
Amendments Relating to Blaine Economic Development Project Plan
of the
Blaine Economic Development Authority,
Including Establishment and Approval of
Tax Increment Financing District No. 1-21
(South Terrace Cove Project, a Redevelopment District) and
a Tax Increment Financing Plan therefor
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Section I.
Definitions and Exhibits

Section 1.1. Definitions. The terms defined below, for purposes hereof, shall have the following respective meanings, unless the context specifically requires otherwise. The term “development” includes redevelopment, and the term “developing” includes redeveloping.

“Blaine Economic Development Project” means, collectively, the Development District and the Redevelopment Project.

“Board” means the Board of Commissioners, the governing body, of the EDA.

“City” means the City of Blaine, Minnesota.

“Company” means Shade Tree Construction, Inc., a Minnesota corporation.

“Council” means the City Council of the City, its governing body.

“County” means Anoka County, Minnesota.

“Development” means the demolition of three existing office buildings, site clearance and construction of approximately 43 owner-occupied townhomes and related improvements to be located at the northeast corner of 102nd Avenue and University Avenue in TIF District No. 1-21.

“Development District” means Development District No. 1, initially established on August 20, 1981, as amended.

“Development Program” means the Development Program for the Development District, initially adopted on August 20, 1981, as amended.

“EDA” means the Blaine Economic Development Authority, established pursuant to the Enabling Act.

“Enabling Act” means (1) the Housing and Redevelopment Authority Act, as previously codified in Minnesota Statutes, Section 462.411 et seq., and as now codified in Minnesota Statutes, Sections 469.001 through 469.047, and (2) Economic Development Authority Act, Minnesota Statutes, Sections 469.090 through 469.1082, including all powers provided or referenced therein, and as the same may be amended or supplemented.

“Project Area” means the area of the Blaine Economic Development Project as depicted in the map attached as **Exhibit A**.

“Project Plan” means the plan for the development of the Project Area including the Redevelopment Plan and Development Program, all as amended from time to time.

“Public Costs” means the estimated public improvement and development costs described in Section 2.2 and all other public costs provided in the Project Plan.

“Redevelopment Plan” means the Redevelopment Plan for the Redevelopment Project, initially adopted on August 15, 1985, as amended.

“Redevelopment Project” means the Housing and Redevelopment Project No. 1, initially established on August 15, 1985, as amended.

“School District” means the Anoka-Hennepin School District, ISD #11.

“State” means the State of Minnesota.

“Tax Increment Financing District” means any of the tax increment financing districts (as amended) established pursuant to the TIF Act within the Project Area, including without limitation any such districts originally established within the Development District or the Redevelopment Project and TIF District No. 1-21.

“Tax Increment Plans” means the respective tax increment financing plans adopted pursuant to the TIF Act for the Tax Increment Financing Districts, respectively, as the same may be amended, including the TIF Plan.

“Tax Increments” means increments, as defined in Minnesota Statutes, Section 469.174 subdivision 25, clause (1), as the same may be amended, from the Tax Increment Financing Districts.

“TIF Act” means Minnesota Statutes, Sections 469.174 through 469.1794, as the same may be amended.

“TIF District No. 1-21” means Tax Increment Financing District No. 1-21 (South Terrace Cove Project, a Redevelopment District) established within the Project Area, pursuant to the TIF Act and the TIF Plan set forth in Section III.

“TIF Plan” means the Tax Increment Financing Plan set forth in Section III adopted pursuant to the TIF Act for TIF District No. 1-21, as the same may be amended.

Section 1.2. Exhibits. The following exhibits are attached to and by reference made a part of this Project Plan and TIF Plan:

- Exhibit A: Map Showing Project Area
- Exhibit B: Map Showing Tax Increment Financing District No. 1-21
- Exhibit C: Summary of Estimated Fiscal and Economic Implications
- Exhibit D: Cash Flow Projections and Other Financial Data

Section II.
Amendment of Project Plan
for Blaine Economic Development Project

Section 2.1. Background and Purposes. The City established the Development District and adopted the Development Program pursuant to Minnesota Statutes, Sections 469.124 through 469.134, and established various Tax Increment Financing Districts within the Development District pursuant to the TIF Act.

The Housing and Redevelopment Authority in and for the City of Blaine, Minnesota (the “HRA”), established the Redevelopment Project and adopted the Redevelopment Plan pursuant to Minnesota Statutes, Sections 469.001 through 469.047, and established various Tax Increment Financing Districts within the Redevelopment Project pursuant to the TIF Act.

Pursuant to the Enabling Act, on December 29, 1988, the Council adopted an enabling resolution and thereby established the EDA. Pursuant to Section 469.094, Subdivision 2, of the Enabling Act, the City transferred to the EDA, and the EDA accepted from the City transfer of, the control, authority, and operation of the Development District and the Redevelopment Project (collectively, the “Blaine Economic Development Project”), including the existing Tax Increment Financing Districts therein, thereby empowering the EDA to exercise all of the powers that the City and the HRA could exercise with respect to the Development District and the Redevelopment Project, respectively, subject to the covenant and pledge by the EDA to perform the terms, conditions, and covenants of all bond indentures and other agreements executed for the security of any bonds issued and any other activities undertaken with respect to the Development District and the Redevelopment Project, respectively.

Various amendments have been adopted respecting the Project Area, the Project Plan, and the Tax Increment Financing Districts and Tax Increment Plans, including the establishment of additional Tax Increment Financing Districts within the Project Area.

In maintaining the Project Area and carrying out the Project Plan it is the EDA’s purpose, consistent with the stated purposes of the Council, to consolidate the City’s development areas, goals, objectives, development costs, and activities to the fullest extent permitted by the Enabling Act and other applicable law. The Board and the Council found that through such consolidation the necessary development of the City can be accomplished more consistently, efficiently, and economically.

Pursuant to Section 469.094, Subdivision 2, of the Enabling Act, the EDA is authorized to exercise the powers of a city with respect to a development district under Minnesota Statutes, Sections 469.124 through 469.134, and the powers of a housing and redevelopment authority under Minnesota Statutes, Sections 469.001 through 469.047, among other powers, and it is the intention of the Council and the Board that the EDA shall exercise any and all of said powers as may be necessary or appropriate for the development of the Project Area in accordance with the Project Plan.

Section 2.2. Amendment of Project Plan and Enlargement of Project Area. The Project Plan is the development program for the Project Area as set forth in **Exhibit A**. The Project Plan

is hereby amended to include the additional goals, objectives, activities, and public improvement and development costs of the Development to be made or incurred within the Project Area and financed in whole or in part by tax increment or other revenues of the EDA.

The Project Plan is hereby amended to include all of the goals, objectives, activities, and public improvement and development costs to be made or incurred within the Project Area and financed in whole or in part by tax increment or other revenues of the EDA, as provided in this Section II, including without limitation a portion of the following estimated budget for the TIF Plan and costs of the Development to be financed in whole or in part by tax increment or other available revenues of the EDA:

**City & Economic Development Authority of Blaine, Minnesota
Increase to Project Plan Budget and
Tax Increment Financing District No. 1-21
(South Terrace Cove, a Redevelopment District, Redevelopment District)
Budget**

SOURCES OF FUNDS	TIF Financing	
Tax Increment Revenues ⁽¹⁾	\$2,627,934	(1)
TOTAL SOURCES OF FUNDS	\$2,627,934	
USES OF FUNDS	TIF Financing	
Land/building acquisition	<u>\$635,000</u>	
Site improvements/preparation	\$1,065,000 <u>300,000</u>	
Utilities		
Other public costs of the redevelopment	\$1,300,141 <u>1,430,141</u>	
Administrative Costs	\$262,793	
Interest (2)	\$0	
TOTAL USES OF FUNDS	\$2,627,934	

(1) Amount net of State Auditor deduction

(2) Interfund Loan Interest Payment based on estimated rate of 4%

Bonding authorized by the TIF Plan in an amount up to \$2,627,934 may include traditional general obligation or revenue bonding, interest-bearing “pay-as-you-go” financing, internal, interest-bearing City-financed or EDA-financed borrowing or other interfund loans or advances, and any other “bonds” as defined in the TIF Act. If bonding is required to finance the foregoing costs, the reasonable and customary expenses for that bonding, such as capitalized interest, interest on the debt in the 3% to 8% range, bond discount, and fiscal and legal fees, would be added to the estimates listed above; subject to the requirements of the TIF Act. Actual bonding amounts and requirements, if any, may vary depending on bond issue structure, then-prevailing interest rates, market conditions, taxability or tax-exemption of the interest on external borrowing and the terms of tax increment agreements. The EDA intends to issue a combination of internal, interfund loans in an aggregate amount up to the total amount set forth above but does not currently expect to issue any other bonds payable from TIF District No. 1-21. The interest on any bonding would also be payable from tax increments, but the total payable under

such bonding would not exceed the total tax increments of this TIF District No. 1-21 over its full term.

The EDA anticipates that only a portion of the total costs of the Development will be paid or reimbursed from tax increments from Tax Increment Financing District No. 1-21. More specifically, the EDA anticipates defraying up to approximately \$1,065,000 of the Company's costs of the Development through an interest-bearing, internal, interfund loan. The assumptions and projected cash flows for TIF District No. 1-21 are set forth in **Exhibit B**.

The EDA intends to pay from available tax increment such qualifying administrative costs as may be permitted by, but subject to the applicable limitations provided in, the TIF Act, which is 10% of the total tax increments.

The EDA finds that the Project Area, together with the objectives which the EDA seeks to accomplish or encourage with respect to such property, constitutes a "redevelopment project" within the meaning of Minnesota Statutes, Section 469.002, Subdivision 14; constitutes a "development district" under Minnesota Statutes, Section 469.125, Subdivision 9; constitutes, insofar as moderate income housing shall be involved, a "housing development project" within the meaning of Minnesota Statutes, Section 469.002, Subdivision 15, and Section 469.017; and constitutes, insofar as low income housing may be involved, a "housing project" within the meaning of Minnesota Statutes, Section 469.002, Subdivision 13.

Section 2.3. Statement and Finding of Public Purpose. The EDA confirms the findings it has previously made with respect to the Project Area and supplements the Project Plan as provided herein and further finds that there is a need for development within the City and the Project Area to provide employment opportunities, to improve the local tax base, and to improve the general economy of the City and the State. The sound development of the economic security of the residents of the City depends upon proper development of marginal property and other property, which includes property that meets any one of a number of conditions, including properties whose values are too low to pay for the public services required or rendered and properties whose lack of use or improper use has resulted in stagnant or unproductive land that could otherwise contribute to the public health, safety, and welfare.

The EDA finds that in many cases such property cannot be developed without public participation and assistance in forms including property acquisition and/or write-down, proper planning, the financing of land assembly in the work of clearance or development, and the making or financing of various other public and private improvements necessary for development. In cases where the development of marginal and other property cannot be done by private enterprise alone, the EDA believes it to be in the public interest to consider the exercise of its powers, to advance and spend public money, and to provide the means and impetus for such development.

The EDA finds that in certain cases property within the Project Area would or may not be available for development without the specific financial aid to be sought, that the Project Plan will afford maximum opportunity, consistent with the needs of the City as a whole, for the development of the Project Area by private enterprise, and that the Project Plan conforms to the general plan for the development of the City as a whole.

The EDA also finds that the welfare of the City and the State requires the active promotion, retention, attraction, encouragement, and development of economically sound industry and commerce through governmental action for the purpose of preventing the emergence of blighted and marginal lands and areas of chronic unemployment. It shall also be the policy of the EDA to facilitate and encourage such action as may be necessary to prevent the economic deterioration of such areas to the point where the process can be reversed only by total redevelopment. Through the use of the powers conferred on the EDA pursuant to the Enabling Act, promoting economic development may prevent the occurrence of conditions requiring redevelopment and prevent the emergence of blight, marginal land, and substantial and persistent unemployment.

Section 2.4. Statement of Objectives. The establishment and maintenance of the Project Area in the City pursuant to the Enabling Act is necessary and in the best interests of the City and its residents and is necessary to give the EDA the ability to meet certain public purpose objectives that would not be obtainable in the foreseeable future without intervention by the EDA in the normal development process. The EDA seeks to achieve one or more of the following objectives, through the implementation of the Project Plan, with respect to such property within the Project Area as the EDA may determine and in such circumstances and upon such terms as the EDA may deem appropriate or necessary:

- (a) To provide for the acquisition of land and construction and financing of site improvements in the Project Area which are necessary for the orderly and beneficial development of the Project Area and adjacent areas of the City.
- (b) To promote and secure the prompt and unified development of property within the Project Area, which property is not now in productive use or in its highest and best use, with a minimum adverse impact on the environment and thereby promote and secure the desirable development of other land in the City.
- (c) To secure the prompt development of property in the Project Area in order to (i) realize return on presently existing public investment in public utilities, streets, and other infrastructures; (ii) prevent the emergence of blight or blighting factors and (iii) promote retention and expansion of the property tax base of the City, the County, Independent School District No. 11 and other taxing jurisdictions in order to better enable such entities to pay for governmental services and programs that they are required to provide.
- (d) To assist such prompt development through the acquisition or write-down of certain interests in property within the Project Area which is not now in productive use or in its highest and best use, to make or defray the cost of soil corrections or other site improvements on said property, and to construct or reimburse for the construction of public improvements and other facilities on or for the benefit of said property, thereby promoting and securing the development of other land within the Project Area.
- (e) Through the implementation of this Project Plan, to provide an impetus for new unified development consisting of desirable industrial, residential and other

appropriate development in the Project Area so as to maintain the area in a manner compatible with its accessibility and prominence in the City.

(f) To promote and secure additional employment opportunities within the City, and the diversification thereof, and to prevent the loss of existing employment opportunities, thereby improving living standards, reducing unemployment and preventing the loss of valuable human resources.

(g) To provide funding for an ongoing development strategy and to prioritize the use of available resources.

(h) To implement and revise from time to time, as may be deemed necessary or desirable, a consolidated and unified Project Plan and to finance the associated development costs on an area-wide basis.

(i) To employ any of the powers of the EDA for the benefit of the Project Area in such cases and upon such terms as the EDA may deem appropriate.

(j) To construct or acquire facilities deemed desirable for the development of the Project Area.

(k) To promote redevelopment of blighted or marginal property.

(l) To encourage the expansion and improvement of local business, economic activity and development, whenever possible.

(m) To provide for the construction of a range of housing options within the Development District, including affordable housing

(n) To create a desirable and unique character within the Project Area through quality land use alternatives and design quality in new buildings.

Section 2.5. Boundaries of the Project Area. The property within the City which is hereby designated as the Project Area is the property depicted in the map attached as **Exhibit A**. The Project Area shall also include all adjacent roadways, rights-of-way and other areas wherein will be installed or upgraded the various public improvements necessary for and part of the overall Project. The EDA finds that the Project Area, together with the objectives which the EDA seeks to accomplish or encourage with respect to such property, constitutes a “Redevelopment Project” and a “Redevelopment Plan” within the meaning of Minnesota Statutes, Section 469.002, Subdivisions 14 and 16.

Section 2.6. Property Acquisition. The EDA does not currently intend to acquire any property within the TIF District or the Project Area but reserves the right to acquire and convey (for full value or a discount) such property, or appropriate interests therein, within the TIF District or the Project Area as the EDA may deem to be necessary or desirable to assist in the implementation of the Project Plan and the TIF Plan.

Section 2.7. Development Activities. The EDA will perform or cause to be performed, to the extent permitted or required by law, all project activities pursuant to the Enabling Act, the TIF Act and other applicable state laws, and in doing so anticipates that the following may, but are not required to, be undertaken by the EDA:

- (a) The making of studies, planning, and other formal and informal activities relating to the Project Plan.
- (b) The implementation and administration of the Project Plan.
- (c) The rezoning of land within the Project Area.
- (d) The acquisition of property, or interests in property, by purchase or condemnation, to the extent permitted by law, which acquisition is consistent with the objectives of the Project Plan,
- (e) The preparation of property for use and development in accordance with applicable Land Use Regulations and a Development Agreement, including demolition of structures, clearance of sites, placement of fill and grading.
- (f) The resale of property to private parties.
- (g) The construction or reconstruction of improvements described in Section 3.5 hereof.
- (h) The issuance of tax increment bonds to finance the Public Costs of the Project Plan, and the use of Tax Increments or other funds available to the City to pay or finance the Public Costs of the Project Plan incurred or to be incurred by it pursuant to a Development Agreement.
- (i) The use of Tax Increments to pay debt service on tax increment bonds or otherwise pay or reimburse with interest the Public Costs of the Project Plan.

Section 2.8. Payment of Public Costs. It is anticipated that the Public Costs of the Project Plan will be paid primarily from proceeds of tax increment bonds or from Tax Increments. The EDA reserves the right to utilize other available sources of revenue, including but not limited to special assessments and user charges, which the EDA may apply to pay a portion of the Public Costs.

Section 2.9. Environmental Controls; Land Use Regulations. All municipal actions, public improvements and private development shall be carried out in a manner consistent with existing environmental controls and all applicable Land Use Regulations.

Section 2.10. Park and Open Space to be Created. Park and open space within the Project Area if created will be created in accordance with the zoning and platting ordinances of the City.

Section 2.11. Proposed Reuse of Property. The Project Plan contemplates that the EDA may acquire property and reconvey the same to another entity. Prior to formal consideration of

the acquisition of any property, the EDA will require the execution of a binding development agreement with respect thereto and evidence that Tax Increments or other funds will be available to repay the Public Costs associated with the proposed acquisition. It is the intent of the EDA to negotiate the acquisition of property whenever possible. Appropriate restrictions regarding the reuse and redevelopment of property shall be incorporated into any Development Agreement to which the EDA is a party.

Section 2.12. Administration and Maintenance of Project Area. Maintenance and operation of the Project Area will be the responsibility of the Community Development Director who shall serve as administrator of the Project Area. Each year the administrator will submit to the EDA the maintenance and operation budget for the following year.

The administrator will administer the Project Area pursuant to the Enabling Act; provided, however, that such powers may only be exercised at the direction of the EDA. No action taken by the administrator pursuant to the above-mentioned powers shall be effective without authorization by the EDA.

Section 2.13. Relocation. When applicable, relocation assistance will be provided as required by Minnesota law.

Section 2.14. Amendments. The EDA reserves the right to alter and amend the Project Plan and the TIF Plan, subject to the provisions of state law regulating such action. The EDA specifically reserves the right to enlarge or reduce the size of the Project Area and TIF District No. 1-21, the Project Plan and the Public Costs of the Project Plan and the amount of tax increment bonds to be issued to finance such cost by following the procedures specified in Minnesota Statutes, Section 469.175, Subdivision 4.

Section 2.15. Findings and Declaration. The EDA makes the following findings:

- (a) The land in the Project Area would not be made available for redevelopment without the financial aid sought.
- (b) The Project Plan for the Project Area in the City will afford maximum opportunity consistent with the needs of the locality as a whole, for the redevelopment of the area by private enterprise.
- (c) The Project Plan conforms to the general plan for development of the City as a whole.

Section III.
Tax Increment Financing District No. 1-21
(South Terrace Cove Project, a Redevelopment District)
Tax Increment Financing Plan

Section 3.1. Statement of Objectives. The objectives which the EDA seeks to achieve through the implementation of this TIF District and Plan are set out in the Project Plan for the Project Area, including the Redevelopment Plan and Development Program, all as amended from time to time.

Section 3.2. Development Program. The development program which the EDA seeks to further through the implementation of this TIF District and Plan is the Project Plan for the Project Area, including the Redevelopment Plan and Development Program, all as amended from time to time, and as further provided in Section II above.

Section 3.3. Parcels to be Included in Tax Increment Financing District No. 21. This TIF District shall consist of the property depicted in the map attached as **Exhibit B**, including Parcel Identification Nos. 19-31-23-33-0001, 19-31-23-33-0002, 19-31-23-33-0003 and all adjacent roadways and rights-of-way and other areas wherein will be installed or upgraded the various public improvements necessary for and part of the overall project.

Section 3.4. Acquisition of Property. The EDA does not anticipate acquiring real property or interest therein, within this TIF District but reserves the right to acquire and convey (for full value or a discount) property in the Project Area or TIF District No. 1-21, or appropriate interests therein, as the EDA may deem to be necessary or desirable to assist in the implementation of the Project Plan and the TIF Plan.

Section 3.5. Development Activity Anticipated for Tax Increment Financing District No. 1-21. The EDA anticipates entering into a development agreement with the Company for the construction of the Development (i.e. the demolition of three existing office buildings, site clearance and construction of approximately 43 owner-occupied townhomes and related improvements). The EDA anticipates assisting the Company with certain costs associated with the Project as described in Section 2.2 herein. The total development costs of the Development to be incurred by the Company are anticipated to be approximately \$_____. Construction of the Development is estimated to be completed by December 31, 2020.

Section 3.6. Estimated Public Costs; Bonded Indebtedness. The estimated public redevelopment costs and the amount of bonded indebtedness (including interest thereon) to be incurred within and for the benefit of TIF District No. 1-21 are set forth in the Project Plan, including without limitation Section 2.2 herein, but shall also include all other public costs provided in the Project Plan. General obligation and/or tax increment revenue obligations, including pay as you go tax increment revenue notes, interfund loans, and any other “bonds” as defined in the TIF Act with interest in the 3% to 8% range, in addition to the direct use of tax increments, or other borrowing or available funds (including without limitation interest-bearing internal interfund loans and other assistance) may be used as required to finance such costs.

Additional sources of revenue derived from the EDA's activities within the Project Area under the Enabling Act may also be used as permitted by law, if available.

Section 3.7. Estimated Captured Tax Capacity and Retention of Tax Increment. The base estimated market value of taxable property in TIF District No. 1-21 is approximately \$1,358,000. The most recent net tax capacity of TIF District No. 1-21 is estimated to be \$13,580 as of 2018. The net tax capacity of this TIF District, at the completion and full valuation of the Development and upon reclassification as owner-occupied residential property, is estimated to be approximately \$108,038; therefore the captured net tax capacity at the completion of the Development is estimated to be approximately \$94,458 and \$123,599 in the final year of TIF District No. 1-21 assuming 1% market value inflation. The market value upon completion of the Development is estimated to be approximately \$10,803,750, assuming 1% market value inflation. The Tax Increments will be captured for up to 26 years from receipt of the first Tax Increments or until the Public Costs described herein have been paid. The EDA determines that 100% of the available increase in net tax capacity from TIF District No. 1-21 shall be used for the repayment of bonds and the payment of Public Costs in accordance with the Project Plan and this TIF Plan.

Section 3.8. Type of Tax Increment Financing District. The EDA, in determining the need to create a tax increment financing district in accordance with the TIF Act, finds that TIF District No. 1-21 is a redevelopment district pursuant to Minnesota Statutes, Section 469.174, Subd. 10 as described below:

TIF District No. 1-21 contains three parcels. Each parcel is occupied because it meets the requirements of Section 469.174, Subd. 10(a)(1) in that at least 15% of the area of each parcel is occupied by buildings, streets, utilities, paved or gravel parking lots or similar structures. The occupied parcels consist of 100% (i.e. over 70%) of the area of TIF District No. 1-21.

In addition, there are three buildings currently located in TIF District No. 1-21 and all of the buildings (which is more than 50%) are "structurally substandard" to a degree requiring substantial renovation or clearance. The "structurally substandard" buildings are not in compliance with the building code applicable to new buildings, and the costs of modifying such buildings to satisfy the building code is more than 15% of the cost of constructing a new structure of the same square footage and type on the site. The reasons and supporting facts for these determinations are set forth in a report dated , [September 6](#), 2018, prepared by LHB, Inc., Minneapolis, Minnesota, which is incorporated herein by reference, and a copy of which is on file with the Community Development Director.

Section 3.9. Duration of TIF District. The duration of TIF District No. 1-21 will be 25 years from the receipt of the first tax increment. The date of receipt of the first Tax Increments is expected to be the first half of 2021, resulting in an estimated final year of 2046. The EDA may terminate TIF District No. 1-21 before the end of the 26 year term if all Public Costs of TIF District No. 1-21 have been paid or provided for.

Section 3.10. Impact on Taxing Jurisdictions. The impact of TIF District No. 1-21 on the affected taxing jurisdictions is reflected in the EDA's anticipated need to utilize the Tax Increments generated from TIF District No. 1-21 during the period described in Section 3.9

above for the purposes of financing the Public Costs referenced in Section 3.6 above, as the same may be amended, following which period the increased assessed valuations will inure to the benefit of such taxing jurisdictions.

For the payable 2018 property taxes, the respective tax capacity rates and net tax capacities of the affected taxing jurisdictions are set out in **Exhibit C** based on the assumption that the estimated captured tax capacity of TIF District No. 1-21 would be available to such taxing jurisdictions without creation of TIF District No. 1-21.

On the assumption that the estimated captured tax capacity of TIF District No. 1-21 would be available to the above taxing jurisdictions without creation of TIF District No. 1-21, the impact of this tax increment financing on the tax capacities of those taxing jurisdictions is relatively small, as shown by comparing on a percentage basis the marginal effect on tax capacity rates and by comparing the estimated \$123,599 of captured net tax capacity in the final year of TIF District No. 1-21 (assuming approximately 1% market value inflation) to the tax capacities of each of those jurisdictions (as set forth in **Exhibit C**), respectively.

On the alternate assumption, which has been found to be the case, that none of the estimated captured tax capacity would be available to these taxing jurisdictions without the creation of TIF District No. 1-21, during the period of the existence of TIF District No. 1-21, there would be no effect on the above tax capacities, but upon the expiration or earlier termination of this TIF District, each taxing jurisdiction's tax capacity would be increased by the captured tax capacity, as it may be adjusted over that time period.

The estimated amount of tax increment that will be generated over the life of TIF District No. 1-21 is approximately \$2,637,430 less the deduction by the Office of the State Auditor. The estimated amount of tax increment attributable to the School District and County levies is estimated to be approximately \$506,147 and \$972,390, respectively. Existing roads and utilities will serve the Development. It is not expected that TIF District No. 1-21 will have any significant impact on the need for new or improved public infrastructure other than the infrastructure paid for by tax increments or private funds, including improvements to adjacent streets, sidewalks and utility systems. The City's police and fire departments currently serve the area so the City's budget for services such as police and fire protection is anticipated not to increase and the probable impact of TIF District No. 1-21 on such services is expected to be minimal. The EDA anticipates that it will use the proceeds of an interfund loan to reimburse the Company for a portion of the Public Costs but such obligations will not affect the City's or the EDA's ability to issue other debt for general fund purposes. The County has not requested any additional infrastructure in connection with the Development.

The EDA has determined that the proposed development of the TIF District would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future.

Section 3.11. Cash Flow and Other Financial Analysis. See **Exhibit D** attached hereto

Section 3.12. Reasonable Expectations. The City has determined that the proposed development of TIF District No. 1-21 would not reasonably be expected to occur solely through

private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing is probably \$0 (other than amounts due to inflation), which is less than the increase in the market value estimated to result from the proposed development (i.e., approximately \$12,359,896 assuming approximately 1% market value inflation) after subtracting the present value of the projected tax increments for the maximum duration of TIF District No. 1-21 (i.e., \$1,488,689 approximately), which is approximately \$10,871,207. A comparative analysis of estimated market values both with and without establishment of TIF District No. 1-21 is attached as part of **Exhibit D**. Based on the foregoing, and representations of the Company and the Tenant, it would not be economically feasible to construct the Development at this site in the reasonably foreseeable future without a variety of funding sources, including tax increment financing, due to the high cost of the specialized nature of the Development.

Section 3.13. Tax Increment Accounts. Consistent with Minnesota Statutes, Section 469.177, Subdivision 5, requiring that “tax increment received with respect to any district shall be segregated by the authority in a special account or accounts on its official books and records or as otherwise established by resolution of the authority to be held by a trustee or trustees for the benefit of the holders of the bonds,” the EDA and/or the City will account for all increment from the District in one or more City or EDA accounts and subaccounts, including the ability where deemed appropriate to establish one or more accounts for the proper accounting and implementation of the Tax Increment Plan and the Development Plan and the portion of the Public Costs to be financed directly or indirectly with tax increment. The right to make appropriate transfers in and out of such accounts is hereby reserved, along with the right to make both external and internal interest-bearing borrowings, whether long-term or short-term, including transfers from other City or EDA funds and interfund loans to cash flow tax increment obligations and other legitimate expenditures.

The Council and EDA resolutions initially approving this TIF Plan contain a policy regarding “interfund loans and advances,” within the meaning of Minnesota Statutes, Section 469.174, Subdivision 3.

Section 3.14. Use of Tax Increment. The EDA hereby determines that it will use 100% of the captured net tax capacity of taxable property located in TIF District No. 1-21 for the following purposes:

1. to pay the principal of and interest on bonds used to finance a project;
2. to finance, or otherwise pay the capital and administration costs of the Project Area pursuant to the Minnesota Statutes, Sections 469.001 to 469.047;
3. to pay for project costs as identified in the budget;
4. to finance, or otherwise pay for other purposes as provided in Minnesota Statutes, Section 469.176, Subd. 4;
5. to pay principal and interest on any loans, advances or other payments made to the EDA or for the benefit of Project Area by the developer;

6. to finance or otherwise pay premiums and other costs for insurance, credit enhancement, or other security guaranteeing the payment when due of principal and interest on tax increment bonds or bonds issued pursuant to the TIF Plan or pursuant to Minnesota Statutes, Chapter 462C and Minnesota Statutes, Sections 469.152 to 469.1655, or both; and
7. to accumulate or maintain a reserve securing the payment when due of the principal and interest on the tax increment bonds or bonds issued pursuant to Minnesota Statutes, Chapter 462C and Minnesota Statutes, Sections 469.152 to 469.1655, or both.

These revenues shall not be used to circumvent any levy limitations applicable to the EDA nor for other purposes prohibited by Minnesota Statutes, Section 469.176, Subd. 4.

In accordance with Minnesota Statutes, Section 469.176, Subd. 4j, at least 90% of the Tax Increments will be used to finance the cost of correcting the conditions that allow designation of TIF District No. 1-21 as a redevelopment district. These costs include, but are not limited to, acquiring properties containing structurally substandard buildings or improvements or hazardous substances, pollution, or contaminants, acquiring adjacent parcels necessary to provide a site of sufficient size to permit development, demolition and rehabilitation of structures, clearing of the land, the removal of hazardous substances or remediation necessary to development of the land, and installation of utilities, roads, sidewalks, and parking facilities for the site. The allocated administrative expenses of the authority, including the cost of preparation of a development action response plan, may be included in the qualifying costs.

Section 3.15. Limitations on the Use of Tax Increment.

1. General Limitations. All revenue derived from tax increment shall be used in accordance with the TIF Plan. The revenues shall be used to finance, or otherwise pay the capital and administration costs of the Project Area pursuant to the Enabling Act;

These revenues shall not be used to circumvent existing levy limit law. No revenues derived from Tax Increment shall be used for the acquisition, construction, renovation, operation or maintenance of a building to be used primarily and regularly for conducting the business of a municipality, county, school district, or any other local unit of government or the state or federal government, or for a commons area used as a public park, or a facility used for social, recreation or conference purposes. This provision shall not prohibit the use of revenues derived from tax increments for the construction or renovation of a parking structure, or a privately owned facility for conference purposes.

2. Pooling Limitations. Except as otherwise provided in paragraph 4 below, at least 75% of tax increments from TIF District No. 1-21 must be expended on activities in TIF District No. 1-21 or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities within said district or to pay, or secure payment of, debt service on credit enhanced bonds. Not more than 25% of said

tax increments may be expended, through a development fund or otherwise, on activities outside of TIF District No. 1-21 except to pay, or secure payment of, debt service on credit enhanced bonds. For purposes of applying this restriction, all administrative expenses must be treated as if they were solely for activities outside of TIF District No. 1-21.

3. Five Year Limitation on Commitment of Tax Increments. Tax increments derived from TIF District No. 1-21 shall be deemed to have satisfied the 75% test set forth in paragraph (2) above only if the 5-year rule set forth in Minnesota Statutes, Section 469.1763, Subd. 3, has been satisfied; and beginning with the sixth year following certification of TIF District No. 1-21, 75% of said tax increments that remain after expenditures permitted under said 5-year rule must be used only to pay previously committed expenditures or credit enhanced bonds as more fully set forth in Minnesota Statutes, Section 469.1763, Subd. 5.
4. Expenditures Outside District. The EDA has not elected but may at a future date elect to spend an additional 10% of the Tax Increments on activities located outside TIF District No. 1-21 as permitted by Minnesota Statutes, Section 469.1763, Subd. 2(d).

Section 3.16. Notification of Prior Planned Improvements. The EDA shall, after due and diligent search, accompany its request for certification to the County Auditor or its notice of TIF District No. 1-21 enlargement with a listing of all properties within TIF District No. 1-21 or area of enlargement for which building permits have been issued during the 18 months immediately preceding approval of the TIF Plan by the municipality pursuant to Minnesota Statutes, Section 469.175, Subd. 3. The County Auditor shall increase the original value of TIF District No. 1-21 by the value of improvements for which a building permit was issued.

Section 3.17. Modifications to TIF District. In accordance with Minnesota Statutes, Section 469.175, Subd. 4, any:

1. reduction or enlargement of the geographic area of Project Area or TIF District No. 1-21;
2. increase in amount of bonded indebtedness to be incurred, including a determination to capitalize interest on debt if that determination was not a part of the original plan, or to increase or decrease the amount of interest on the debt to be capitalized;
3. increase in the portion of the captured net tax capacity to be retained by the EDA;
4. increase in total estimated tax increment expenditures; or
5. designation of additional property to be acquired by the EDA,

shall be approved upon notice and after the discussion, public hearing and findings required for approval of the original TIF Plan.

The geographic area of TIF District No. 1-21 may be reduced, but shall not be enlarged after 5 years following the date of certification of the original net tax capacity by the County Auditor. The requirements of this paragraph do not apply if (1) the only modification is elimination of parcel(s) from TIF District No. 1-21, and (2)(A) the current net tax capacity of the parcel(s) eliminated from TIF District No. 1-21 equals or exceeds the net tax capacity of those parcel(s) in TIF District No. 1-21's original net tax capacity, or (B) the EDA agrees that, notwithstanding Minnesota Statutes, Section 469.177, Subd. 1, the original net tax capacity will be reduced by no more than the current net tax capacity of the parcel(s) eliminated from TIF District No. 1-21.

The EDA must notify the County Auditor of any modification that reduces or enlarges the geographic area of TIF District No. 1-21 or the Project Area. Modifications to TIF District in the form of a budget modification or an expansion of the boundaries will be recorded in the TIF Plan.

No modifications to TIF District or the TIF Plan have been made as of the date hereof.

Section 3.18. Administrative Expenses. In accordance with Minnesota Statutes, Section 469.174, Subd. 14, and Minnesota Statutes, Section 469.176, Subd. 3, administrative expenses means all expenditures of the EDA, other than:

1. amounts paid for the purchase of land or amounts paid to contractors or others providing materials and services, including architectural and engineering services, directly connected with the physical development of the real property in the Project Area or TIF District No. 1-21;
2. relocation benefits paid to or services provided for persons residing or businesses located in the Project Area or TIF District No. 1-21; or
3. amounts used to pay interest on, fund a reserve for, or sell at a discount bonds issued pursuant to Minnesota Statutes, Section 469.178.

Administrative expenses also include amounts paid for services provided by bond counsel, fiscal consultants, and planning or economic development consultants. Tax increment may be used to pay any authorized and documented administrative expenses for the Redevelopment Project and TIF District No. 1-21 up to but not to exceed 10% of the total tax increment expenditures authorized by this TIF Plan or the total tax increments, as defined in section 469.174, subdivision 25, clause (1), from TIF District No. 1-21, whichever is less.

Pursuant to Minnesota Statutes, Section 469.176, Subd. 4h, tax increments may be used to pay for the county's actual administrative expenses incurred in connection with TIF District No. 1-21. The county may require payment of those expenses by February 15 of the year following the year the expenses were incurred. Increments used to pay the county's administrative expenses under subdivision 4h are not subject to the 10% limit.

Pursuant to Minnesota Statutes, Section 469.177, Subd. 11, the county treasurer shall deduct an amount equal to approximately 0.36% of any Tax Increment distributed to the EDA and the county treasurer shall pay the amount deducted to the state treasurer for deposit in the

state general fund to be appropriated to the State Auditor for the cost of financial reporting of tax increment financing information and the cost of examining and auditing authorities' use of tax increment financing.

Section 3.19. Limitation on Property Not Subject to Improvement; Four-Year Rule. Pursuant to Minnesota Statutes, Section 469.176, Subd. 6: if after 4 years from the date of certification of the original net tax capacity of the tax increment financing district pursuant to Minnesota Statutes, Section 469.177, no demolition, rehabilitation or renovation of property or other site preparation, including qualified improvement of a street adjacent to a parcel but not installation of utility service including sewer or water systems, has been commenced on a parcel located within a tax increment financing district by the authority or by the owner of the parcel in accordance with the tax increment financing plan, no additional tax increment may be taken from that parcel and the original net tax capacity of that parcel shall be excluded from the original net tax capacity of the tax increment financing district. If the authority or the owner of the parcel subsequently commences demolition, rehabilitation or renovation or other site preparation on that parcel including qualified improvement of a street adjacent to that parcel, in accordance with the tax increment financing plan, the authority shall certify to the county auditor that the activity has commenced and the county auditor shall certify the net tax capacity thereof as most recently certified by the commissioner of revenue and add it to the original net tax capacity of the tax increment financing district. The county auditor must enforce the provisions of this subdivision. For purposes of this subdivision, qualified improvements of a street are limited to (1) construction or opening of a new street, (2) relocation of a street, and (3) substantial reconstruction or rebuilding of an existing street.

Section 3.20. Excess Tax Increments. Pursuant to Minnesota Statutes, Section 469.176, Subd 2, in any year in which the tax increment exceeds the amount necessary to pay the costs authorized by the Plan, including the amount necessary to cancel any tax levy as provided in Minnesota Statutes, Section 475.61, Subd. 3, the EDA shall use the excess amount to do any of the following:

1. prepay any outstanding bonds;
2. discharge the pledge of tax increment therefor;
3. pay into an escrow account dedicated to the payment of such bond; or
4. return the excess to the County Auditor for redistribution to the respective taxing jurisdictions in proportion to their local tax rates.

In addition, the EDA may, subject to the limitations set forth herein, choose to modify the Plan in order to finance additional Public Costs in TIF District No. 1-21 or the Project Area or terminate TIF District No. 1-21 in advance of its legally required termination date.

Section 3.21. Administration of TIF District No. 1-21. Administration of TIF District No. 1-21 will be handled by the Community Development Director of the City.

Section 3.22. Financial Reporting Requirements. The EDA will comply with all reporting requirements of Minnesota Statutes, Section 469.175, Subd. 5 and 6.

Section 3.23. Requirements for Agreements with Developers. The EDA will review any proposal for private development to determine its conformance with the Project Plan and with applicable municipal ordinances and codes. To facilitate this effort, the following documents may be requested for review and approval: site plan, construction, mechanical, and electrical system drawings, landscaping plan, grading and storm drainage plan, signage system plan, and any other drawings or narrative deemed necessary by the EDA to demonstrate the conformance of the development with City plans and ordinances. The EDA may also use the agreements to address other issues related to the development.

Pursuant to Minnesota Statutes, Section 469.176, Subd. 5, no more than 25%, by acreage, of the property to be acquired in TIF District No. 1-21 as set forth in the TIF Plan shall at any time be owned by the EDA as a result of acquisition with the proceeds of bonds issued pursuant to Minnesota Statutes, Section 469.178, without the EDA having, prior to acquisition in excess of 25% of the acreage, concluded an agreement for the development or redevelopment of the property acquired and which provides recourse for the EDA should the development or redevelopment not be completed.

Section 3.24. Green Acres. TIF District No. 1-21 does not contain any parcel or part of a parcel that qualified under the provisions of Minnesota Statutes, Section 273.111 or Section 273.112 and Chapter 473H for taxes payable in any of the 5 calendar years before the filing of the request for certification of TIF District No. 1-21.

Section 3.25. County Road Costs. Pursuant to Minnesota Statutes, Section 469.175, Subd. 1a, the County board may require the EDA to pay for all or part of the cost of county road improvements if, the proposed development to be assisted by tax increment will, in the judgment of the County, substantially increase the use of county roads requiring construction of road improvements or other road costs and if the road improvements are not scheduled within the next five years under a capital improvement plan or other County plan.

In the opinion of the EDA and consultants, the proposed development outlined in this Plan will have little or no impact upon county roads. If the County elects to use increments to improve county roads, it must notify the EDA within 30 days of receipt of this TIF Plan.

Section 3.26. Assessment Agreements. Pursuant to Minnesota Statutes, Section 469.177, Subd. 8, the EDA may enter into an agreement in recordable form with the developer of property within TIF District No. 1-21 which establishes a minimum market value of the land and completed improvements for the duration of TIF District No. 1-21. The assessment agreement shall be presented to the assessor who shall review the plans and specifications for the improvements constructed, review the market value previously assigned to the land upon which the improvements are to be constructed and, so long as the minimum market value contained in the assessment agreement appear, in the judgment of the assessor, to be a reasonable estimate, the assessor may certify the minimum market value agreement. The EDA does not anticipate entering into an assessment agreement in connection with the Development.

EXHIBIT A
Map Depicting Project Area

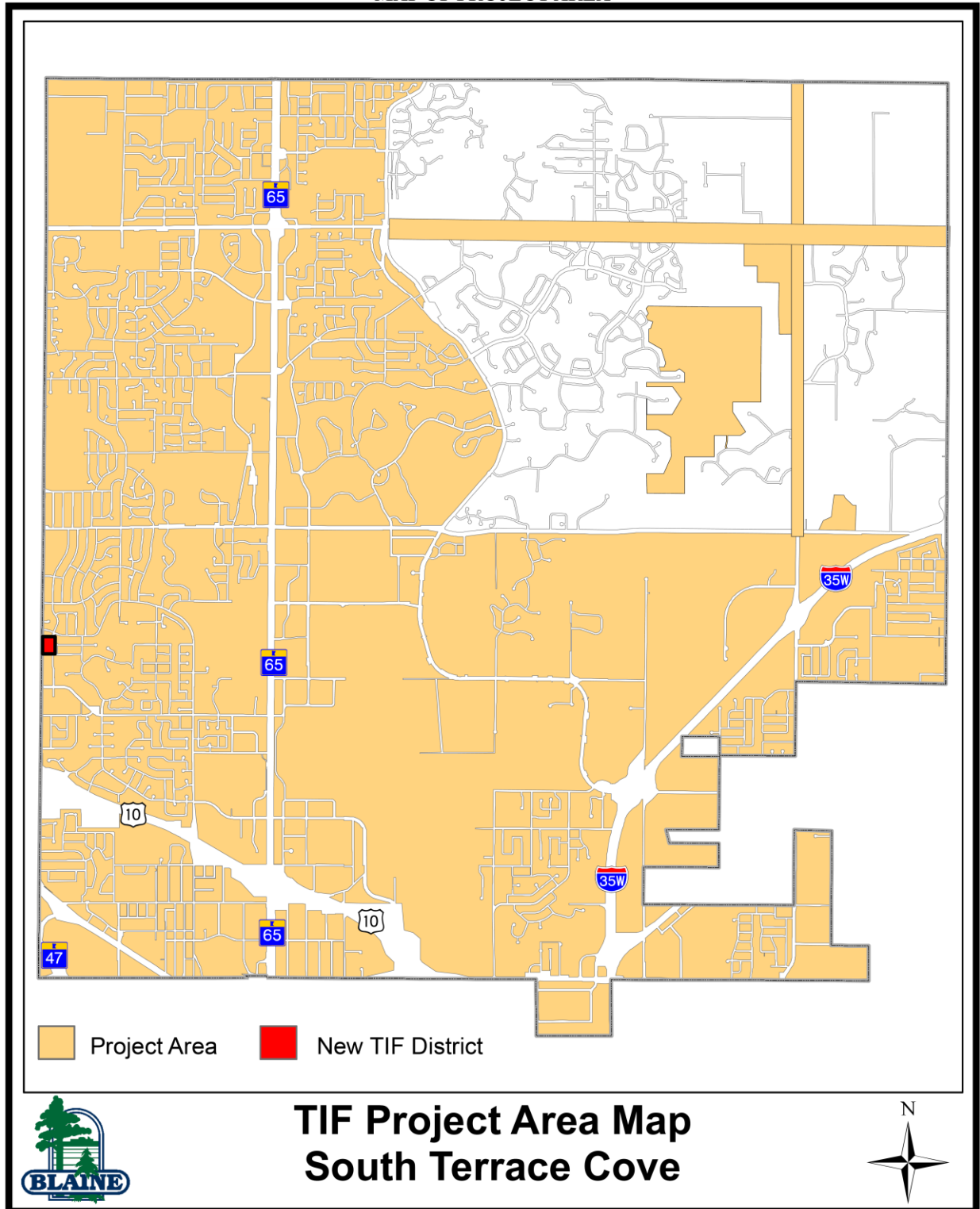


EXHIBIT B

Map Depicting TIF District No. 1-21

Parcel Identification Nos. 19-31-23-33-0001, 19-31-23-33-0002, and 19-31-23-33-0003 and all adjacent roadways and rights-of-way and other areas wherein will be installed or upgraded the various public improvements necessary for and part of the overall project



EXHIBIT C
Summary of Estimated Fiscal and Economic Implications of
TIF District No. 1-21

Estimated Impact on Other Taxing Jurisdictions Report

City of Blaine, Minnesota
Tax Increment Financing (Redevelopment) District No. 1-21
Proposed Redevelopment Project
Draft TIF Plan Exhibits: 43 Townhome Units valued at \$250,000 per unit

Taxing Jurisdiction	Without Project or TIF District		With Project and TIF District					
	2017/2018 Taxable Net Tax Capacity (1)	2017/2018 Local Tax Rate	2017/2018 Taxable Net Tax Capacity (1)	Projected Retained Captured Net Tax Capacity +	New Taxable Net Tax Capacity =	Hypothetical Adjusted Local Tax Rate (*)	Hypothetical Decrease In Local Tax Rate (*)	Hypothetical Tax Generated by Retained Captured N.T.C. (*)
City of Blaine	64,562,002	35.989%	64,562,002	\$123,599	64,685,601	35.920%	0.069%	44,397
Anoka County	309,179,905	35.334%	309,179,905	123,599	309,303,504	35.320%	0.014%	43,655
ISD # 11	205,415,989	18.392%	205,415,989	123,599	205,539,588	18.381%	0.011%	22,719
Other (2)	---	6.122%	---	123,599	---	6.122%	---	---
Totals		95.837%				95.743%	0.094%	

*** Statement 1:** If the projected Retained Captured Net Tax Capacity of the TIF District was hypothetically available to each of the taxing jurisdictions above, the result would be a lower local tax rate (see Hypothetical Adjusted Tax Rate above) which would produce the same amount of taxes for each taxing jurisdiction. In such a case, the total local tax rate would decrease by 0.094% (see Hypothetical Decrease in Local Tax Rate above). The hypothetical tax that the Retained Captured Net Tax Capacity of the TIF District would generate is also shown above.

Statement 2: Since the projected Retained Captured Net Tax Capacity of the TIF District is not available to the taxing jurisdictions, then there is no impact on taxes levied or local tax rates.

- (1) Taxable net tax capacity = total net tax capacity - captured TIF - fiscal disparity contribution, if applicable.
(2) The impact on these taxing jurisdictions is negligible since they represent only 6.39% of the total tax rate.

EXHIBIT D
Cash Flow Projections and Other Financial Data Relating to
TIF District No. 1-21

Projected Tax Increment Report

City of Blaine, Minnesota
Tax Increment Financing (Redevelopment) District No. 1-21
Proposed Redevelopment Project
Draft TIF Plan Exhibits: 43 Townhome Units valued at \$250,000 per unit

Annual Period Ending (1)	Total Estimated Market Value ⁽¹⁾ (2)	Total Net Tax Capacity ⁽²⁾ (3)	Less: Original Net Tax Capacity ⁽³⁾ (4)	Retained Captured Net Tax Capacity (5)	Times: Tax Capacity Rate ⁽⁴⁾ (6)	Annual Gross Tax Increment (7)	Less: State Aud. Deduction 0.360% (8)	Subtotal Net Tax Increment (9)	Less: Admin. Retainage 10.00% (10)	Annual Net Revenue (11)	P.V. Annual Net Rev. To 08/01/18 4.00%
12/31/19	1,358,000	13,580	13,580	0	95.837%	0	0	0	0	0	0
12/31/20	1,358,000	13,580	13,580	0	95.837%	0	0	0	0	0	0
12/31/21	5,375,000	53,750	13,580	40,170	95.837%	38,498	139	38,359	3,836	34,523 *	30,491
12/31/22	10,803,750	108,038	13,580	94,458	95.837%	90,525	326	90,199	9,020	81,179	68,940
12/31/23	10,911,788	109,118	13,580	95,538	95.837%	91,561	330	91,231	9,123	82,108	67,047
12/31/24	11,020,905	110,209	13,580	96,629	95.837%	92,606	333	92,273	9,227	83,046	65,205
12/31/25	11,131,114	111,311	13,580	97,731	95.837%	93,663	337	93,326	9,333	83,993	63,412
12/31/26	11,242,426	112,424	13,580	98,844	95.837%	94,729	341	94,388	9,439	84,949	61,667
12/31/27	11,354,850	113,548	13,580	99,968	95.837%	95,807	345	95,462	9,546	85,916	59,970
12/31/28	11,468,398	114,684	13,580	101,104	95.837%	96,895	349	96,546	9,655	86,891	58,318
12/31/29	11,583,082	115,831	13,580	102,251	95.837%	97,994	353	97,641	9,764	87,877	56,711
12/31/30	11,698,913	116,989	13,580	103,409	95.837%	99,104	357	98,747	9,875	88,872	55,148
12/31/31	11,815,902	118,159	13,580	104,579	95.837%	100,225	361	99,864	9,986	89,878	53,627
12/31/32	11,934,061	119,341	13,580	105,761	95.837%	101,358	365	100,993	10,099	90,894	52,147
12/31/33	12,053,402	120,534	13,580	106,954	95.837%	102,502	369	102,133	10,213	91,920	50,707
12/31/34	12,173,936	121,739	13,580	108,159	95.837%	103,657	373	103,284	10,328	92,956	49,307
12/31/35	12,295,675	122,957	13,580	109,377	95.837%	104,823	377	104,446	10,445	94,001	47,943
12/31/36	12,418,632	124,186	13,580	110,606	95.837%	106,002	382	105,620	10,562	95,058	46,618
12/31/37	12,542,818	125,428	13,580	111,848	95.837%	107,192	386	106,806	10,681	96,125	45,328
12/31/38	12,668,247	126,682	13,580	113,102	95.837%	108,394	390	108,004	10,800	97,204	44,074
12/31/39	12,794,929	127,949	13,580	114,369	95.837%	109,608	395	109,213	10,921	98,292	42,853
12/31/40	12,922,878	129,229	13,580	115,649	95.837%	110,834	399	110,435	11,044	99,391	41,665
12/31/41	13,052,107	130,521	13,580	116,941	95.837%	112,073	403	111,670	11,167	100,503	40,511
12/31/42	13,182,628	131,826	13,580	118,246	95.837%	113,324	408	112,916	11,292	101,624	39,387
12/31/43	13,314,454	133,145	13,580	119,565	95.837%	114,587	413	114,174	11,417	102,757	38,295
12/31/44	13,447,599	134,476	13,580	120,896	95.837%	115,863	417	115,446	11,545	103,901	37,232
12/31/45	13,582,075	135,821	13,580	122,241	95.837%	117,152	422	116,730	11,673	105,057	36,198
12/31/46	13,717,896	137,179	13,580	123,599	95.837%	118,454	426	118,028	11,803	106,225	35,193
						\$2,637,430	\$9,496	\$2,627,934	\$262,794	\$2,365,140	\$1,287,994

* election to delay receipt of first increment until 2021

⁽¹⁾ value based on estimate provided by City - \$250,000/unit for 43 townhome units with 1% annual market value inflator

⁽²⁾ tax capacity based on residential owner-occupied class rate of 1.0% for first \$500,000 of value per unit

⁽³⁾ original net tax capacity will be based on existing land and building values for payable 2019 and classified as owner-occupied

⁽⁴⁾ combined local tax capacity rate of City of Blaine, ISD 11 and Anoka County for payable 2018

Market Value Analysis Report

City of Blaine, Minnesota

Tax Increment Financing (Redevelopment) District No. 1-21

Proposed Redevelopment Project

Draft TIF Plan Exhibits: 43 Townhome Units valued at \$250,000 per unit

<u>Assumptions</u>				
Present Value Date			06/30/19	
P.V. Rate - Gross T.I.			4.00%	
Increase in EMV With TIF District			\$12,359,896	
Less: P.V of Gross Tax Increment			1,488,689	
Subtotal			\$10,871,207	
Less: Increase in EMV Without TIF			0	
Difference			\$10,871,207	
	Year	Annual Gross Tax Increment	Present Value @ 4.00%	
1	2021	38,498	35,242	
2	2022	90,525	79,682	
3	2023	91,561	77,495	
4	2024	92,606	75,364	
5	2025	93,663	73,293	
6	2026	94,729	71,276	
7	2027	95,807	69,315	
8	2028	96,895	67,406	
9	2029	97,994	65,548	
10	2030	99,104	63,741	
11	2031	100,225	61,983	
12	2032	101,358	60,272	
13	2033	102,502	58,608	
14	2034	103,657	56,989	
15	2035	104,823	55,414	
16	2036	106,002	53,882	
17	2037	107,192	52,391	
18	2038	108,394	50,941	
19	2039	109,608	49,530	
20	2040	110,834	48,158	
21	2041	112,073	46,823	
22	2042	113,324	45,525	
23	2043	114,587	44,262	
24	2044	115,863	43,033	
25	2045	117,152	41,839	
26	2046	118,454	40,677	
		\$2,637,430	\$1,488,689	

Assumptions Report

City of Blaine, Minnesota

Tax Increment Financing (Redevelopment) District No. 1-21

Proposed Redevelopment Project

Draft TIF Plan Exhibits: 43 Townhome Units valued at \$250,000 per unit

Type of Tax Increment Financing District

Redevelopment

Maximum Duration of TIF District

25 years from 1st increment

Projected Certification Request Date

06/30/19

Decertification Date

12/31/46 (26 Years of Increment)

2018/2019

Base Estimated Market Value *

\$1,358,000

Parcel ID 19-31-23-33-0001

19-31-23-33-0002

19-31-23-33-0003

Original Net Tax Capacity *

\$13,580

Assessment/Collection Year

2019/2020

2020/2021

2021/2022

2022/2023

Base Estimated Market Value

\$1,358,000

\$1,358,000

\$1,358,000

\$1,358,000

Increase in Estimated Market Value

0

4,017,000

9,445,750

9,553,788

Total Estimated Market Value

1,358,000

5,375,000

10,803,750

10,911,788

Total Net Tax Capacity

\$13,580

\$53,750

\$108,038

\$109,118

City of Blaine

35.989%

Anoka County

35.334%

ISD # 11

18.392%

Other

6.122% Coon Creek Watershed

Local Tax Capacity Rate

95.837% 2017/2018

Fiscal Disparities Contribution From TIF District

NA

Administrative Retainage Percent (maximum = 10%)

10.00%

Pooling Percent

0.00%

Bonds

Bonds Dated

NA

Bond Issue @ 0.00% (NIC)

NA

Eligible Project Costs

NA

Interfund Loan

Note Dated

08/01/18

Note Rate

4.00%

Note Amount

\$1,299,000

Present Value Date & Rate

08/01/18

4.00% Present Value Amount

\$1,287,994

Notes

Assumptions assume no change to future tax rates, class rates, and a 1% annual MV inflator is assumed

Calculations include payable 2018 final tax capacity rates

Total EMV upon completion based on developer range (\$250,000-\$300,000/unit)

* Base EMV of properties as provided by Anoka County

Document comparison by Workshare Compare on Sunday, September 23, 2018
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Document 2 ID	PowerDocs://DOCSOPEN/533594/4
Description	DOCSOPEN-#533594-v4-Blaine_TIF_1-21_TIF_PLAN_(South_Terrace_Cove_Project)
Rendering set	Standard

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<u>Insertion</u>	
Deletion	
Moved from	
Moved to	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

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Moved to	0
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