The TIF District shall consist of Lot 1, Block 1 of Malcolm Yards. The area of the parcel is 103,132 SF, or 2.37 acres.

| <u>PID</u> | <u>Property Address</u> |
|-------------------|-------------------------|
| 30-029-23-14-0066 | 495 Malcolm Avenue SE |

This property is located within the Prospect Park neighborhood of Minneapolis.

A TIF District Boundary Map is attached as Exhibit 1.

III. Type of TIF District

The TIF District is a "housing district" as defined in the Minnesota Tax Increment Financing Act (the "TIF Act", M.S. Sections 469.174-469.1799).

Pursuant to M.S. Section 469.174, Subd. 11, a "housing district" means a type of tax increment financing district which consists of a project, or a portion of a project, intended for occupancy, in part, by persons or families of low and moderate income, as defined in chapter 462A, Title II of the National Housing Act of 1934, the National Housing Act of 1959, the United States Housing Act of 1937, as amended, Title V of the Housing Act of 1949, as amended, any other similar present or future federal, state, or municipal legislation, or the regulations promulgated under any of those acts and that satisfies the requirements of section 469.1761. Housing project means a project, or a portion of a project, that meets all of the qualifications of a housing district under this subdivision, whether or not actually established as a housing district.

In order for a TIF district to qualify as a housing district, the development must comply with certain income restrictions. There is also a limit on the amount of space that can be occupied by non-residential uses.

In particular, for a residential rental property, the property must satisfy the income requirements for a qualified residential rental project as defined in Section 142(d) of the Internal Revenue Code. These income requirements specify that at least one of the following two income tests must be met:

- 1) 20@50 Test – Twenty percent or more of the residential units are occupied by individuals or families whose income is 50 percent or less of the area median gross income (AMI).
- 2) 40@60 Test – Forty percent or more of the residential units are occupied by individuals or families whose income is 60 percent or less of AMI.

The Malcolm Yards Housing project meets both income tests, since 100 units will be affordable at or below 50% AMI, and 44 units will be affordable at 60% AMI, therefore all 144 units are at or below 60% AMI.

Additionally, no more than 20 percent of the square footage of any building that receives tax increment financing assistance may consist of commercial, retail, or other non-residential uses. The affordable apartment building contains no commercial square footage. The market-rate apartment building includes a commercial component, but this building will not receive any tax increment financing assistance.

IV. Maximum Duration of the TIF District

The maximum duration of the TIF District is that which is prescribed by the TIF Act for a housing district. At the time this document was prepared, the TIF Act allowed for a maximum of 26 years of tax increment collection from a housing district.

V. Statement of Objectives

The City of Minneapolis (the “City”) seeks to achieve the following objectives through the establishment of the TIF District:

- Increase the number of housing units and choices within the City.
- Provide housing units affordable to persons or families of low and moderate income.
- Support strong and diverse neighborhoods where people choose to live.
- Promote sustainable development.
- Increase the property tax base.

VI. Proposed Development Activity

A. Description of Proposed Development Activity

Malcolm Yards Housing is part of Phase I of a larger development project from developers Wall Development Company LLC and Lupe Development Partners LLC, and is located between Malcolm Avenue SE and 30th Avenue SE along the University of Minnesota Transitway in SE Minneapolis. It will consist of a six-story affordable apartment building with 144 units and a seven-story market-rate apartment building containing 210 units and 7,800 square feet of commercial space. The affordable building will contain 12 efficiency apartments, 118-1 bedroom and 14-2 bedroom apartments.

All tax increment generated by the market-rate building will be allocated to affordable housing. The market-rate building will not receive any financial benefit from being located within the proposed TIF District.

See Exhibit 2 for a site plan and renderings of the planned development.

B. Property That May Be Acquired

The City does not intend to acquire any property within the TIF District.

C. Other Anticipated Development Activity

No other development activity is currently anticipated within the TIF District.

VII. Description of Financing

The amount of tax increment financing identified in this TIF Plan is based on the best estimates and projections available at the time the plan was prepared. Slight changes can be expected. However, if significant changes occur that affect the structure or financial feasibility of the project, or increase the project costs to be paid with tax increment revenue beyond the amounts listed below, then a formal modification to this plan may be necessary. In this case, the modification would require the same review and approval process that was required with the original TIF Plan.

A. Costs to be Paid With Tax Increment Revenue

The total development cost of the project is currently estimated to be approximately \$89,000,000. The maximum amount of TIF-eligible project costs that can be paid with tax increment revenue generated by the TIF District is shown below.

Sources

| | |
|-----------------------|---------------------|
| Tax Increment Revenue | <u>\$15,520,000</u> |
| Total Sources | \$15,520,000 |

Uses

| | | |
|---------------------------------------|------------------|--------------|
| Construction of Affordable Housing | \$5,732,500 | 36.9% |
| Pay-As-You-Go Note Interest | 3,360,400 | 21.7% |
| Affordable Housing (outside district) | 4,875,100 | 31.4% |
| City Administrative Costs | <u>1,552,000</u> | <u>10.0%</u> |
| Total Uses | \$15,520,000 | 100.0% |

The City reserves the right to administratively adjust the amount of any of the line items listed above, or to incorporate additional eligible uses, provided that the Total Uses amount is not increased.

B. Construction of Affordable Housing Outside the TIF District

Pursuant to M.S. Section 469.1763, Subd. 2(b), the expenditure of housing district TIF for a housing project, as defined in M.S. Section 469.174, Subd. 11, is deemed to be an in-district activity for pooling purposes. Accordingly, tax increment expenditures are not restricted to the TIF district or "project area" (as that term is defined in M.S. Section 469.174), but may be spent on housing projects meeting the qualifications of a housing district at M.S. Section 469.174, Subd. 11 anywhere within the City of Minneapolis.

C. Maximum Amount of Bonds to be Issued

The City does not currently anticipate issuing any tax increment bonds for the Malcolm Yards Housing Project. It is anticipated that the City will issue the developer two pay-as-you-go TIF revenue notes in a total amount not to exceed \$5,732,500. The City will semi-annually distribute net tax increment to the developer under the terms of each TIF note. The developer will use this tax increment revenue, along with net operating income from the housing development, to pay debt service on private debt (secured by the developer) that is used to finance the construction of the project.

As provided in M.S. Section 469.178, Subd. 7, the City may advance one or more interfund loans between the tax increment ("TI") special revenue fund for the TIF District and the other TI special revenue funds of the City. Each such interfund loan to or from the TIF District shall be in the principal amount needed to offset a negative cash balance. The interest rate charged on each such interfund loan to or from the TIF District shall be equal to the average interest rate that revenue in the City's TI special revenue funds earn at the time the loan is made, and such interest rate shall vary over time. In no event will the interest rate charged on any such interfund loan exceed the greater of the rates specified under Minnesota Statutes, Section 270C.40 or 549.09, as such statutory rates are adjusted from time to time. The maximum term of each such interfund loan to the TIF District shall be the earlier of 1) the date that all principal and accrued interest on the loan is repaid, and 2) the date the TIF District is decertified. The maximum term of each such interfund loan from the TIF District to another TIF district shall be the earlier of 1) the date that all principal and accrued interest on the loan is repaid, and 2) the date the other TIF district is decertified.

D. Original Net Tax Capacity

The TIF District is projected to have an original estimated market value (EMV) of \$693,100, and an original net tax capacity (ONTC) of \$8,664.

E. Original Tax Capacity Rate

The original tax capacity rate for the TIF District will be the total local tax capacity rate for all applicable taxing jurisdictions for taxes payable in 2022, which is not yet available. For the purpose of calculating the estimated impact on other taxing jurisdictions, the total tax capacity rate for taxes payable in 2021 was used (see Section VIII).

For tax increment projection purposes, a total tax capacity rate of 115 percent was assumed.

F. Fiscal Disparities Election

For the purpose of calculating tax increment, the City of Minneapolis elects that the fiscal disparity contribution that is required for all commercial and industrial property located within the TIF District will be made from "outside" the TIF District (M.S. Section 469.177, Subd. 3, Paragraph (a)).

G. Projected Captured Net Tax Capacity and Tax Increment

Upon project completion, it is projected that the total EMV of the property in the TIF

District will be \$61,560,000 and the total net tax capacity (NTC) will be \$699,250. The captured NTC of the TIF District is therefore projected to be \$690,586.

The Assumptions Schedule (Exhibit 3) shows the various assumptions used in projecting net tax increment from the TIF District.

The Projected Tax Increment Schedule (Exhibit 4) shows how tax increment was projected over the life of the TIF district.

VIII. Estimated Impact on Other Taxing Jurisdictions

It is the position of the City of Minneapolis that the development of the property included in this TIF District would not occur as proposed without tax increment financing assistance.

Nevertheless, it has been assumed in the analysis below that the proposed development would occur without TIF assistance. Under this assumption the projected captured net tax capacity at project completion would be immediately available to the applicable taxing jurisdictions, and the resulting property taxes would be as follows:

| <u>Taxing Jurisdiction</u> | <u>Pay 2021 Tax Capacity Rate</u> | <u>Property Taxes Resulting From \$690,586 in Captured Net Tax Capacity</u> |
|----------------------------------|---|---|
| City of Minneapolis | 54.880% | \$378,994 |
| Hennepin County | 38.143% | 263,410 |
| Mpls. Special School Dist. No. 1 | 18.778% | 129,678 |
| Other | <u>6.612%</u> | <u>45,662</u> |
| Total | 118.413% | \$817,744 |

Fiscal and Economic Implications of the TIF District

The projected amount of tax increment revenue that would be distributed to the City over the maximum duration of the TIF District is \$17,955,236.

The probable impact of the TIF District on City-provided services such as police and fire protection, public infrastructure, and borrowing costs attributable to the TIF District is projected to be very minor due to the small size of the project in comparison to the size of the City budget and tax base.

The projected amount of tax increment revenue generated over the life of the TIF District that would be attributable to the School District, assuming the School District's tax rate remains at approximately 15.9 percent of the total tax rate, is \$2,854,883.

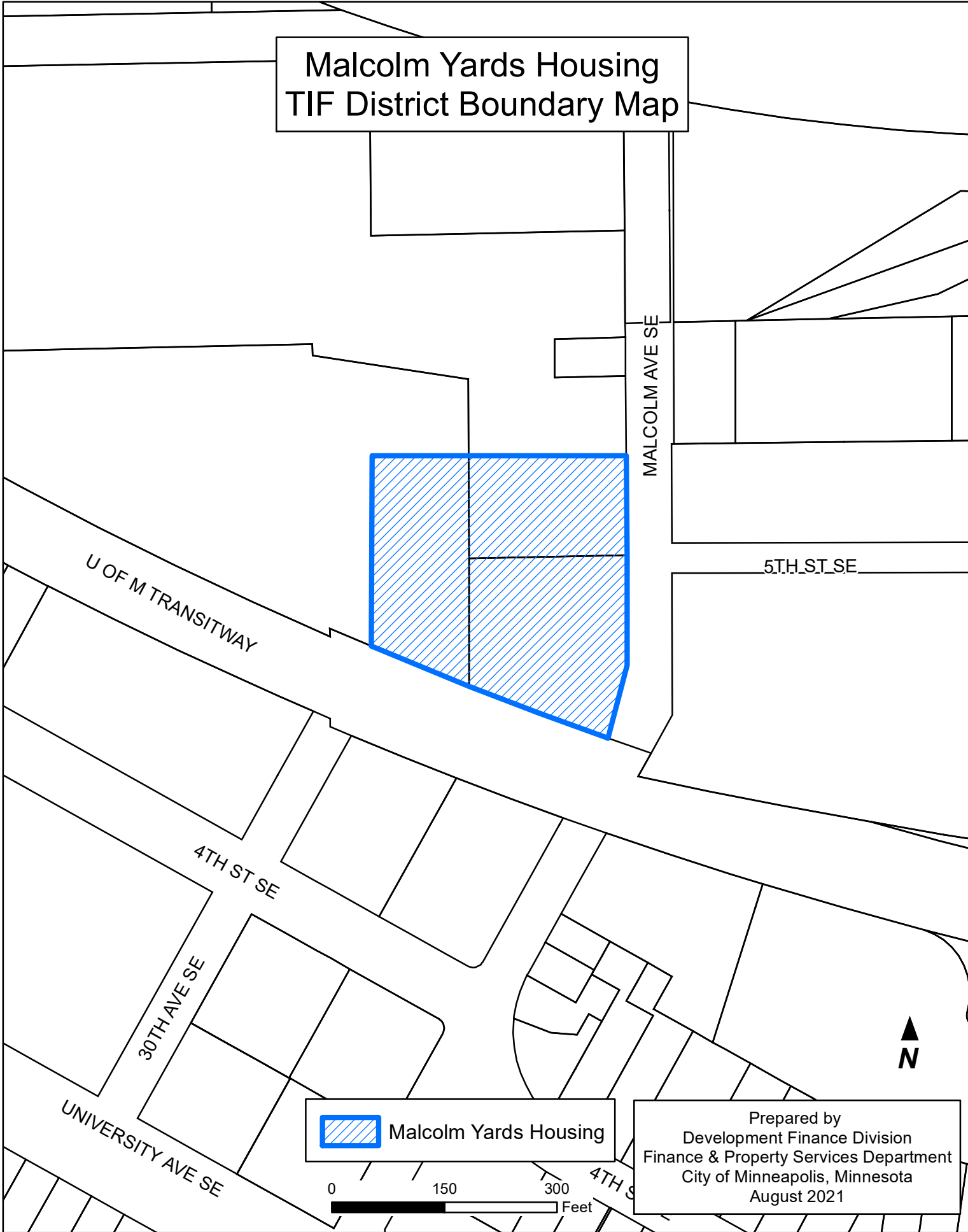
The projected amount of tax increment revenue generated over the life of the TIF District that would be attributable to the County, assuming the County's tax rate remains at approximately 32.2 percent of the total tax rate, is \$5,781,586.

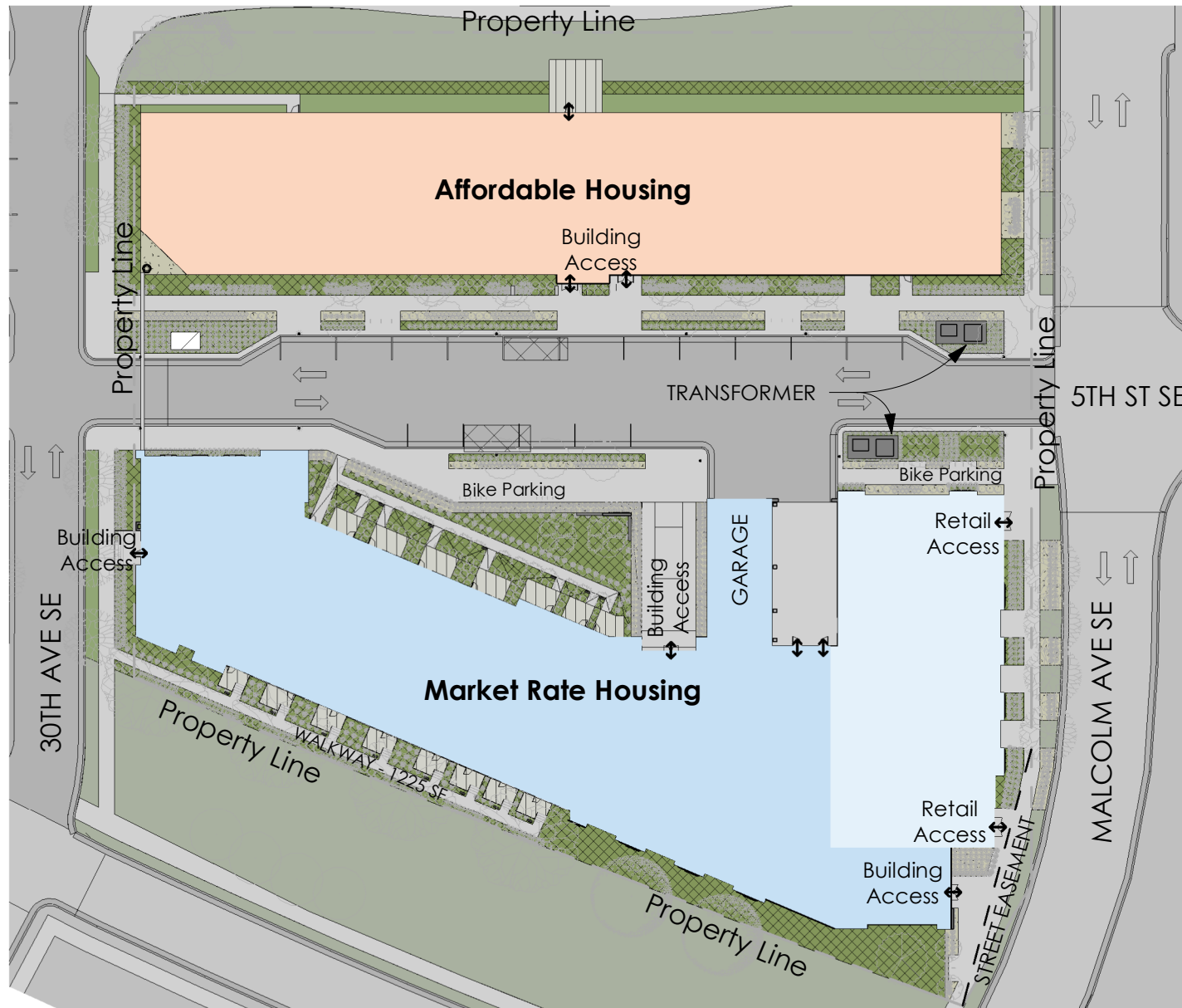
IX. Basis for Finding That Development Would Not Occur Without TIF Assistance

M.S. Section 469.175, Subd. 3 provides that, prior to approval of a TIF plan, the City Council must find that the proposed development or redevelopment would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future, and therefore the use of TIF is deemed necessary.

After thorough financial analysis, it is the position of the City of Minneapolis that the proposed private development to be constructed in the Malcolm Yards Housing TIF District would not occur within the reasonably foreseeable future without public financial assistance. This analysis indicates that projected development costs exceed available funding sources, and that a significant upfront funding gap exists. This funding gap is in large part due to the inclusion of the affordable rental housing units in the project. The amount of TIF assistance that has been requested is reasonable when compared to the overall cost of developing the project, and TIF assistance is therefore deemed necessary and appropriate to close this funding gap.

Malcolm Yards Housing TIF District Boundary Map







MALCOM YARDS BUILDING C
SE MALCOLM AVE - MINNEAPOLIS, MN 55414

08/20/21 | COMM#81444-18083B

POPE
ARCHITECTS



Lupe
Development
Partners

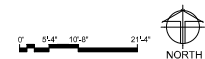
WALL
COMPANIES

| UNIT MIX BY LEVEL | | | | |
|-------------------|-------------|--------|-------|-----------------|
| Name | Unit Type | Area | Count | Aggregated Area |
| A1 | STUDIO | 400 SF | 2 | 790 SF |
| B1 | ONE BEDROOM | 620 SF | 16 | 10,960 SF |
| B2 | ONE BEDROOM | 630 SF | 1 | 630 SF |
| B3 | ONE BEDROOM | 670 SF | 1 | 670 SF |
| C1 | TWO BEDROOM | 850 SF | 1 | 850 SF |
| FIRST FLOOR | | | | |
| | | | 21 | 12,940 SF |
| A1 | STUDIO | 400 SF | 2 | 790 SF |
| B1 | ONE BEDROOM | 620 SF | 17 | 10,540 SF |
| B2 | ONE BEDROOM | 630 SF | 2 | 1,260 SF |
| B4 | ONE BEDROOM | 670 SF | 1 | 670 SF |
| C2 | TWO BEDROOM | 850 SF | 2 | 1,700 SF |
| C3 | TWO BEDROOM | 890 SF | 1 | 890 SF |
| SECOND FLOOR | | | | |
| | | | 25 | 15,810 SF |
| A1 | STUDIO | 400 SF | 2 | 790 SF |
| B1 | ONE BEDROOM | 620 SF | 17 | 10,540 SF |
| B2 | ONE BEDROOM | 630 SF | 2 | 1,260 SF |
| B4 | ONE BEDROOM | 670 SF | 1 | 670 SF |
| C2 | TWO BEDROOM | 850 SF | 2 | 1,700 SF |
| C3 | TWO BEDROOM | 890 SF | 1 | 890 SF |
| THIRD FLOOR | | | | |
| | | | 25 | 15,810 SF |

| UNIT MIX BY LEVEL | | | | |
|-------------------|-------------|--------|-------|-----------------|
| Name | Unit Type | Area | Count | Aggregated Area |
| A1 | STUDIO | 400 SF | 2 | 790 SF |
| B1 | ONE BEDROOM | 620 SF | 17 | 10,540 SF |
| B2 | ONE BEDROOM | 630 SF | 2 | 1,260 SF |
| B4 | ONE BEDROOM | 670 SF | 1 | 670 SF |
| C2 | TWO BEDROOM | 850 SF | 2 | 1,700 SF |
| C3 | TWO BEDROOM | 890 SF | 1 | 890 SF |
| FOURTH FLOOR | | | | |
| | | | 25 | 15,810 SF |
| A1 | STUDIO | 400 SF | 2 | 790 SF |
| B1 | ONE BEDROOM | 620 SF | 17 | 10,540 SF |
| B2 | ONE BEDROOM | 630 SF | 2 | 1,260 SF |
| B4 | ONE BEDROOM | 670 SF | 1 | 670 SF |
| C2 | TWO BEDROOM | 850 SF | 2 | 1,700 SF |
| C3 | TWO BEDROOM | 890 SF | 1 | 890 SF |
| FIFTH FLOOR | | | | |
| | | | 25 | 15,810 SF |
| A1 | STUDIO | 400 SF | 2 | 790 SF |
| B1 | ONE BEDROOM | 620 SF | 18 | 11,160 SF |
| B2 | ONE BEDROOM | 630 SF | 2 | 1,260 SF |
| C2 | TWO BEDROOM | 760 SF | 1 | 760 SF |
| SIXTH FLOOR | | | | |
| | | | 23 | 14,030 SF |
| | | | 144 | 90,480 SF |



FIRST LEVEL FLOOR PLAN



MALCOM YARDS BUILDING C
SE MALCOLM AVE - MINNEAPOLIS, MN 55414

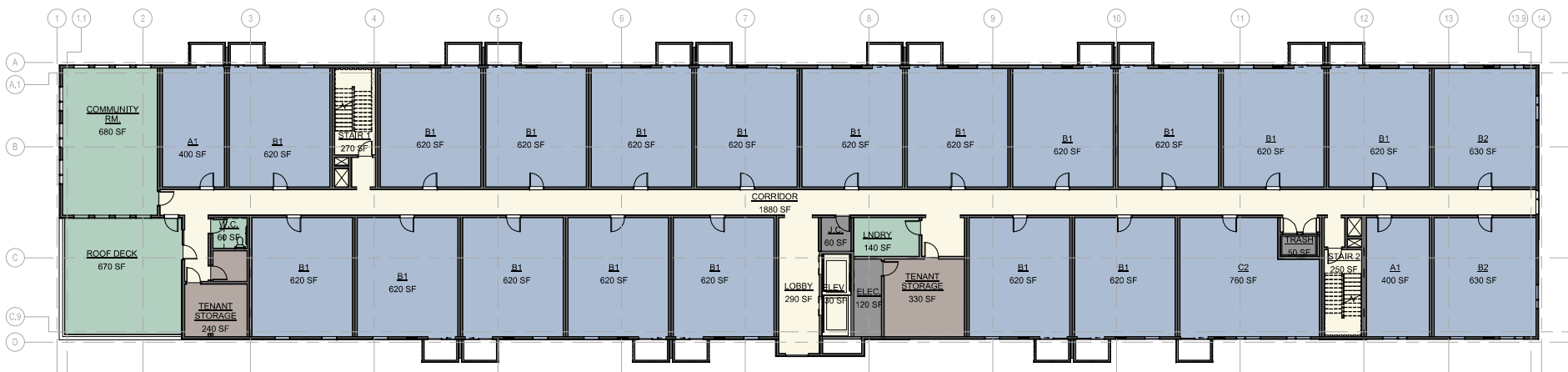
08/17/21 | COMM#81444-18083B

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WALL
COMPANIES



SIXTH LEVEL FLOOR PLAN

MALCOLM YARDS BUILDING C

SE MALCOLM AVE - MINNEAPOLIS, MN 55414

08/18/21 | COMM#81444-18083B

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COMPANIES

Assumptions Schedule
Malcolm Yards
Affordable Building (144 Apartments)
TIF Plan

| | |
|--|--------------------------------------|
| Type of Tax Increment Financing District | Housing |
| Maximum Duration of TIF District | 26 Years of Tax Increment Collection |
| Certification Request Date | 02/01/22 |
| Decertification Date | 12/31/44 (Years of Increment = 22) |

| | | | | |
|----------------------|------|------|------|------|
| Construction Year = | 2021 | 2022 | 2023 | 2024 |
| Assessment Year = | 2022 | 2023 | 2024 | 2025 |
| Taxes Payable Year = | 2023 | 2024 | 2025 | 2026 |

Housing Property

| | | | | |
|--|-----------|--------------|--------------|--------------|
| EMV Upon Completion (a) | | \$25,560,000 | \$25,560,000 | \$25,560,000 |
| Percent Complete | | 50% | 90% | 100% |
| Total Estimated Market Value | \$298,100 | \$12,780,000 | \$23,004,000 | \$25,560,000 |
| Percent of Housing Property - Class 4a | 100% | 33% | 33% | 33% |
| Percent of Housing Property - Class 4d | 0% | 67% | 67% | 67% |
| Class Rate - 4a | 1.25% | 1.25% | 1.25% | 1.25% |
| Class Rate - 4d | 0.75% | 0.75% | 0.75% | 0.75% |
| Net Tax Capacity (NTC) | \$3,726 | \$117,000 | \$210,600 | \$234,000 |

| | | | | | |
|----------------------|------|------|------|------|------|
| Assessment Year = | 2021 | 2022 | 2023 | 2024 | 2025 |
| Taxes Payable Year = | 2022 | 2023 | 2024 | 2025 | 2026 |

| | | | | | |
|---------------------------|-----------|-----------|-----------|-----------|-----------|
| Original EMV | \$293,100 | \$293,100 | \$293,100 | \$293,100 | \$293,100 |
| Times: Class Rate | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% |
| Original Net Tax Capacity | \$3,664 | \$3,664 | \$3,664 | \$3,664 | \$3,664 |

Pay-As-You-Go Note

| | | | |
|----------------------|----------|-------------------------|----------|
| Interest Start Date | 05/01/22 | Total Tax Capacity Rate | 115.000% |
| Annual Interest Rate | 3.85% | City Administrative Fee | 10.00% |

Notes

(a) Based on 144 apartments at \$177,500 projected EMV per unit.

Assumptions Schedule

Malcolm Yards Market Rate Building (210 Apartments and Retail) TIF Plan

| | |
|--|--------------------------------------|
| Type of Tax Increment Financing District | Housing |
| Maximum Duration of TIF District | 26 Years of Tax Increment Collection |
| Certification Request Date | 05/01/22 |
| Decertification Date | 12/31/44 (Years of Increment = 22) |

| | | | | |
|----------------------|------|------|------|------|
| Construction Year = | 2021 | 2022 | 2023 | 2024 |
| Assessment Year = | 2022 | 2023 | 2024 | 2025 |
| Taxes Payable Year = | 2023 | 2024 | 2025 | 2026 |

Housing Property

| | | | | |
|--|-----------|--------------|--------------|--------------|
| EMV Upon Completion (a) | | \$36,000,000 | \$36,000,000 | \$36,000,000 |
| Percent Complete | | 65% | 90% | 100% |
| Total Estimated Market Value | \$405,000 | \$23,400,000 | \$32,400,000 | \$36,000,000 |
| Percent of Housing Property - Class 4a | 100% | 100% | 100% | 100% |
| Percent of Housing Property - Class 4d | 0% | 0% | 0% | 0% |
| Class Rate - 4a | 1.25% | 1.25% | 1.25% | 1.25% |
| Class Rate - 4d | 0.75% | 0.75% | 0.75% | 0.75% |
| Net Tax Capacity (NTC) | \$5,063 | \$292,500 | \$405,000 | \$450,000 |

Commercial/Industrial Property

| | | | | |
|------------------------------|-----------|-----------|-----------|-----------|
| EMV Upon Completion (b) | | \$800,000 | \$800,000 | \$800,000 |
| Percent Complete | | 65% | 90% | 100% |
| Total Estimated Market Value | \$0 | \$520,000 | \$720,000 | \$800,000 |
| Times: First | \$150,000 | 1.50% | 0 | 2,250 |
| Excess | | 2.00% | 0 | 7,400 |
| Net Tax Capacity (NTC) | | \$0 | \$9,650 | \$13,650 |
| Total Net Tax Capacity (NTC) | | \$5,063 | \$302,150 | \$418,650 |

| | | | | | |
|---------------------------|-----------|-----------|-----------|-----------|-----------|
| Assessment Year = | 2021 | 2022 | 2023 | 2024 | 2025 |
| Taxes Payable Year = | 2022 | 2023 | 2024 | 2025 | 2026 |
| Original EMV | \$400,000 | \$400,000 | \$400,000 | \$400,000 | \$400,000 |
| Times: Class Rate | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% |
| Original Net Tax Capacity | \$5,000 | \$5,000 | \$5,000 | \$5,000 | \$5,000 |

| | | | |
|---------------------------|----------|-------------------------|----------|
| <u>Pay-As-You-Go Note</u> | | Total Tax Capacity Rate | 115.000% |
| Interest Start Date | 05/01/22 | City Administrative Fee | 10.00% |
| Annual Interest Rate | 3.85% | TI % to Pay-go Note | 50% |

Notes

(a) Future EMV based on 210 apartments at approximately \$171,430 per apartment.

(b) Future Commercial EMV based on 7,800 sq. ft. of retail space valued at approximately \$103/sq. ft.

Projected Tax Increment Schedule

Malcolm Yards Affordable Building (144 Apartments) TIF Plan

| Year Ending (1) | Total Net Tax Capacity (2) | <u>Less:</u> Original Net Tax Capacity (3) | <u>Equals:</u> Retained Captured NTC (4) | <u>Times:</u> Total Tax Capacity Rate (5) | <u>Equals:</u> Annual Gross Tax Increment (6) | <u>Less:</u> State Aud. Fee @ 0.36% (7) | <u>Equals:</u> Increment Distributed to City (8) | <u>Less:</u> City Adm. Fee @ 10.00% (9) | <u>Equals:</u> Available Tax Increment (10) |
|-----------------------|-------------------------------------|--|--|---|---|---|--|---|--|
| 12/31/23 | 3,726 | 3,664 | 62 | 115.000% | 71 | 0 | 71 | 7 | 64 |
| 12/31/24 | 117,000 | 3,664 | 113,336 | 115.000% | 130,336 | 469 | 129,867 | 12,987 | 116,880 |
| 12/31/25 | 210,600 | 3,664 | 206,936 | 115.000% | 237,976 | 857 | 237,119 | 23,712 | 213,407 |
| 12/31/26 | 234,000 | 3,664 | 230,336 | 115.000% | 264,886 | 954 | 263,932 | 26,393 | 237,539 |
| 12/31/27 | 234,000 | 3,664 | 230,336 | 115.000% | 264,886 | 954 | 263,932 | 26,393 | 237,539 |
| 12/31/28 | 234,000 | 3,664 | 230,336 | 115.000% | 264,886 | 954 | 263,932 | 26,393 | 237,539 |
| 12/31/29 | 234,000 | 3,664 | 230,336 | 115.000% | 264,886 | 954 | 263,932 | 26,393 | 237,539 |
| 12/31/30 | 234,000 | 3,664 | 230,336 | 115.000% | 264,886 | 954 | 263,932 | 26,393 | 237,539 |
| 12/31/31 | 234,000 | 3,664 | 230,336 | 115.000% | 264,886 | 954 | 263,932 | 26,393 | 237,539 |
| 12/31/32 | 234,000 | 3,664 | 230,336 | 115.000% | 264,886 | 954 | 263,932 | 26,393 | 237,539 |
| 12/31/33 | 234,000 | 3,664 | 230,336 | 115.000% | 264,886 | 954 | 263,932 | 26,393 | 237,539 |
| 12/31/34 | 234,000 | 3,664 | 230,336 | 115.000% | 264,886 | 954 | 263,932 | 26,393 | 237,539 |
| 12/31/35 | 234,000 | 3,664 | 230,336 | 115.000% | 264,886 | 954 | 263,932 | 26,393 | 237,539 |
| 12/31/36 | 234,000 | 3,664 | 230,336 | 115.000% | 264,886 | 954 | 263,932 | 26,393 | 237,539 |
| 12/31/37 | 234,000 | 3,664 | 230,336 | 115.000% | 264,886 | 954 | 263,932 | 26,393 | 237,539 |
| 12/31/38 | 234,000 | 3,664 | 230,336 | 115.000% | 264,886 | 954 | 263,932 | 26,393 | 237,539 |
| 12/31/39 | 234,000 | 3,664 | 230,336 | 115.000% | 264,886 | 954 | 263,932 | 26,393 | 237,539 |
| 12/31/40 | 234,000 | 3,664 | 230,336 | 115.000% | 264,886 | 954 | 263,932 | 26,393 | 237,539 |
| 12/31/41 | 234,000 | 3,664 | 230,336 | 115.000% | 264,886 | 954 | 263,932 | 26,393 | 237,539 |
| 12/31/42 | 234,000 | 3,664 | 230,336 | 115.000% | 264,886 | 954 | 263,932 | 26,393 | 237,539 |
| 12/31/43 | 234,000 | 3,664 | 230,336 | 115.000% | 264,886 | 954 | 263,932 | 26,393 | 237,539 |
| 12/31/44 | 234,000 | 3,664 | 230,336 | 115.000% | 264,886 | 954 | 263,932 | 26,393 | 237,539 |
| | | | | | \$5,401,217 | \$19,452 | \$5,381,765 | \$538,173 | \$4,843,592 |

Projected Tax Increment Schedule

Malcolm Yards Market Rate Building (210 Apartments and Retail) TIF Plan

| Year Ending (1) | Total Net Tax Capacity (2) | <u>Less:</u> Original Net Tax Capacity (3) | <u>Equals:</u> Retained Captured NTC (4) | <u>Times:</u> Total Tax Capacity Rate (5) | <u>Equals:</u> Annual Gross Tax Increment (6) | <u>Less:</u> State Aud. Fee @ 0.36% (7) | <u>Equals:</u> Increment Distributed to City (8) | <u>Less:</u> City Adm. Fee @ 10.00% (9) | <u>Equals:</u> Available Tax Increment (10) | <u>Less:</u> Pay-Go Note Payments 50% (11) | <u>Equals:</u> City Portion for A.H. (a) 50% (12) |
|-----------------------|-------------------------------------|--|--|---|---|---|--|---|--|--|---|
| 12/31/23 | 5,063 | 5,000 | 63 | 115.000% | 72 | 0 | 72 | 7 | 65 | 33 | 32 |
| 12/31/24 | 302,150 | 5,000 | 297,150 | 115.000% | 341,723 | 1,230 | 340,493 | 34,049 | 306,444 | 153,222 | 153,222 |
| 12/31/25 | 418,650 | 5,000 | 413,650 | 115.000% | 475,698 | 1,713 | 473,985 | 47,399 | 426,586 | 213,293 | 213,293 |
| 12/31/26 | 465,250 | 5,000 | 460,250 | 115.000% | 529,288 | 1,905 | 527,383 | 52,738 | 474,645 | 237,323 | 237,322 |
| 12/31/27 | 465,250 | 5,000 | 460,250 | 115.000% | 529,288 | 1,905 | 527,383 | 52,738 | 474,645 | 237,323 | 237,322 |
| 12/31/28 | 465,250 | 5,000 | 460,250 | 115.000% | 529,288 | 1,905 | 527,383 | 52,738 | 474,645 | 237,323 | 237,322 |
| 12/31/29 | 465,250 | 5,000 | 460,250 | 115.000% | 529,288 | 1,905 | 527,383 | 52,738 | 474,645 | 237,323 | 237,322 |
| 12/31/30 | 465,250 | 5,000 | 460,250 | 115.000% | 529,288 | 1,905 | 527,383 | 52,738 | 474,645 | 237,323 | 237,322 |
| 12/31/31 | 465,250 | 5,000 | 460,250 | 115.000% | 529,288 | 1,905 | 527,383 | 52,738 | 474,645 | 237,323 | 237,322 |
| 12/31/32 | 465,250 | 5,000 | 460,250 | 115.000% | 529,288 | 1,905 | 527,383 | 52,738 | 474,645 | 237,323 | 237,322 |
| 12/31/33 | 465,250 | 5,000 | 460,250 | 115.000% | 529,288 | 1,905 | 527,383 | 52,738 | 474,645 | 237,323 | 237,322 |
| 12/31/34 | 465,250 | 5,000 | 460,250 | 115.000% | 529,288 | 1,905 | 527,383 | 52,738 | 474,645 | 237,323 | 237,322 |
| 12/31/35 | 465,250 | 5,000 | 460,250 | 115.000% | 529,288 | 1,905 | 527,383 | 52,738 | 474,645 | 237,323 | 237,322 |
| 12/31/36 | 465,250 | 5,000 | 460,250 | 115.000% | 529,288 | 1,905 | 527,383 | 52,738 | 474,645 | 237,323 | 237,322 |
| 12/31/37 | 465,250 | 5,000 | 460,250 | 115.000% | 529,288 | 1,905 | 527,383 | 52,738 | 474,645 | 237,323 | 237,322 |
| 12/31/38 | 465,250 | 5,000 | 460,250 | 115.000% | 529,288 | 1,905 | 527,383 | 52,738 | 474,645 | 237,323 | 237,322 |
| 12/31/39 | 465,250 | 5,000 | 460,250 | 115.000% | 529,288 | 1,905 | 527,383 | 52,738 | 474,645 | 237,323 | 237,322 |
| 12/31/40 | 465,250 | 5,000 | 460,250 | 115.000% | 529,288 | 1,905 | 527,383 | 52,738 | 474,645 | 237,323 | 237,322 |
| 12/31/41 | 465,250 | 5,000 | 460,250 | 115.000% | 529,288 | 1,905 | 527,383 | 52,738 | 474,645 | 237,323 | 237,322 |
| 12/31/42 | 465,250 | 5,000 | 460,250 | 115.000% | 529,288 | 1,905 | 527,383 | 52,738 | 474,645 | 237,323 | 237,322 |
| 12/31/43 | 465,250 | 5,000 | 460,250 | 115.000% | 529,288 | 1,905 | 527,383 | 52,738 | 474,645 | 237,323 | 237,322 |
| 12/31/44 | 465,250 | 5,000 | 460,250 | 115.000% | 529,288 | 1,905 | 527,383 | 52,738 | 474,645 | 237,323 | 237,322 |
| | | | | | \$10,873,965 | \$39,138 | \$10,834,827 | \$1,083,477 | \$9,751,350 | \$4,875,685 | \$4,875,665 |

(a) This Amount will be allocated to eligible affordable housing outside the TIF District.