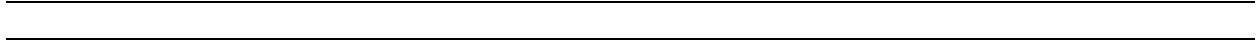


Amendments Relating to Blaine Economic Development Project Plan  
of the  
Blaine Economic Development Authority,  
Including Establishment and Approval of  
Tax Increment Financing District No. 1-20 (An Economic Development District) and  
a Tax Increment Financing Plan therefor

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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 Mortenson Development, Inc., a Minnesota corporation.

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

“County” means Anoka County, Minnesota.

“Development” means the acquisition, construction and equipping of an approximately 70,000 square foot custom manufacturing, office, research and development and warehouse facility and an approximately 5,000 square foot pilot research and development building to be located at 9859 & 9879 Naples St. NE, Blaine MN 55434.

“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.

“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.

“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. 1-20.

“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.

“Tenant” means Crown Iron Works Company, a Delaware corporation.

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

“TIF District No. 1-20” means Tax Increment Financing District No. 1-20 (An Economic Development 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. 1-20, 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. 1-20
- 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. 1-20 (An Economic Development District)  
Budget**

<b>SOURCES OF FUNDS</b>	<b>TIF Financing</b>	
Tax Increment Revenues <sup>(1)</sup>	\$1,038,818	(1)
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$1,038,818</b>	
<b>USES OF FUNDS</b>	<b>TIF Financing</b>	
Land Acquisition	\$	
Site improvements/preparation costs	\$715,000	
Utilities	\$	
Parking and other public improvements	\$	
Administrative Costs	\$103,881	
Interest Payments	\$219,937	(2)
<b>TOTAL USES OF FUNDS</b>	<b>\$1,038,818</b>	

(1) Amount net of State Auditor deduction

(2) Interfund Loan and Pay-As-You-Go Note Interest Payment based on estimated rate of 5%

Bonding authorized by the TIF Plan in an amount up to \$1,038,818 may include traditional general obligation or revenue bonding, including interest-bearing “pay-as-you-go” financing, interest bearing internal EDA-financed borrowing, 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. The EDA intends to issue a combination of a “pay-as-you-go” note to the Company and 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. 1-20.

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. 1-20. More specifically, the EDA anticipates defraying up to approximately \$713,755 of the Company’s hard

construction costs of the Development through an interest-bearing pay-as-you-go tax increment revenue note or bond together with \$486,245 of pooled tax increment from an existing Tax Increment Financing District in the Project Area. The interest on any pay-as-you-go tax increment revenue note or interfund loan or other bond would also be payable from these tax increments, but the total payable under such revenue obligations would not exceed the total tax increments of this TIF District over its full term less the eligible administrative expenses. The assumptions and projected cash flows for TIF District No. 1-20 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 area 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. 1-20, 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. 1-20 (An economic Development 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. 19. This TIF District shall consist of the property depicted in the map attached as **Exhibit B**, including Parcel Identification Nos. 26-31-23-23-0002 and 26-31-23-23-0001 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. 1-20, 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. 1-20. The EDA anticipates entering into a development agreement with the Company for the construction of the Development (acquisition, construction and equipping of an approximately 70,000 square foot custom manufacturing, office, research and development and warehouse facility and an approximately 5,000 square foot pilot research and development building, to be owned and operated by the Company or its assigns and leased to the Tenant, together with various 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 \$11,053,684. Construction of the Development is estimated to be completed by May 31, 2019.

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. 1-20 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 EDA 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. 1-20 is approximately \$998,800. The most recent net tax capacity of TIF District No. 1-20 is estimated to be \$19,226 as of 2018. The net tax capacity of this TIF District, at the completion and full valuation of the Development, is estimated to be approximately \$167,468; therefore the captured net tax capacity at the completion of the Development is estimated to be approximately \$92,452 and \$116,567 in the final year of TIF District No. 1-20 assuming 3% market value inflation. The market value upon completion of the Development is estimated to be approximately \$8,410,875, assuming 3% market value inflation. The Tax Increments will be captured for up to 9 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. 1-20 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. 1-20 is an economic development district pursuant to Minnesota Statutes, Section 469.174, Subd. 12 as described below:

*“Economic development district” means a type of tax increment financing district which consists of any project, or portions of a project, which the authority finds to be in the public interest because:*

- (1) it will discourage commerce, industry, or manufacturing from moving their operations to another state or municipality; or*
- (2) it will result in increased employment in the state; or*
- (3) it will result in preservation and enhancement of the tax base of the state.*

The TIF District is in the public interest because it will meet the statutory requirement from clauses 1, 2 and 3.

Pursuant to *M.S., Section 469.176, Subd. 4c*, revenue derived from tax increment from an economic development district may not be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or assistance in any form to developments consisting of buildings and ancillary facilities, if more than 15% of the buildings and facilities (determined on the basis of square footage) is used for a purpose other than:

- (1) The manufacturing or production of tangible personal property, including processing resulting in the change in condition of the property;*
- (2) Warehousing, storage, and distribution of tangible personal property, excluding retail sales;*
- (3) Research and development related to the activities listed in items (1) or (2);*
- (4) Telemarketing if that activity is the exclusive use of the property; or*
- (5) Tourism facilities;*

(6) Space necessary for and related to the activities listed in items (1) to (5);

In meeting the statutory criteria described above, the EDA relies on the following facts and findings:

The facilities in the Tax Increment Financing District meet the conditions of Purposes 2 and 6.

The TIF District is being created to assist in the construction of a distribution facility. The proposed facility will be used for distribution of goods and related activities.

Pursuant to *M.S., Section 469.176, Subd. 7*, the TIF District does not contain any parcel or part of a parcel that qualified under the provisions of *M.S., Sections 273.111 or 273.112 or Chapter 473H* for taxes payable in any of the five calendar years before the filing of the request for certification of the TIF District.

**Section 3.9. Duration of TIF District.** The duration of the TIF District will be 8 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 2020, resulting in an estimated final year of 2028. The EDA may terminate the TIF District before the end of the 9 year term if all costs of the project have been paid or provided for.

**Section 3.10. Impact on Taxing Jurisdictions.** The impact of this TIF District on the affected taxing jurisdictions is reflected in the EDA's anticipated need to utilize the Tax Increments generated from this TIF District 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 this TIF District would be available to such taxing jurisdictions without creation of this TIF District.

On the assumption that the estimated captured tax capacity of this TIF District would be available to the above taxing jurisdictions without creation of this TIF District, 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 \$116,567 of captured net tax capacity in the final year of TIF District No. 1-20 (assuming approximately 3% 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 this TIF District, during the period of this District's existence, 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. 1-20 is approximately \$1,042,572 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 \$413,432 and \$368,736, respectively. Existing roads and utilities will serve the Development. It is not expected that TIF District No. 1-20 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. 1-20 on such services is expected to be minimal. The EDA anticipates that it will issue a pay as you go tax increment revenue note to the Company for a portion of the Public Costs but such note or other 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. 1-20 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., \$9,345,515 approximately) after subtracting the present value of the projected tax increments for the maximum duration of TIF District No. 1-20 (i.e., \$800,991 approximately), which is approximately \$8,544,524. A comparative analysis of estimated market values both with and without establishment of TIF District No. 1-20 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

development 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. 1-20 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.

Pursuant to M.S., Section 469.176, Subd. 4c, revenue derived from tax increment from an economic development district may not be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or assistance in any form to developments consisting of buildings and ancillary facilities, if more than 15% of the buildings and facilities (determined on the basis of square footage) is used for a purpose other than:

- (1) The manufacturing or production of tangible personal property, including processing resulting in the change in condition of the property;
- (2) Warehousing, storage, and distribution of tangible personal property, excluding retail sales;
- (3) Research and development related to the activities listed in items (1) or (2);
- (4) Telemarketing if that activity is the exclusive use of the property; or
- (5) Tourism facilities;
- (6) Space necessary for and related to the activities listed in items (1) to (5);

The allocated administrative expenses of the authority, including the cost of preparation of the 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 80% of tax increments from TIF District No. 1-20 must be expended on activities in TIF District No. 1-20 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 20% of said tax increments may be expended, through a development fund or otherwise, on activities outside of TIF District No. 1-20 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. 1-20.
3. Five Year Limitation on Commitment of Tax Increments. Tax increments derived from TIF District No. 1-20 shall be deemed to have satisfied the 80% 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. 1-20, 80% 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. 1-20 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. 1-20 enlargement with a listing of all properties within TIF District No. 1-20 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. 1-20 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. 1-20;
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. 1-20 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. 1-20, and (2)(A) the current net tax capacity of the parcel(s) eliminated from TIF District No. 1-20 equals or exceeds the net tax capacity of those parcel(s) in TIF District No. 1-20'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. 1-20.

The EDA must notify the County Auditor of any modification that reduces or enlarges the geographic area of TIF District No. 1-20 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. 1-20;
2. relocation benefits paid to or services provided for persons residing or businesses located in the Project Area or TIF District No. 1-20; 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. 1-20 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. 1-20, 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. 1-20. 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. 1-20 or Project Area or terminate the TIF District in advance of its legally required termination date.

Section 3.21. Administration of TIF District No. 1-20. Administration of TIF District No. 1-20 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 10%, by acreage, of the property to be acquired in TIF District No. 1-20 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 10% 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. 1-20 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. 1-20.

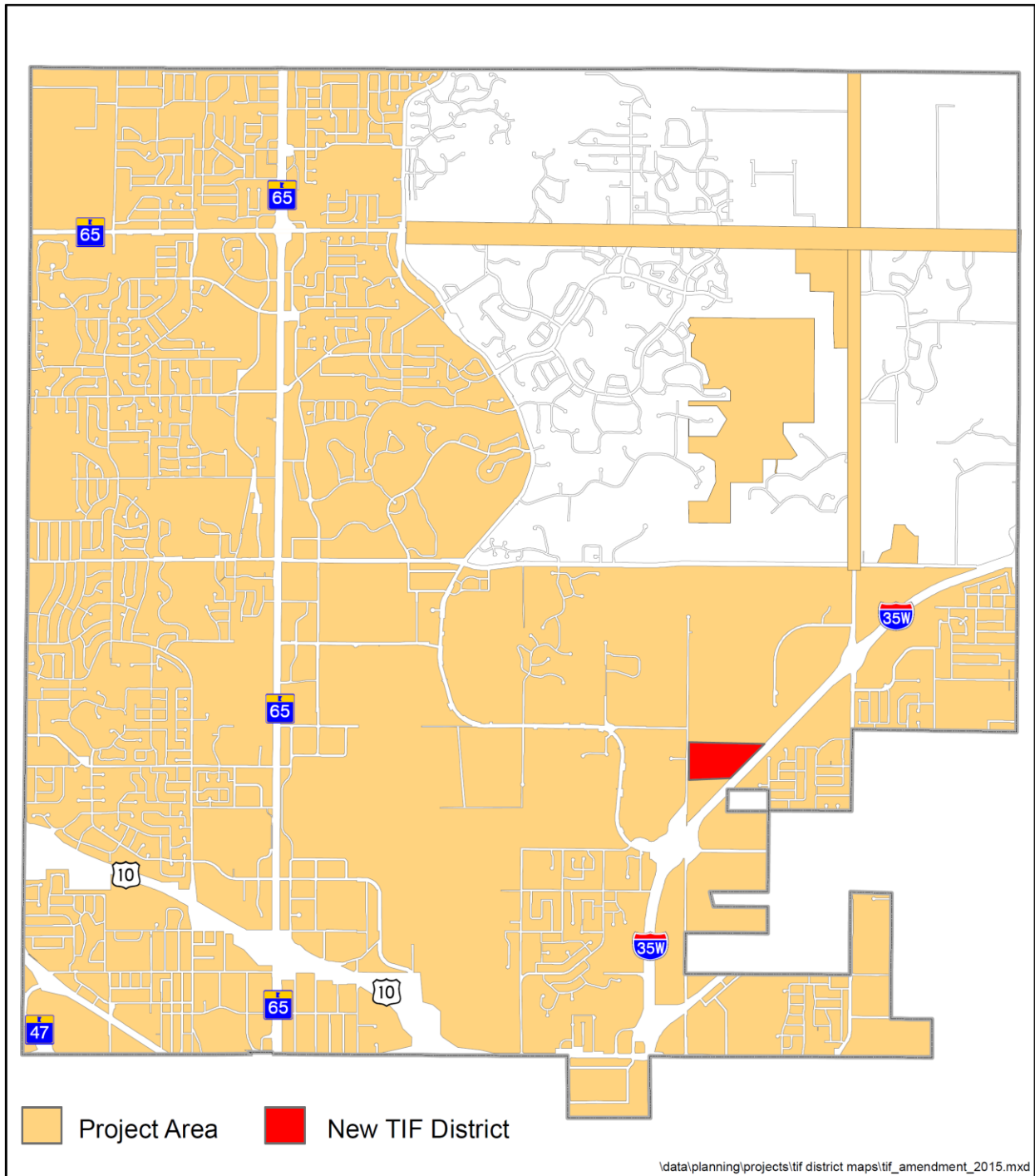
Section 3.25. County Road Costs. Pursuant to Minnesota Statutes, Section 469.175, Subd. 1a, the County board may require the EDA to pay for all or part of the cost of county road improvements if, the proposed development to be assisted by tax increment will, in the judgment of the County, substantially 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. 1-20 which establishes a minimum market value of the land and completed improvements for the duration of TIF District No. 1-20. 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

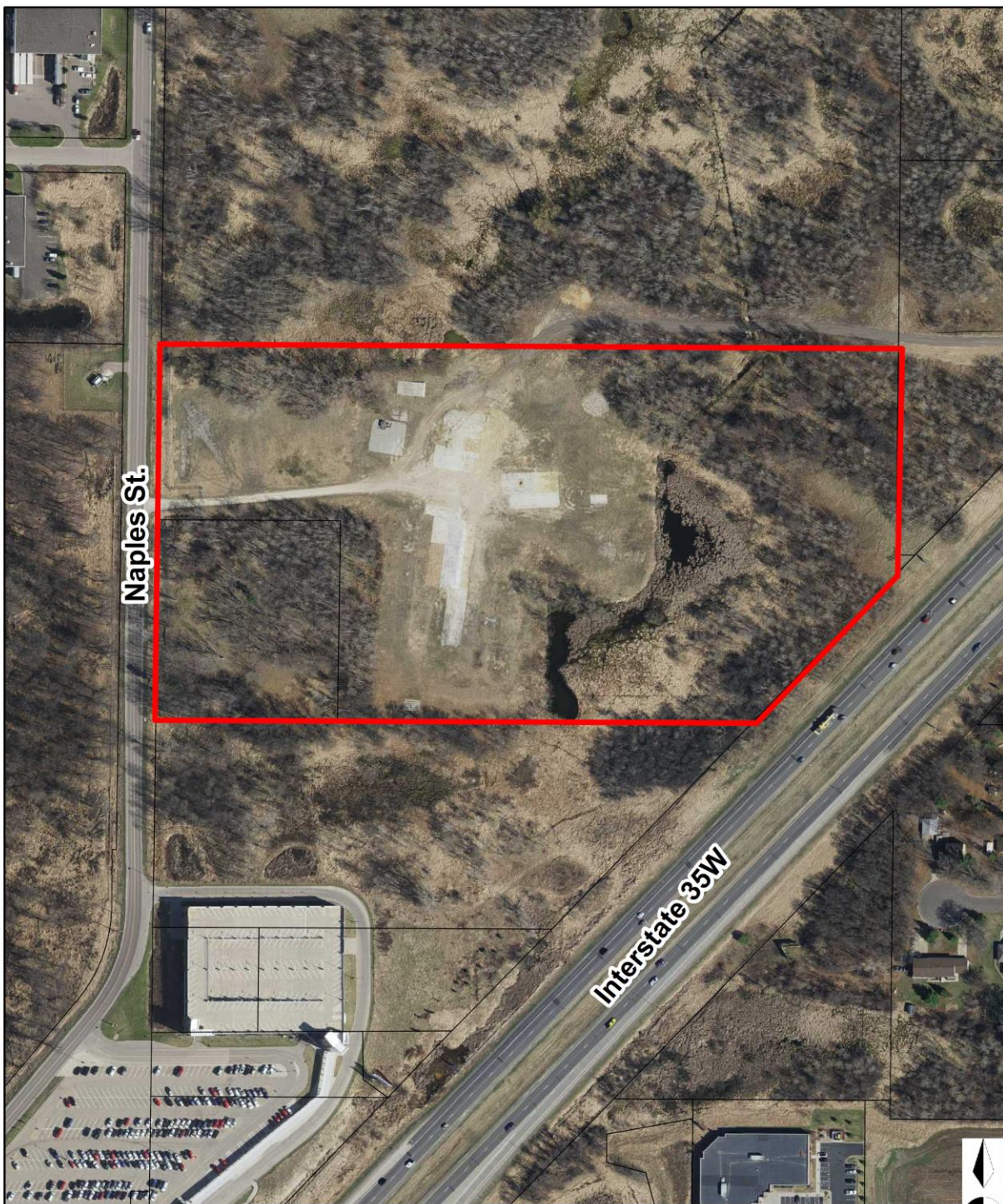


**TIF Project Area Map  
July 2018**



EXHIBIT B

Map Depicting TIF District No. 1-20  
Parcel Identification Nos. 26-31-23-23-0002 and 26-31-23-23-0001



PID: 26-31-23-23-0002  
26-31-23-23-0001



## EXHIBIT C

### Summary of Estimated Fiscal and Economic Implications of TIF District No. 1-20

**Estimated Impact on Other Taxing Jurisdictions Report**

**City of Blaine, Minnesota  
Tax Increment Financing (Economic Development) District No. 1-20  
Mortenson/Crown Iron Works  
Draft TIF Plan Exhibits: based on \$8.25M taxable value**

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	26,563,275	35.989%	26,563,275	\$116,567		26,679,842	35.832%	0.157%	41,768
Anoka County	130,082,235	35.334%	130,082,235	116,567		130,198,802	35.302%	0.032%	41,151
ISD # 16	16,499,280	39.617%	16,499,280	116,567		16,615,847	39.339%	0.278%	45,856
Other (2)	---	6.512%	---	116,567		---	6.512%	---	---
Totals		117.452%					116.985%	0.467%	

\* **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 0.467% (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 5.54% of the total tax rate.

## EXHIBIT D

### Cash Flow Projections and Other Financial Data Relating to TIF District No. 1-20

#### Assumptions Report

**City of Blaine, Minnesota**  
**Tax Increment Financing (Economic Development) District No. 1-20**  
**Mortenson/Crown Iron Works**  
**Draft TIF Plan Exhibits: based on \$8.25M taxable value**

Type of Tax Increment Financing District	Economic Development
Maximum Duration of TIF District	8 years from 1st increment
Projected Certification Request Date	06/30/18
Decertification Date	12/31/28 (9 Years of Increment)

Base Estimated Market Value *	<u>2017/2018</u> \$998,800
Parcel ID 26-31-23-23-0001 26-31-23-23-0002	
Original Net Tax Capacity *	\$19,226

	Assessment/Collection Year			
	2018/2019	2019/2020	2020/2021	2021/2022
Base Estimated Market Value	\$998,800	\$998,800	\$998,800	\$998,800
Increase in Estimated Market Value	0	4,363,700	7,412,075	7,664,401
<b>Total Estimated Market Value</b>	<b>998,800</b>	<b>5,362,500</b>	<b>8,410,875</b>	<b>8,663,201</b>
<b>Total Net Tax Capacity</b>	<b>\$19,226</b>	<b>\$106,500</b>	<b>\$167,468</b>	<b>\$172,514</b>

City of Blaine	35.989%
Anoka County	35.334%
ISD # 16	39.617%
Other	6.512%

Local Tax Capacity Rate 117.452% 2017/2018

Fiscal Disparities Contribution From TIF District	37.6344%
Administrative Retainage Percent (maximum = 10%)	10.00%
Pooling Percent	0.00%

Bonds	PayGO Note		
Bonds Dated	NA	Note Dated	08/01/19
Bond Issue @ 0.00% (NIC)	NA	Note Rate	5.00%
Eligible Project Costs	NA	Note Amount	\$713,756
Present Value Date & Rate	08/01/19	5.00% Present Value Amount	\$718,296

**Notes**

Assumptions assume no change to future tax rates, class rates, and a 3% annual MV inflator is assume  
 Calculations include payable 2018 final tax capacity rate  
 Total EMV upon completion based on County Assessor value estimate of \$8.25M



**Projected Tax Increment Report**

**City of Blaine, Minnesota**  
**Tax Increment Financing (Economic Development) District No. 1-20**  
**Mortenson/Crown Iron Works**  
**Draft TIF Plan Exhibits: based on \$8.25M taxable value**

Annual Period Ending (1)	Total Estimated Market Value (2)	Total Net Tax Capacity (3)	Less: Original Net Tax Capacity (4)	Less: Fiscal Disp. @ 37.6344% (5)	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 08/01/19 5.00%
12/31/18	998,800	19,226	19,226	0	0	117.452%	0	0	0	0	0	0
12/31/19	998,800	19,226	19,226	0	0	117.452%	0	0	0	0	0	0
12/31/20	5,362,500	106,500	19,226	32,845	54,429	117.452%	63,928	230	63,698	6,370	57,328	54,156
12/31/21	8,410,875	167,468	19,226	55,790	92,452	117.452%	108,586	391	108,195	10,820	97,375	87,607
12/31/22	8,663,201	172,514	19,226	57,689	95,599	117.452%	112,283	404	111,879	11,188	100,691	86,276
12/31/23	8,923,097	177,712	19,226	59,645	98,841	117.452%	116,091	418	115,673	11,567	104,106	84,955
12/31/24	9,190,790	183,066	19,226	61,660	102,180	117.452%	120,012	432	119,580	11,958	107,622	83,642
12/31/25	9,466,514	188,580	19,226	63,735	105,619	117.452%	124,052	447	123,605	12,361	111,244	82,340
12/31/26	9,750,509	194,260	19,226	65,873	109,161	117.452%	128,212	462	127,750	12,775	114,975	81,049
12/31/27	10,043,025	200,110	19,226	68,075	112,809	117.452%	132,497	477	132,020	13,202	118,818	79,769
12/31/28	10,344,315	206,136	19,226	70,343	116,567	117.452%	136,911	493	136,418	13,642	122,776	78,502
							<b>\$1,042,572</b>	<b>\$3,754</b>	<b>\$1,038,818</b>	<b>\$103,883</b>	<b>\$934,935</b>	<b>\$718,296</b>

(1) value based on estimate provided by County assessing and supporting materials, includes 3% annual market value inflator  
 (2) tax capacity based on commercial-industrial class rate of 1.50% for first \$150,000 of value and 2% for value above \$150,000  
 (3) original net tax capacity will be based on existing land and building values and commercial-industrial class rate for payable 2018  
 (4) combined local tax capacity rate of City of Blaine, ISD 16 and Anoka County for payable 2018

**Market Value Analysis Report**

**City of Blaine, Minnesota**

**Tax Increment Financing (Economic Development) District No. 1-20**

**Mortenson/Crown Iron Works**

**Draft TIF Plan Exhibits: based on \$8.25M taxable value**

<u>Assumptions</u>				
	Present Value Date			08/01/19
	P.V. Rate - Gross T.I.			5.00%
<hr/>				
	Increase in EMV With TIF District			\$9,345,515
	Less: P.V of Gross Tax Increment			800,991
				<hr/>
	Subtotal			\$8,544,524
	Less: Increase in EMV Without TIF			0
				<hr/>
	Difference			\$8,544,524
<hr/>				
		Year	Annual Gross Tax Increment	Present Value @ 5.00%
	1	2020	63,928	60,391
	2	2021	108,586	97,693
	3	2022	112,283	96,209
	4	2023	116,091	94,735
	5	2024	120,012	93,271
	6	2025	124,052	91,820
	7	2026	128,212	90,380
	8	2027	132,497	88,953
	9	2028	136,911	87,539
			<hr/>	<hr/>
			\$1,042,572	\$800,991

Prepared by: Springsted Incorporated (6/24/2018)