

Modification No. 3 to the  
West Side Milling Tax Increment Finance Plan

Draft for Public Review  
September 21, 2018

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**Table of Contents**

Introduction .....**New**

I. Tax Increment District Boundary ..... No Change

II. Statement of Objectives..... No Change

III. Development Program..... No Change

    A. Description of Development Program ..... No Change

    B. List of Property That May Be Acquired ..... No Change

    C. Development Activity For Which Contracts Have Been Signed and Other  
        Specific Development Expected to Occur ..... No Change

    D. Other Development Activity ..... No Change

IV. Description of Financing.....**Changed**

    A. Project Costs ..... **Changed**

    B. Bonded Indebtedness to be Incurred ..... No Change

    C. Sources of Revenue..... No Change

    D. Original Net Tax Capacity ..... No Change

    E. Estimated Captured Net Tax Capacity at Completion ..... No Change

    F. Duration of District ..... No Change

    G. Fiscal Disparities Election..... No Change

    H. Original Tax Capacity Rate ..... No Change

    I. LGA/HACA Penalty Exemption ..... No Change

    J. Affordable Housing and Expenditures Outside TIF District ..... No Change

V. Type of Tax Increment Financing District..... No Change

VI. Estimated Impact on Other Taxing Jurisdictions..... No Change

VII. Basis for Finding That Development Would Not Occur Without ..... No Change  
    Tax Increment Financing Assistance

VIII. Modifications to Tax Increment Finance Plans ..... No Change

IX. Hazardous Substance Subdistrict Plan.....No Change

Modification No. 3 to the West Side Milling Tax Increment Finance Plan

**Introduction**

Modification No. 3 to the West Side Milling Tax Increment Finance (TIF) Plan amends the tax increment budget to reflect changes in projected revenues and costs through the remaining duration of the district.

Only that section of the TIF Plan changed by Modification No. 3 appears below.

**IV. Description of Financing**

**A. Project Costs**

*[Subsection IV.A. is replaced by the following language.]*

The revised projection of the maximum project costs to be financed with tax increment revenues from the West Side Milling TIF District is \$45,800,000. Anticipated revenues and costs are listed below.

The City reserves the right to administratively adjust the amount of any of the line items listed below, or to incorporate additional eligible line items, provided that Total Costs does not exceed \$45,800,000.

<u>Current Budget</u>		<u>Revised Budget</u>	
<u>Revenues</u>		<u>Revenues</u>	
Tax Increment	\$56,000,000	Tax Increment	\$42,500,000
Interest and Investment Earnings	---	Interest and Investment Earnings	2,000,000
Sales/Lease Proceeds & TIF Credits	---	Sales/Lease Proceeds & TIF Credits	1,300,000
Total Revenues	\$56,000,000	Total Revenues	\$45,800,000
<u>Costs</u>		<u>Costs</u>	
Public Improvements	\$26,750,000	Public Improvements	\$23,000,000
Construction of Affordable Housing	5,300,000	Construction of Affordable Housing	9,460,000
City Administrative Costs	5,300,000	City Administrative Costs	250,000
Subtotal - Project Costs	\$37,350,000	Subtotal - Project Costs	\$32,710,000
Interest Expense	18,650,000	Interest Expense	13,090,000
Total Costs	\$56,000,000	Total Costs	\$45,800,000

Modification No. 2 to the  
Heritage Landing Tax Increment Finance Plan

Draft for Public Review  
September 21, 2018

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**Table of Contents**

Introduction .....**New**

I. Tax Increment District Boundary ..... No Change

II. Statement of Objectives..... No Change

III. Statement of Development Program..... No Change

A. Housing Development Program..... No Change

B. List of Property That May Be Acquired ..... No Change

C. Development Activity For Which Contracts Have Been Signed..... No Change

D. Other Development Activity Expected to Occur..... No Change

IV. Description of Financing.....**Changed**

A. Project Costs ..... **Changed**

B. Bonded Indebtedness to be Incurred ..... No Change

C. Sources of Revenue..... No Change

D. Most Recent Net Tax Capacity ..... No Change

E. Estimated Captured Net Tax Capacity of the Tax Increment Financing District at Completion ..... No Change

F. Duration of District ..... No Change

G. Fiscal Disparities Election..... No Change

H. Original Tax Capacity Rate ..... No Change

I. LGA/HACA Penalty Exemption.....No Change

J. Permit Activity and Prior Planned Improvements ..... No Change

K. Affordable Housing and Expenditures Outside TIF District ..... No Change

V. Type of Tax Increment Financing District..... No Change

VI. Estimated Impact on Other Taxing Jurisdictions..... No Change

VII. Basis for Finding That Development Would Not Occur Without ..... No Change  
Tax Increment Financing Assistance

VIII. Modifications to Tax Increment Finance Plans ..... No Change

Modification No. 2 to the Heritage Landing Apartments Tax Increment Finance Plan

**Introduction**

Modification No. 2 to the Heritage Landing Apartments Tax Increment Finance (TIF) Plan amends the tax increment budget to reflect changes in projected revenues and costs through the remaining duration of the district.

Only that section of the TIF Plan changed by Modification No. 2 appears below.

**IV. Description of Financing**

**A. Project Costs**

*[Subsection IV.A. is replaced by the following language.]*

The revised projection of the maximum project costs to be financed with tax increment revenues from the Heritage Landing Apartments TIF District is \$22,550,000. Anticipated revenues and costs are listed below.

The City reserves the right to administratively adjust the amount of any of the line items listed below, or to incorporate additional eligible line items, provided that Total Costs does not exceed \$22,550,000.

<u>Current Budget</u>		<u>Revised Budget</u>	
<u>Revenues</u>		<u>Revenues</u>	
Tax Increment	\$19,975,000	Tax Increment	\$18,300,000
Interest and Investment Earnings	---	Interest and Investment Earnings	250,000
Sales/Lease Proceeds & TIF Credits	---	Sales/Lease Proceeds & TIF Credits	4,000,000
<b>Total Revenues</b>	<b>\$19,975,000</b>	<b>Total Revenues</b>	<b>\$22,550,000</b>
<u>Costs</u>		<u>Costs</u>	
Public Improvements	\$6,200,000	Public Improvements	\$6,200,000
Construction of Affordable Housing	2,550,000	Construction of Affordable Housing	5,597,000
City Administrative Costs	650,000	City Administrative Costs	178,000
Subtotal - Project Costs	\$9,400,000	Subtotal - Project Costs	\$11,975,000
Interest Expense	10,575,000	Interest Expense	10,575,000
<b>Total Costs</b>	<b>\$19,975,000</b>	<b>Total Costs</b>	<b>\$22,550,000</b>

Modification No. 1 to the  
Historic Milwaukee Depot Reuse Tax Increment Finance Plan

Draft for Public Review  
September 21, 2018

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**Table of Contents**

Introduction .....**New**

I. Tax Increment District Boundary ..... No Change

II. Statement of Objectives..... No Change

III. Development Program..... No Change

A. Description of Development Program ..... No Change

B. List of Property That May Be Acquired..... No Change

C. Development Activity For Which Contracts Have Been Signed and Other  
Specific Development Expected to Occur..... No Change

D. Other Development Activity ..... No Change

IV. Description of Financing.....**Changed**

A. Project Costs .....**Changed**

B. Bonded Indebtedness to be Incurred ..... No Change

C. Sources of Revenue..... No Change

D. Original Net Tax Capacity..... No Change

E. Estimated Captured Net Tax Capacity of the Tax Increment Financing  
District at Completion ..... No Change

F. Duration of District ..... No Change

G. Fiscal Disparities Election..... No Change

H. Original Tax Capacity Rate ..... No Change

I. LGA/HACA Penalty Exemption..... No Change

J. Affordable Housing and Expenditures Outside TIF District .....**New**

V. Type of Tax Increment Financing District..... No Change

VI. Estimated Impact on Other Taxing Jurisdictions..... No Change

VII. Basis for Finding That Development Would Not Occur Without ..... No Change  
Tax Increment Financing Assistance

VIII. Modifications to the Tax Increment Finance Plan ..... No Change

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Modification No. 1 to the Historic Milwaukee Depot Reuse Tax Increment Finance Plan

**Introduction**

Modification No. 1 to the Historic Milwaukee Depot Reuse Tax Increment Finance (TIF) Plan:

- Amends the project budget to reflect changes in projected revenues and costs through the remaining duration of the district; and
- Adds language describing the allowable use of tax increment revenues to assist qualified low-income rental housing projects located anywhere within the City of Minneapolis, in accordance with Minnesota Statutes Sections 469.176, Subd. 4k and 469.1763, Subd. 2, paragraph (d).

Only those sections of the TIF Plan changed by Modification No. 1 appear below.

**IV. Description of Financing**

*[Section IV.A. is modified as described below. Section IV.J. is added.]*

**A. Project Costs**

*[Subsection IV.A. is replaced by the following language.]*

The revised projection of the maximum project costs to be financed with revenues from the Historic Milwaukee Depot Reuse TIF District is \$21,400,000. Anticipated revenues and costs and uses are listed below.

The City reserves the right to administratively adjust the amount of any of the line items listed below, or to incorporate additional eligible line items, provided that Total Costs does not exceed \$21,400,000.

<u>Current Budget</u>		<u>Revised Budget</u>	
<u>Revenues</u>		<u>Revenues</u>	
Tax Increment	\$32,468,000	Tax Increment	\$21,000,000
Interest and Investment Earnings	---	Interest and Investment Earnings	400,000
Total Revenues	\$32,468,000	Total Revenues	\$21,400,000
<u>Costs</u>		<u>Costs</u>	
Public Improvements	\$17,900,000	Public Improvements	\$6,125,000
Construction of Affordable Housing	0	Construction of Affordable Housing	7,165,000
City Administrative Costs	1,600,000	City Administrative Costs	300,000
Subtotal - Project Costs	\$19,500,000	Subtotal - Project Costs	\$13,590,000
Interest Expense	12,968,000	Interest Expense	7,810,000
Total Costs	\$32,468,000	Total Costs	\$21,400,000

*[Section IV.J. is added to the TIF Plan.]*

**J. Affordable Housing and Expenditures Outside TIF District**

Pursuant to Minnesota Statutes Section 469.176, Subd. 4k, tax increment may be spent to assist affordable housing meeting the requirements of Minnesota Statutes Section 469.1763, Subd. 2, paragraph (d), which states that such expenditures must:

- 1) be used exclusively to assist housing that meets the requirements for a qualified low-income building (as defined in Section 42 of the Internal Revenue Code);
- 2) not exceed the qualified basis of the housing (as defined in Section 42(c) of the Internal Revenue Code) less the amount of any credit allowed under Section 42; and
- 3) be used to:
  - acquire and prepare the site of the housing;
  - acquire, construct, or rehabilitate the housing; or
  - make public improvements directly relating to the housing.

Tax increment expenditures for the qualifying affordable housing costs listed above are not restricted to the TIF district or “project area” (as that term is defined in Minnesota Statutes Section 469.174), but may be spent anywhere within the City of Minneapolis. However, the amount of tax increment used for such purposes is restricted.

Pursuant to Minnesota Statutes Section 469.1763, Subd. 2, up to 25% of the tax increment collected from a redevelopment TIF district may be spent on activities located outside the boundaries of the TIF district. An authority may elect in the TIF plan to increase this amount by up to 10% (maximum total of 35%), provided that these additional expenditures meet the affordable housing requirements listed above. Administrative expenses are normally considered expenditures outside the TIF district. However, if the only expenditures outside the TIF district are for affordable housing costs (as described above), then administrative expenses are considered expenditures within the TIF district.

Pursuant to the provisions, requirements and restrictions noted above, the City elects to increase by 10% the amount of tax increment that may be expended outside the boundaries of the TIF District. No more than 10% of the tax increment collected from the TIF District (over its lifetime) may be used for administrative purposes, and no more than 35% of the tax increment collected from the TIF District (over its lifetime) may be used for affordable housing purposes as described above. Some funds that are considered tax increment (e.g. investment earnings, recaptured funds, etc.) are not subject to these pooling restrictions.

The revised budget in Section IV.A. above reflects this authority and these limitations.

Modification No. 2 to the  
Stinson Technology Campus Tax Increment Finance Plan

Draft for Public Review  
September 21, 2018

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**Table of Contents**

Introduction .....**New**

I. Tax Increment District Boundary ..... No Change

II. Statement of Objectives..... No Change

III. Development Program..... No Change

A. Description of Development Program ..... No Change

B. Property That May Be Acquired..... No Change

C. Development Activity For Which Contracts Have Been Signed and Other  
Specific Development Expected to Occur.....No Change

D. Other Development Activity ..... No Change

IV. Description of Financing.....**Changed**

A. Project Costs ..... **Changed**

B. Bonded Indebtedness to be Incurred ..... No Change

C. Sources of Revenue..... No Change

D. Original Net Tax Capacity ..... No Change

E. Estimated Captured Net Tax Capacity at Completion ..... No Change

F. Duration of District ..... No Change

G. Fiscal Disparities Election..... No Change

H. Original Tax Capacity Rate ..... No Change

I. LGA/HACA Penalty Exemption... ..... No Change

J. Affordable Housing and Expenditures Outside TIF District ..... No Change

V. Type of Tax Increment Financing District..... No Change

VI. Estimated Impact on Other Taxing Jurisdictions..... No Change

VII. Basis for Finding That Development Would Not Occur Without ..... No Change  
Tax Increment Financing Assistance

VIII. Modifications to Tax Increment Financing Plans ..... No Change

Modification No. 2 to the Stinson Technology Campus Tax Increment Finance Plan

**Introduction**

Modification No. 2 to the Stinson Technology Campus Tax Increment Finance (TIF) Plan amends the tax increment budget to reflect changes in projected revenues and costs through the remaining duration of the district.

Only that section of the TIF Plan changed by Modification No. 2 appears below.

**IV. Description of Financing**

**A. Project Costs**

*[Subsection IV.A. is replaced by the following language.]*

The revised projection of the maximum project costs to be financed with tax increment revenues from the Stinson Technology Campus TIF District is \$21,875,000. Anticipated revenues and costs are listed below.

The City reserves the right to administratively adjust the amount of any of the line items listed below, or to incorporate additional eligible line items, provided that Total Costs does not exceed \$21,875,000.

<u>Current Budget</u>		<u>Revised Budget</u>	
<u>Revenues</u>		<u>Revenues</u>	
Tax Increment	\$20,000,000	Tax Increment	\$21,800,000
Interest and Investment Earnings	---	Interest and Investment Earnings	75,000
<b>Total Revenues</b>	<b>\$20,000,000</b>	<b>Total Revenues</b>	<b>\$21,875,000</b>
<u>Costs</u>		<u>Costs</u>	
Land Acquisition	\$5,000,000	Land Acquisition	\$5,000,000
Public Improvements	11,600,000	Public Improvements	11,600,000
Construction of Affordable Housing	1,175,000	Construction of Affordable Housing	1,875,000
City Administrative Costs	1,000,000	City Administrative Costs	300,000
<b>Subtotal - Project Costs</b>	<b>\$18,775,000</b>	<b>Subtotal - Project Costs</b>	<b>\$18,775,000</b>
Interest Expense	1,225,000	Interest Expense	3,100,000
<b>Total Costs</b>	<b>\$20,000,000</b>	<b>Total Costs</b>	<b>\$21,875,000</b>

Modification No. 2 to the  
Former Federal Reserve Tax Increment Finance Plan

Draft for Public Review  
September 21, 2018

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**Table of Contents**

Introduction .....**New**

I. Tax Increment District Boundary ..... No Change

II. Statement of Objectives..... No Change

III. Development Program..... No Change

A. Description of Development Program ..... No Change

B. List of Property That May Be Acquired ..... No Change

C. Development Activity For Which Contracts Have Been Signed and Other  
Specific Development Expected to Occur ..... No Change

D. Other Development Activity ..... No Change

IV. Description of Financing.....**Changed**

A. Project Costs ..... **Changed**

B. Bonded Indebtedness to be Incurred ..... No Change

C. Sources of Revenue..... No Change

D. Original Net Tax Capacity ..... No Change

E. Estimated Captured Net Tax Capacity ..... No Change

F. Duration of District ..... No Change

G. Fiscal Disparities Election..... No Change

H. Original Tax Capacity Rate ..... No Change

I. LGA/HACA Penalty Exemption... ..... No Change

J. Affordable Housing and Expenditures Outside TIF District ..... No Change

V. Type of Tax Increment Financing District..... No Change

VI. Estimated Impact on Other Taxing Jurisdictions..... No Change

VII. Basis for Finding That Development Would Not Occur Without ..... No Change  
Tax Increment Financing Assistance

VIII. Modifications to Tax Increment Financing Plans ..... No Change

Modification No. 2 to the Former Federal Reserve Tax Increment Finance Plan

**Introduction**

Modification No. 2 to the Former Federal Reserve Tax Increment Finance (TIF) Plan amends the tax increment budget to reflect changes in projected revenues and costs through the remaining duration of the district.

Only that section of the TIF Plan changed by Modification No. 2 appears below.

**IV. Description of Financing**

**A. Project Costs**

*[Subsection IV.A. is replaced by the following language.]*

The revised projection of the maximum project costs to be financed with tax increment revenues from the Former Federal Reserve TIF District is \$24,000,000. Anticipated revenues and costs are listed below.

The City reserves the right to administratively adjust the amount of any of the line items listed below, or to incorporate additional eligible line items, provided that Total Costs does not exceed \$24,000,000.

<b>Current Budget</b>		<b>Revised Budget</b>	
<u>Revenues</u>		<u>Revenues</u>	
Tax Increment	\$22,800,000	Tax Increment	\$23,900,000
Interest and Investment Earnings	---	Interest and Investment Earnings	100,000
<b>Total Revenues</b>	<b>\$22,800,000</b>	<b>Total Revenues</b>	<b>\$24,000,000</b>
<u>Costs</u>		<u>Costs</u>	
Public Improvements	\$7,250,000	Public Improvements	\$7,250,000
Construction of Affordable Housing	1,610,000	Construction of Affordable Housing	2,165,000
City Administrative Costs	1,140,000	City Administrative Costs	300,000
<b>Subtotal - Project Costs</b>	<b>\$10,000,000</b>	<b>Subtotal - Project Costs</b>	<b>\$9,715,000</b>
Interest Expense	12,800,000	Interest Expense	14,285,000
<b>Total Costs</b>	<b>\$22,800,000</b>	<b>Total Costs</b>	<b>\$24,000,000</b>



Modification No. 1 to the  
East Hennepin & University Tax Increment Finance Plan

Draft for Public Review  
September 21, 2018

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**Table of Contents**

Introduction .....**New**

I. Tax Increment District Boundary ..... No Change

II. Statement of Objectives..... No Change

III. Development Program..... No Change

A. Description of Development Program ..... No Change

B. List of Property That May Be Acquired ..... No Change

C. Development Activity For Which Contracts Have Been Signed..... No Change

D. Other Development Activity Expected to Occur..... No Change

IV. Description of Financing.....**Changed**

A. Project Costs ..... **Changed**

B. Bonded Indebtedness to be Incurred ..... No Change

C. Sources of Revenue..... No Change

D. Original Net Tax Capacity ..... No Change

E. Estimated Captured Net Tax Capacity ..... No Change

F. Duration of District ..... No Change

G. Fiscal Disparities Election..... No Change

H. Original Tax Capacity Rate ..... No Change

I. LGA/HACA Penalty Exemption..... No Change

J. Affordable Housing and Expenditures Outside TIF District .....**New**

V. Type of Tax Increment Financing District..... No Change

VI. Estimated Impact on Other Taxing Jurisdictions..... No Change

VII. Basis for Finding That Development Would Not Occur Without ..... No Change  
Tax Increment Financing Assistance

VIII. Modifications to Tax Increment Financing Plans ..... No Change

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Modification No. 1 to the East Hennepin & University Tax Increment Finance Plan

**Introduction**

Modification No. 1 to the East Hennepin & University Tax Increment Finance (TIF) Plan:

- Amends the project budget to reflect changes in projected revenues and costs through the remaining duration of the district; and
- Adds language describing the allowable use of tax increment revenues to assist qualified low-income rental housing projects located anywhere within the City of Minneapolis, in accordance with Minnesota Statutes Sections 469.176, Subd. 4k and 469.1763, Subd. 2, paragraph (d).

Only those sections of the TIF Plan changed by Modification No. 1 appear below.

**IV. Description of Financing**

*[Section IV.A. is modified as described below. Section IV.J. is added.]*

**A. Project Costs**

*[Subsection IV.A. is replaced by the following language.]*

The revised projection of the maximum project costs to be financed with tax increment revenues from the East Hennepin & University TIF District is \$36,550,000. Anticipated revenues and costs are listed below.

The City reserves the right to administratively adjust the amount of any of the line items listed below, or to incorporate additional eligible line items, provided that Total Costs does not exceed \$36,550,000.

<u>Current Budget</u>		<u>Revised Budget</u>	
<u>Revenues</u>		<u>Revenues</u>	
Tax Increment	\$32,500,000	Tax Increment	\$36,000,000
Interest and Investment Earnings	---	Interest and Investment Earnings	500,000
Sales/Lease Proceeds & TIF Credits	---	Sales/Lease Proceeds & TIF Credits	50,000
<b>Total Revenues</b>	<b>\$32,500,000</b>	<b>Total Revenues</b>	<b>\$36,550,000</b>
<u>Costs</u>		<u>Costs</u>	
Land Acquisition	\$2,500,000	Land Acquisition	\$2,901,000
Site Improvements	1,700,000	Site Improvements	5,850,000
Public Improvements	6,800,000	Public Improvements	1,125,000
Construction of Affordable Housing	0	Construction of Affordable Housing	12,595,000
City Administrative Costs	3,050,000	City Administrative Costs	800,000
Subtotal - Project Costs	\$14,050,000	Subtotal - Project Costs	\$23,271,000
Interest Expense	17,975,000	Interest Expense	13,279,000
<b>Total Costs</b>	<b>\$32,025,000</b>	<b>Total Costs</b>	<b>\$36,550,000</b>

*[Section IV.J. is added to the TIF Plan.]*

**J. Affordable Housing and Expenditures Outside TIF District**

Pursuant to Minnesota Statutes Section 469.176, Subd. 4k, tax increment may be spent to assist affordable housing meeting the requirements of Minnesota Statutes Section 469.1763, Subd. 2, paragraph (d), which states that such expenditures must:

- 1) be used exclusively to assist housing that meets the requirements for a qualified low-income building (as defined in Section 42 of the Internal Revenue Code);
- 2) not exceed the qualified basis of the housing (as defined in Section 42(c) of the Internal Revenue Code) less the amount of any credit allowed under Section 42; and
- 3) be used to:
  - acquire and prepare the site of the housing;
  - acquire, construct, or rehabilitate the housing; or
  - make public improvements directly relating to the housing.

Tax increment expenditures for the qualifying affordable housing costs listed above are not restricted to the TIF district or “project area” (as that term is defined in Minnesota Statutes Section 469.174), but may be spent anywhere within the City of Minneapolis. However, the amount of tax increment used for such purposes is restricted.

Pursuant to Minnesota Statutes Section 469.1763, Subd. 2, up to 25% of the tax increment collected from a redevelopment TIF district may be spent on activities located outside the boundaries of the TIF district. An authority may elect in the TIF plan to increase this amount by up to 10% (maximum total of 35%), provided that these additional expenditures meet the affordable housing requirements listed above. Administrative expenses are normally considered expenditures outside the TIF district. However, if the only expenditures outside the TIF district are for affordable housing costs (as described above), then administrative expenses are considered expenditures within the TIF district.

Pursuant to the provisions, requirements and restrictions noted above, the City elects to increase by 10% the amount of tax increment that may be expended outside the boundaries of the TIF District. No more than 10% of the tax increment collected from the TIF District (over its lifetime) may be used for administrative purposes, and no more than 35% of the tax increment collected from the TIF District (over its lifetime) may be used for affordable housing purposes as described above. Some funds that are considered tax increment (e.g. investment earnings, recaptured funds, etc.) are not subject to these pooling restrictions.

The revised budget in Section IV.A. above reflects this authority and these limitations.

Modification No. 3 to the  
Grant Park Tax Increment Finance Plan

Draft for Public Review  
September 21, 2018

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**Table of Contents**

Introduction .....**New**

I. Tax Increment District Boundary ..... No Change

II. Statement of Objectives..... No Change

III. Development Program..... No Change

A. Description of Development Program ..... No Change

B. Property That May Be Acquired..... No Change

C. Development Activity For Which Contracts Have Been Signed..... No Change

D. Other Development Activity ..... No Change

IV. Description of Financing.....**Changed**

A. Public Project Costs..... **Changed**

B. Bonded Indebtedness to be Incurred ..... No Change

C. Sources of Revenue..... No Change

D. Original Net Tax Capacity ..... No Change

E. Captured Net Tax Capacity ..... No Change

F. Duration of TIF District..... No Change

G. Fiscal Disparities Election..... No Change

H. Original Net Tax Rate ..... No Change

I. LGA/HACA Penalty Exemption... No Change

J. Affordable Housing & Expenditures Outside TIF District..... No Change

V. Type of Tax Increment Financing District

VI. Estimated Impact on Other Taxing Jurisdictions..... No Change

VII. Basis for Finding That Development Would Not Occur Without ..... No Change  
Tax Increment Financing Assistance

VIII. Prior Planned Improvements ..... No Change

IX. Modifications to Tax Increment Finance Plans.....No Change

Modification No. 3 to the Grant Park Tax Increment Finance Plan

**Introduction**

Modification No. 3 to the Grant Park Tax Increment Finance (TIF) Plan amends the tax increment budget to reflect changes in projected revenues and costs through the remaining duration of the district.

Only that section of the TIF Plan changed by Modification No. 3 appears below.

**IV. Description of Financing**

**A. Project Costs**

*[Subsection IV.A. is replaced by the following language.]*

The revised projection of the maximum project costs to be financed with tax increment revenues from the Grant Park TIF District is \$30,750,000. Anticipated revenues and costs are listed below.

The City reserves the right to administratively adjust the amount of any of the line items listed below, or to incorporate additional eligible line items, provided that Total Costs does not exceed \$30,750,000.

<u>Current Budget</u>		<u>Revised Budget</u>	
<u>Revenues</u>		<u>Revenues</u>	
Tax Increment	\$32,400,000	Tax Increment	\$30,000,000
Interest and Investment Earnings	---	Interest and Investment Earnings	600,000
Sales/Lease Proceeds & TIF Credits	---	Sales/Lease Proceeds & TIF Credits	150,000
<b>Total Revenues</b>	<b>\$32,400,000</b>	<b>Total Revenues</b>	<b>\$30,750,000</b>
<u>Costs</u>		<u>Costs</u>	
Land Acquisition	\$2,000,000	Land Acquisition	\$2,000,000
Public Improvements	7,100,000	Public Improvements	5,300,000
Construction of Affordable Housing	8,000,000	Construction of Affordable Housing	10,840,000
City Administrative Costs	3,200,000	City Administrative Costs	1,000,000
<b>Subtotal - Project Costs</b>	<b>\$20,300,000</b>	<b>Subtotal - Project Costs</b>	<b>\$19,140,000</b>
Interest Expense	12,100,000	Interest Expense	11,610,000
<b>Total Costs</b>	<b>\$32,400,000</b>	<b>Total Costs</b>	<b>\$30,750,000</b>

Modification No. 3 to the  
Ivy Tower Tax Increment Finance Plan

Draft for Public Review  
September 21, 2018

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**Table of Contents**

Introduction .....**New**

I. Tax Increment District Boundary ..... No Change

II. Statement of Objectives..... No Change

III. Development Program..... No Change

A. Description of Development Program ..... No Change

B. Property That May Be Acquired..... No Change

C. Development Activity For Which Contracts Have Been Signed..... No Change

D. Other Development Activity ..... No Change

IV. Description of Financing.....**Changed**

A. Project Costs ..... **Changed**

B. Bonded Indebtedness to be Incurred ..... No Change

C. Sources of Revenue..... No Change

D. Original Net Tax Capacity ..... No Change

E. Estimated Captured Net Tax Capacity at Completion ..... No Change

F. Duration of District ..... No Change

G. Fiscal Disparities Election..... No Change

H. Original Tax Capacity Rate ..... No Change

I. Permit Activity and Prior Planned Improvements ..... No Change

J. Affordable Housing & Expenditures Outside TIF District..... No Change

V. Type of Tax Increment Financing District..... No Change

VI. Estimated Impact on Other Taxing Jurisdictions..... No Change

VII. Basis for Finding That Development Would Not Occur Without ..... No Change  
Tax Increment Financing Assistance

VIII. Modifications to Tax Increment Financing Plans ..... No Change

Modification No. 3 to the Ivy Tower Tax Increment Finance Plan

**Introduction**

Modification No. 3 to the Ivy Tower Tax Increment Finance (TIF) Plan amends the tax increment budget to reflect changes in projected revenues and costs through the remaining duration of the district.

Only that section of the TIF Plan changed by Modification No. 3 appears below.

**IV. Description of Financing**

**A. Project Costs**

*[Subsection IV.A. is replaced by the following language.]*

The revised projection of the maximum project costs to be financed with tax increment revenues from the Ivy Tower TIF District is \$23,750,000. Anticipated revenues and costs are listed below.

The City reserves the right to administratively adjust the amount of any of the line items listed below, or to incorporate additional eligible line items, provided that Total Costs does not exceed \$23,750,000.

<u>Current Budget</u>		<u>Revised Budget</u>	
<u>Revenues</u>		<u>Revenues</u>	
Tax Increment	\$25,000,000	Tax Increment	\$23,500,000
Interest and Investment Earnings	---	Interest and Investment Earnings	250,000
<b>Total Revenues</b>	<b>\$25,000,000</b>	<b>Total Revenues</b>	<b>\$23,750,000</b>
<u>Costs</u>		<u>Costs</u>	
Land Acquisition	\$8,150,000	Land Acquisition	\$3,900,000
Public Improvements	1,350,000	Public Improvements	3,100,000
Construction of Affordable Housing	2,810,000	Construction of Affordable Housing	7,965,000
City Administrative Costs	2,390,000	City Administrative Costs	750,000
Subtotal - Project Costs	\$14,700,000	Subtotal - Project Costs	\$15,715,000
Interest Expense	10,300,000	Interest Expense	8,035,000
<b>Total Costs</b>	<b>\$25,000,000</b>	<b>Total Costs</b>	<b>\$23,750,000</b>

Modification No. 2 to the  
East River/Unocal Site Tax Increment Finance Plan

Draft for Public Review  
September 21, 2018

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**Table of Contents**

Introduction .....**New**

I. Tax Increment District Boundary ..... No Change

II. Statement of Objectives..... No Change

III. Development Program ..... No Change

A. Description of Development Program ..... No Change

B. Property That May Be Acquired..... No Change

C. Development Activity For Which Contracts Have Been Signed..... No Change

D. Other Development Activity ..... No Change

IV. Description of Financing.....**Changed**

A. Project Costs .....**Changed**

B. Bonded Indebtedness to be Incurred ..... No Change

C. Sources of Revenue..... No Change

D. Original Net Tax Capacity..... No Change

E. Estimated Captured Net Tax Capacity at Completion ..... No Change

F. Duration of District ..... No Change

G. Fiscal Disparities Election..... No Change

H. Original Tax Capacity Rate ..... No Change

I. Permit Activity and Prior Planned Improvements ..... No Change

J. Affordable Housing and Expenditures Outside TIF District ..... No Change

V. Type of Tax Increment Financing District..... No Change

VI. Estimated Impact on Other Taxing Jurisdictions..... No Change

VII. Basis for Finding That Development Would Not Occur Without ..... No Change  
Tax Increment Financing Assistance

VIII. Modifications to Tax Increment Financing Plans ..... No Change

Modification No. 2 to the East River/Unocal Site Tax Increment Finance Plan

**Introduction**

Modification No. 2 to the East River/Unocal Site Tax Increment Finance (TIF) Plan amends the tax increment budget to reflect changes in projected revenues and costs through the remaining duration of the district.

Only that section of the TIF Plan changed by Modification No. 2 appears below.

**IV. Description of Financing**

**A. Project Costs**

*[Subsection IV.A. is replaced by the following language.]*

The revised projection of the maximum project costs to be financed with tax increment revenues from the East River/Unocal Site TIF District is \$4,300,000. Anticipated revenues and costs are listed below.

The City reserves the right to administratively adjust the amount of any of the line items listed below, or to incorporate additional eligible line items, provided that Total Costs does not exceed \$4,300,000.

<u>Current Budget</u>		<u>Revised Budget</u>	
<u>Revenues</u>		<u>Revenues</u>	
Tax Increment	\$5,460,000	Tax Increment	\$4,175,000
Interest and Investment Earnings	---	Interest and Investment Earnings	100,000
Sales/Lease Proceeds & TIF Credits	---	Sales/Lease Proceeds & TIF Credits	25,000
<b>Total Revenues</b>	<b>\$5,460,000</b>	<b>Total Revenues</b>	<b>\$4,300,000</b>
<u>Costs</u>		<u>Costs</u>	
Land Acquisition	\$500,000	Land Acquisition	\$500,000
Site Improvements	1,300,000	Site Improvements	620,000
Construction of Affordable Housing	1,234,000	Construction of Affordable Housing	1,365,000
City Administrative Costs	426,000	City Administrative Costs	426,000
Subtotal - Project Costs	\$3,460,000	Subtotal - Project Costs	\$2,911,000
Interest Expense	2,000,000	Interest Expense	1,389,000
<b>Total Costs</b>	<b>\$5,460,000</b>	<b>Total Costs</b>	<b>\$4,300,000</b>

Modification No. 4 to the  
Consolidated Redevelopment Tax Increment Financing Plan

Draft for Public Review  
September 21, 2018

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Original Plan Approved by City Council – December 18, 2009  
Modification No. 1 Approved by City Council – July 1, 2011  
Modification No. 2 Approved by City Council – April 25, 2014  
Modification No. 3 Approved by City Council – May 12, 2017

***[Note: Deleted text is indicated by strikethrough; added text is underlined.]***

### Table of Contents

I. Introduction.....	<b>[Changed]</b>
II. TIF District Boundary.....	[No Change]
III. Type of TIF District.....	[No Change]
IV. Maximum Duration of the TIF District.....	[No Change]
V. Statement of Objectives.....	[No Change]
VI. Development Program	
A. Description of Development Program.....	<b>[Changed]</b>
B. Property That May Be Acquired.....	[No Change]
VII. Description of Financing	
A. Costs to be Paid With Tax Increment.....	<b>[Changed]</b>
B. Maximum Bonds to be Issued.....	<b>[Changed]</b>
C. Other Sources of Funding.....	[No Change]
D. Original Net Tax Capacity.....	[No Change]
E. Original Tax Capacity Rate.....	[No Change]
F. Fiscal Disparities Election.....	[No Change]
G. Projected Captured Net Tax Capacity and Tax Increment.....	<b>[Changed]</b>
VIII. Estimated Impact on Other Taxing Jurisdictions.....	<b>[Changed]</b>
Exhibits	
1. Special Legislation.....	[No Change - See Orig. Plan]
2. Consolidated Redevelopment TIF District Boundary Maps.....	[No Change - See Mod. No. 2]
3. Projected Tax Increment Schedule for Taxes Payable in 2011.....	[No Change - See Mod. No. 1]
4. Projected Tax Increment Cash Flow Schedule (2011-2020).....	<b>[Changed]</b>
5. List of Parcels Included in District.....	[No Change - See Mod. No. 2]

## I. Introduction [Changed]

In 2008, the Minnesota Legislature passed special legislation authorizing the City of Minneapolis (the “City”) to establish a non-contiguous redevelopment tax increment financing (TIF) district comprised of all, or portions of, the property located within the City’s 15 existing pre-1979 TIF districts. These TIF districts (the “Pre-1979 Districts”) were established prior to August 1, 1979 and terminated on August 1, 2009. Laws of Minnesota 2008, Chapter 366, Article 5, Section 37 (the “Special Legislation”) (see Exhibit 1) provides that the new district may be certified after January 1, 2010 and must terminate no later than December 31, 2020. This new TIF district was named the Consolidated Redevelopment Tax Increment Financing District (the “Consolidated TIF District”).

The Special Legislation provides a means of meeting the City’s debt service obligations related to the Target Center as well as a source of funding for neighborhood revitalization activities. Changes to state property tax law in 2001 substantially reduced the tax increment generated by the TIF districts within the Minneapolis Common Development and Redevelopment Project and Common Tax Increment Financing District (the “Common Project”), which in turn significantly affected the City’s ability to fund these activities.

Pursuant to the Special Legislation, tax increment from the Consolidated TIF District may be expended only 1) to pay principal and interest on bond obligations issued by the City or the Minneapolis Community Development Agency (“MCDA”) for Target Center; and 2) for neighborhood revitalization purposes. The City also must return to Hennepin County (the “County”) its portion of the tax increment collected. The City and County must enter into a written agreement specifying the terms and conditions under which the City will return increment to the County.

The Special Legislation exempts the new district from certain requirements of the Minnesota Tax Increment Financing Act (Minnesota Statutes, Section 469.174 through 469.1799, the “TIF Act”), and specifies that the original net tax capacity of the district will be certified at \$2,731,854. Additionally, the captured tax capacity of the district must be included in the adjusted net tax capacity of the City, County and School District for the purposes of determining local government aid, education aid, and county program aid.

On July 11, 2008, the Minneapolis City Council approved the Special Legislation, in compliance with the local approval requirement for special laws. Approval of the Special Legislation by the Hennepin County Board of Commissioners and the Minneapolis Board of Education was not required. In the months thereafter the City Council established financial parameters for the use of the tax increment revenue generated by the district and, on December 11, 2008, directed staff to prepare a proposed TIF plan for establishment of the district.

Typically, a TIF district is located within a “project area”, which is a geographic area defined by a boundary, subject to an approved plan that identifies long-term development goals and objectives for the area, and established under one of four state laws giving the City the power to carry out redevelopment activities. Tax increment revenue generated by a TIF district must be spent within the project area within which the district is located.



The Consolidated TIF District is a special TIF district that exists outside the boundaries of any project area, even though the boundaries of the Pre-1979 Districts largely coincide with the boundaries of 15 project areas with the same names. The Consolidated TIF District is not part of these 15 project areas, nor is it part of the Common Project. The tax increment revenue generated by the Consolidated TIF District may be spent anywhere within the City of Minneapolis.

Although the 15 Pre-1979 Districts terminated on August 1, 2009, the project areas within which they are located will continue to exist, because there are no statutory limitations on the duration of project areas, as there are for TIF districts. Planning and redevelopment activities are likely to continue in some or all of these project areas.

The Consolidated Redevelopment TIF Plan was approved by the Minneapolis City Council on December 18, 2009. On February 11, 2011, the City Council approved a plan to retain 50 percent of the captured net tax capacity of the Consolidated TIF District in 2012 and 2013 in order to provide property tax relief to Minneapolis taxpayers, and directed staff to prepare a modification to the TIF Plan to reflect this change.

Modification No. 1 to the TIF Plan 1) reduced the tax increment budget (Section VII.A.); 2) identified the actual original tax capacity rates for the district (Section VII.E.); 3) stated the City's election to retain 100 percent of the captured net tax capacity of the district for taxes payable 2011, 50 percent for taxes payable 2012 and 2013, and 100 percent for taxes payable 2014 through 2020 (Section VII.G.); and 4) updated the tax increment projections for taxes payable in 2011 (Exhibit 3) and in 2011 through 2020 (Exhibit 4).

Modification No. 2 to the TIF Plan removed the three parcels listed below from the Consolidated TIF District.

<u>Property Identification No.</u>	<u>Property Address</u>
15-029-24-42-0003	1977 West River Road North/15 West Broadway
15-029-24-31-0084	9 West Broadway
15-029-24-31-0112	(Un-platted railroad right-of-way; no address)

Modification No. 3 updated the projected amount of tax increment that will be distributed by the County to the City over the life of the TIF District, and projecteds how these funds will be utilized. ~~Pursuant to a Memorandum of Understanding (MOU) between the City and County (dated June 7, 2010), the County will distribute no more than \$180,180,000 in tax increment to the City over the life of the TIF District. It is currently projected that this maximum will be reached in the first half of 2020 (see Exhibit 4).~~

Modification No. 4 further updates the projected amount of tax increment that will be distributed by the County to the City over the life of the TIF District. Pursuant to a Memorandum of Understanding (MOU) between the City and County (dated June 7, 2010), Hennepin County Board approval is required for any increase in the geographic size of the TIF District (e.g. increase in the number of parcels in the TIF District) that results in distribution of

more than \$180,180,000 in tax increment to the City over the life of the TIF District. Since the City has not increased the geographic size of the TIF District since its initial approval date, the Hennepin County Attorney’s Office has opined that the \$180,180,000 cap is not applicable.

It is currently projected that these tax increment funds will be utilized for the purposes and in the amounts shown in Section VII.A. (Costs to be Paid With Tax Increment). The line-item amounts listed in this section are estimates only, and the City may spend more or less in each individual category without a formal modification of this TIF plan.

**II. TIF District Boundary [No Change]**

The Consolidated TIF District is comprised of five of the former Pre-1979 Districts, which represents 50.8% of the total net tax capacity (for taxes payable in 2009) of all 15 of the former Pre-1979 Districts. The district included 4,359 parcels, which represented 51.0% of the 8,560 parcels in all 15 of the former Pre-1979 Districts. These totals included both taxable and tax-exempt parcels. Exhibit 2 to this plan includes maps of the entire Consolidated TIF District, as well as other more detailed maps of portions of the district. Although these maps are believed to be accurate, the definitive list of parcels that are included in the Consolidated TIF District appears in Exhibit 5 to this plan.

In the future, parcels may be added or removed from the Consolidated TIF District through a modification to this plan, in accordance with the TIF Act.

The number of parcels in each of the five former Pre-1979 Districts and the total number of parcels to be included in the Consolidated TIF District are listed below.

<u>Former Pre-1979 District</u>	<u># of Parcels</u>
1. Hennepin & Lake	34
2. Industry Square	1,098
3. Loring Park	1,417
4. North Loop	1,583
5. North Washington Industrial Park	<u>227</u>
Total # of Parcels in Consolidated TIF District	4,359

**III. Type of TIF District [No Change]**

The Special Legislation provides that the Consolidated TIF District is a “redevelopment district”, and exempts the district from certain requirements of the TIF Act, including requirements for qualifying as a redevelopment district (M.S. Section 469.174, Subd. 10), the requirement that at least 90% of the tax increment must pay to correct conditions allowing the designation as a redevelopment district (M.S. Section 469.176, Subd. 4j), and prohibitions against the use of tax increment for public parks or facilities used for social, recreational, or conference purposes (M.S. Section 469.176, Subd. 4l).

#### **IV. Maximum Duration of the TIF District [No Change]**

The Special Legislation provides that the Consolidated TIF District may be certified after January 1, 2010 and must terminate no later than December 31, 2020. The maximum duration of the district is therefore 10 years of tax increment collection (taxes payable in 2011 through 2020).

#### **V. Statement of Objectives [No Change]**

The Consolidated TIF District is being established to provide a source of revenue to pay debt service on Target Center bonds, to fund neighborhood revitalization purposes, and to pay the administrative costs of the TIF district.

#### **VI. Development Program**

##### **A. Description of Development Program [Changed]**

There is no development program per se for the Consolidated TIF District, but the intended purposes are as follows:

##### **1) Target Center Debt**

The Target Center is a public entertainment facility of state and regional significance located in downtown Minneapolis. The facility was completed in 1990 and the City purchased it in 1995. As the Target Center ages, the financial burden of maintaining and operating the facility as a premier sports and entertainment venue continues to increase. The refunding of the current debt and the dedication of tax increment from the Consolidated TIF District to pay the refunding bonds will alleviate a portion of that burden.

##### **2) Neighborhood Revitalization Purposes**

Tax increment from the Consolidated TIF District will support neighborhood revitalization purposes as may be defined by the City Council from time to time.

At the time this TIF Plan was drafted it was anticipated that neighborhood revitalization purposes may include 1) a Neighborhood Investment Fund, providing support directly to neighborhood organizations and their funding priorities; 2) a Community Innovation Fund, which will be a competitive fund given directly to neighborhoods to support City priorities; and 3) the administrative costs of the City's Neighborhood and Community Relations Department that are related to neighborhood revitalization purposes.

Pursuant to Modification No. 3, neighborhood revitalization purposes may also include eligible expenditures made through the City's Neighborhood Revitalization Program (NRP).

Pursuant to Modification No. 4, neighborhood revitalization purposes may also include programs designed to alleviate the shortage of housing for persons of low and moderate income anywhere in the City.

**B. Property That May Be Acquired [No Change]**

Although specific properties are not identified in this TIF Plan as Property That May Be Acquired, the City of Minneapolis reserves the right to acquire property within the Consolidated TIF District to carry out redevelopment activities in the ongoing redevelopment project areas that are separate entities from the Consolidated TIF District, but that share some of the same geographic area.

**VII. Description of Financing**

The figures, sources, and methods of financing identified in this TIF Plan are based on the best estimates and projections available at the time this plan was prepared. Some changes can be expected. However, if significant changes occur that affect the structure or financial feasibility of the district, increase the total tax increment budget, or increase the maximum amount of bonds issued beyond the amounts listed in this plan, then a formal modification to this plan may become necessary.

**A. Costs to be Paid with Tax Increment [Changed]**

Pursuant to the Special Legislation, the City may create the district only if it enters into an agreement with Hennepin County to annually pay the County its portion of the tax increment generated by the district. Prior to certification of the district, the City and County entered into a written agreement that specified the terms and conditions of this reimbursement arrangement.

The tax increment budget for the Consolidated TIF District is shown ~~below on the following page~~. The total represents the maximum amount of costs that can be paid from tax increment collected from the TIF district (projected to be \$231,000,000) and interest earnings (projected to be \$600,000).

Tax Increment Budget  
(over 10 years, 2011-2020)

Category	Amount	
Target Center Debt Service <sup>(a)</sup>	\$59,207,246	\$72,300,000
Neighborhood Revitalization Purposes <sup>(b)</sup>	59,092,447	80,000,000
Reimbursement Payments to Hennepin County	61,158,157	78,500,000
TIF District Administration <sup>(c)</sup>	<u>722,120</u>	<u>800,000</u>
Total <sup>(d)</sup>	\$180,180,000	\$231,600,000

- (a) Includes both principal and interest on outstanding 2009D Target Center refunding bonds.
- (b) Includes all reasonable administrative costs associated with neighborhood revitalization purposes and/or activities.
- (c) Includes the City and County costs/fees associated with administering the TIF district.

~~(4) Pursuant to a Memorandum of Understanding (MOU) between the City and County (dated June 7, 2010), the County will distribute no more than \$180,180,000 in tax increment to the City over the life of the TIF District.~~

The line-item amounts listed above are estimates only, and the City may spend more or less in each individual category without a formal modification of this TIF plan.

**B. Maximum Bonds to be Issued [Changed]**

Pursuant to the Special Legislation, the City may use tax increment collected from the district to “pay principal and interest on bond obligations issued by the City of Minneapolis or the Minneapolis Community Development Agency for Target Center, including payment of principal and interest on any bonds issued to repay bonds or loans”.

The City and MCDA issued bonds in 1995 and 1996 for the purchase and refinancing of the Target Center. The outstanding principal balance of Target Center bonds is shown below.

<u>Bond Issue Description</u>	<u>Principal Balance Outstanding as of 12/1/09</u>
\$6,100,000 MCDA Revenue Bonds, Series 1995A	\$4,140,000
\$6,550,000 MCDA Revenue Bonds, Series 1995B	4,455,000
\$67,555,000 City G.O. Refunding Bonds, Series 1996	<u>49,735,000</u>
Total	\$58,330,000

~~The City is in the process of refinancing these three bond issues in order to restructure principal and lower interest rates. The maximum size of this refunding bond issue was authorized by the City Council in an amount not to exceed \$60,000,000.~~

On December 8, 2009 the City sold \$57,480,000 in taxable general obligation (G.O.) tax increment refunding bonds to refinance the three bond issues listed above. The new refunding bonds ~~are scheduled to closed~~ on December 30, 2009 and the old bond issues ~~were~~will be fully retired on February 1, 2010.

**C. Other Sources of Funding [No Change]**

There are currently no additional sources of funding beyond the bonds described in Section VII B of this TIF plan and tax increment from the district.

**D. Original Net Tax Capacity [No Change]**

The Special Legislation provides that the original net tax capacity (ONTC) of the district is \$2,731,854. Recent permit activity and prior planned improvements in the district will therefore not affect the ONTC established at the time of certification of the district.

**E. Original Tax Capacity Rate [No Change]**

The original tax capacity rates for the district are 127.075% for properties located in Watershed District #3 and 127.461% for properties located in Watershed District #6. These are the rates that were used for tax increment projection purposes (see Section VII.G. and Exhibits 3 & 4).

**F. Fiscal Disparities Election [No Change]**

The City of Minneapolis elects the method of tax increment computation set forth in M.S. Section 469.177, Subd. 3, Paragraph (b). The captured net tax capacity of the district 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 473F.08, Subd. 6.

**G. Projected Captured Net Tax Capacity and Tax Increment [Changed]**

The City elects to retain the following percentages of captured net tax capacity of the Consolidated TIF District:

Taxes payable in 2011	100%
Taxes payable in 2012 and 2013	50%
Taxes payable in 2014-2020	100%

Exhibit 3 is the Projected Tax Increment Schedule For Taxes Payable in 2011. This schedule details the assumptions and calculations used to project captured net tax capacity and net tax increment in the first collection year of the district.

Exhibit 4 is the Tax Increment Schedule (2011-2020). This schedule shows the actual amount of tax increment collected and disbursed/allocated in the years 2011-201~~7~~6, and the amount of projected tax increment that will be collected and disbursed/allocated in the years 201~~8~~7-2020. This schedule is the basis for the tax increment budget shown in Section VII.A. of this TIF plan.

**VIII. Estimated Impact on Other Taxing Jurisdictions [Changed]**

Pursuant to the TIF Act, the City is required to calculate the estimated annual impact to the applicable taxing jurisdictions resulting from a modification to the TIF plan that increases the impact to the other taxing jurisdictions. This impact is shown below, and is based on the captured net tax capacity of the district (taxes payable in 2017) and the frozen tax capacity rates for the district (taxes payable in 2010 for property located within the Middle Mississippi Watershed District). There is no impact being shown for the County since the City is required by the Special Legislation to return to the County its portion of the tax increment distributed to the City.

Taxing Jurisdiction	Pay 2010 Frozen Tax Capacity Rates	Property Taxes Resulting From \$22,417,745 in Captured Net Tax Capacity
City of Minneapolis	58.368%	\$13,084,789
Hennepin County	n/a	n/a
Minneapolis School District #1	20.038	4,492,067
Other	<u>5.844</u>	<u>1,310,094</u>
Total	84.250%	\$18,886,950

As shown in Exhibit 4, the ~~projected maximum~~ amount of tax increment that will be distributed to the City over the life of the district is ~~\$231,000,000~~\$180,180,000. Of this total, it is estimated that approximately ~~\$36,300,000~~\$28,325,895 (15.7%) will be attributable to the School District's tax rate. As described above, the County will be reimbursed its portion of the total increment distributed to the City, which is projected to be approximately ~~\$78,500,000~~\$61,158,187.

Because all of the property in the Consolidated TIF District was formerly located within existing City TIF Districts, there is no direct impact on city-provided services caused by the establishment of the new TIF district. The issuance of any general obligation bonds, supported by tax increment from the new district, will not negatively impact the City's ability to issue other debt for general fund purposes.

## Exhibit 4

### Consolidated Redevelopment TIF District Projected Tax Increment Cash Flow Schedule (Actual #'s in 2011-2017 and Projected #'s in 2018-2020)

Revenue Year (1)	Tax Increment Distributed to City (2)	Plus: Interest Earnings (3)	Less: Amount Reimbursed To County (4)	Less: City & County Admin. Costs (5)	Less: Debt Service on Target Center Bonds (a) (6)	Less: Neighborhood Revitalization Purposes (b) (7)	Equals: Annual Surplus or (Deficit) (8)
2011	\$16,158,376	\$23,071	\$5,369,310	\$25,298	\$1,157,194	\$5,132,510	\$4,497,135
2012	7,765,623	11,827	2,701,237	95,398	4,955,951	0	24,864
2013	7,865,137	(3,552)	2,681,145	37,126	5,272,286	0	(128,972)
2014	16,361,119	10,751	5,453,439	57,761	4,250,333	5,324,257	1,286,080
2015	19,289,853	24,885	6,625,900	69,540	2,977,654	6,225,384	3,416,260
2016	24,422,042	98,820	8,299,087	76,997	7,278,125	6,127,000	2,739,653
2017	28,527,291	111,260	9,601,221	81,193	5,318,253	9,878,113	3,759,771
2018	33,257,995	100,000	11,307,718	90,000	5,548,253	9,671,402	6,740,622
2019	36,583,795	100,000	12,438,490	90,000	20,782,648	18,864,652	(15,491,995)
2020	40,242,175	100,000	13,682,340	90,000	14,664,253	18,749,000	(6,843,418)
	\$230,473,406	\$577,062	\$78,159,887	\$713,313	\$72,204,950	\$79,972,318	\$0
<b>Rounded -&gt;</b>	<b>\$231,000,000</b>	<b>\$600,000</b>	<b>\$78,500,000</b>	<b>\$800,000</b>	<b>\$72,300,000</b>	<b>\$80,000,000</b>	<b>\$0</b>

(a) Includes regularly scheduled debt service payments plus bond prepayments in 2019 and 2020 on the 2009D Target Center bonds. All bonds are retired on March 1, 2021.

(b) Includes the following:

NCR Operations (2011 & 2014-2020)	\$49,958,000
NRP Repayments (2017-2020)	9,142,000
Affordable Housing (2019-2020)	20,900,000
	\$80,000,000