



*As of March 18, 2010
Draft for Fiscal Implications*

**Modification to the Redevelopment Plan
for the Richfield Redevelopment Project Area**

and the

Tax Increment Financing Plan

for the establishment of

**the 2010-1 Housing Tax Increment Financing District
(Woodlake Housing)
(a housing district)**

within

the Richfield Redevelopment Project Area

Richfield Housing and Redevelopment Authority
City of Richfield
Hennepin County
State of Minnesota

Public Hearing: April 27, 2010
Adopted:

This document is in draft form for distribution to the County and the School District. The TIF Plan contains the estimated fiscal and economic implications of the proposed TIF District. The City and the HRA may make minor changes to this draft document prior to the public hearing.



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***Section 1 - Modification to the Redevelopment Plan
for the Richfield Redevelopment Project Area***

Foreword

The following text represents a Modification to the Redevelopment Plan for the Richfield Redevelopment Project Area. This modification represents a continuation of the goals and objectives set forth in the Redevelopment Plan for the Richfield Redevelopment Project Area. Generally, the substantive changes include the establishment of 2010-1 Housing Tax Increment Financing District (Woodlake Housing).

For further information, a review of the Redevelopment Plan for the Richfield Redevelopment Project Area is recommended. It is available from the Community Development Director at the City of Richfield. Other relevant information is contained in the Tax Increment Financing Plans for the Tax Increment Financing Districts located within the Richfield Redevelopment Project Area.

Section 2 - Tax Increment Financing Plan for the 2010-1 Housing Tax Increment Financing District (Woodlake Housing)

Subsection 2-1. Foreword

The Richfield Housing and Redevelopment Authority (the "HRA"), the City of Richfield (the "City"), staff and consultants have prepared the following information to expedite the establishment of the 2010-1 Housing Tax Increment Financing District (Woodlake Housing) (the "District"), a housing tax increment financing district, located in the Richfield Redevelopment Project Area.

Subsection 2-2. Statutory Authority

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the HRA and City have certain statutory powers pursuant to *Minnesota Statutes ("M.S."), Sections 469.001 to 469.047*, inclusive, as amended, and *M.S., Sections 469.174 to 469.1799*, inclusive, as amended (the "Tax Increment Financing Act" or "TIF Act"), to assist in financing public costs related to this project.

This section contains the Tax Increment Financing Plan (the "TIF Plan") for the District. Other relevant information is contained in the Modification to the Redevelopment Plan for the Richfield Redevelopment Project Area.

Subsection 2-3. Statement of Objectives

The District currently consists of 3 parcels of land and adjacent and internal rights-of-way. The District is being created to facilitate the construction of a 90-unit, market rate housing development with an affordable component in the City. Please see Appendix A for further District information. The HRA has not entered into an agreement at the time of preparation of this TIF Plan, but development is likely to occur in summer 2010. The HRA anticipates entering into an agreement with Michael Development. This TIF Plan is expected to achieve many of the objectives outlined in the Redevelopment Plan for the Richfield Redevelopment Project Area.

The activities contemplated in the Modification to the Redevelopment Plan and the TIF Plan do not preclude the undertaking of other qualified development or redevelopment activities. These activities are anticipated to occur over the life of the Richfield Redevelopment Project Area and the District.

Subsection 2-4. Redevelopment Plan Overview

1. Property to be Acquired - The HRA currently owns one parcel of property within the District. The remaining property located within the District may be acquired by the HRA or City and is further described in this TIF Plan.
2. Relocation - Relocation services, to the extent required by law, are available pursuant to *M.S., Chapter 117* and other relevant state and federal laws.
3. Upon approval of a developer's plan relating to the project and completion of the necessary legal requirements, the HRA or City may sell to a developer selected properties that it owns or may acquire within the District or may lease land or facilities to a developer.
4. The HRA or City may perform or provide for some or all necessary acquisition, construction, relocation, demolition, and required utilities and public street work within the District.

Subsection 2-5. Description of Property in the District and Property To Be Acquired

The District encompasses all property and adjacent rights-of-way and abutting roadways identified by the parcels listed in Appendix C of this TIF Plan. Please also see the map in Appendix B for further information on the location of the District.

The HRA currently owns one parcel to be included in the District.

Subsection 2-6. Classification of the District

The HRA and City, in determining the need to create a tax increment financing district in accordance with *M.S., Sections 469.174 to 469.1799*, as amended, inclusive, find that the District, to be established, is a housing district pursuant to *M.S., Section 469.174, Subd. 11 and M.S., Section 469.1761* as defined below:

M.S., Section 469.174, Subd.11:

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

M.S., Section 469.1761:

Subd. 1. Requirement imposed.

(a) In order for a tax increment financing district to qualify as a housing district:

(1) the income limitations provided in this section must be satisfied; and

(2) no more than 20 percent of the square footage of buildings that receive assistance from tax increments may consist of commercial, retail, or other nonresidential uses.

(b) The requirements imposed by this section apply to property receiving assistance financed with tax increments, including interest reduction, land transfers at less than the Authority's cost of acquisition, utility service or connections, roads, parking facilities, or other subsidies. The provisions of this section do not apply to districts located within a targeted area as defined in Section 462C.02 Subd 9, clause (e).

(c) For purposes of the requirements of paragraph (a), the authority may elect to treat an addition to an existing structure as a separate building if:

(1) construction of the addition begins more than three years after construction of the existing structure was completed; and

(2) for an addition that does not meet the requirements of paragraph (a), clause (2), if it is treated as a separate building, the addition was not contemplated by the tax increment

financing plan which includes the existing structure.

Subd. 2. Owner occupied housing.

For owner occupied residential property, 95 percent of the housing units must be initially purchased and occupied by individuals whose family income is less than or equal to the income requirements for qualified mortgage bond projects under section 143(f) of the Internal Revenue Code.

Subd. 3. Rental property.

For residential rental property, the property must satisfy the income requirements for a qualified residential rental project as defined in section 142(d) of the Internal Revenue Code. The requirements of this subdivision apply for the duration of the tax increment financing district.

Subd. 4. Noncompliance; enforcement.

Failure to comply with the requirements of this section is subject to M.S., Section 469.1771.

In meeting the statutory criteria the HRA and City rely on the following facts and findings:

- The District consists of 3 parcels.
- The development will consist of 90 units of multi-family rental housing.
- 20% of the units will be occupied by person with incomes less than 50% of median income.

Pursuant to *M.S., Section 469.176, Subd. 7*, the 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 District.

Subsection 2-7. Duration and First Year of Tax Increment of the District

Pursuant to *M.S., Section 469.175, Subd. 1, and Section 469.176, Subd. 1*, the duration and first year of tax increment of the District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b.*, the duration of the District will be 25 years after receipt of the first increment by the HRA or City (a total of 26 years of tax increment). The HRA or City elects to receive the first tax increment in 2013, which is no later than four years following the year of approval of the District. Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2038, or when the TIF Plan is satisfied. The HRA or City reserves the right to decertify the District prior to the legally required date.

Subsection 2-8. Original Tax Capacity, Tax Rate and Estimated Captured Net Tax Capacity Value/Increment and Notification of Prior Planned Improvements

If the request for certification of the District is filed prior to July 1, 2010, pursuant to *M.S. Section 469.174, Subd. 7* and *M.S. Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) for the parcels owned by the developer will be based on the market values placed on the property by the assessor in 2009 for taxes payable in 2010 and if the request for certification of the District is filed on or after July 1, 2010, the ONTC of the parcels owned by the developer will be based on the market values placed on the property by the assessor in 2010 for taxes payable in 2011.

The HRA parcel within the District is currently exempt from property taxes. If the HRA conveys its parcel to the developer in calendar year 2010, the ONTC of the parcel will be based on the market value placed on the property by the assessor as of January 2, 2010 for taxes payable in 2011. If the HRA conveys its parcel

to the developer on or after January 2, 2011, the assessor will determine the market value of the property at the time of transfer of the parcel.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2013) the amount by which the original value has increased or decreased as a result of:

1. Change in tax exempt status of property;
2. Reduction or enlargement of the geographic boundaries of the district;
3. Change due to adjustments, negotiated or court-ordered abatements;
4. Change in the use of the property and classification;
5. Change in state law governing class rates; or
6. Change in previously issued building permits.

In any year in which the current Net Tax Capacity (NTC) value of the District declines below the ONTC, no value will be captured and no tax increment will be payable to the HRA or City.

The original local tax rate for the District will be the local tax rate for taxes payable 2010, assuming the request for certification is made before June 30, 2010. The ONTC and the Original Local Tax Rate for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. 4 and M.S., Section 469.177, Subd. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within the Richfield Redevelopment Project Area, upon completion of the projects within the District, will annually approximate tax increment revenues as shown in the table below. The HRA and City request 100 percent of the available increase in tax capacity for repayment of its obligations and current expenditures, beginning in the tax year payable 2013. The Project Tax Capacity (PTC) listed is an estimate of the captured tax capacity of the District in the final year of collection of tax increment (year 25 of the District).

Project Estimated Tax Capacity upon Completion (PTC)	\$144,737	
Original Estimated Net Tax Capacity (ONTC)	\$29,363	
Fiscal Disparities Reduction	\$0	
Estimated Captured Tax Capacity (CTC)	\$115,374	
Original Local Tax Rate	1.25524	Estimated Pay 2010
Estimated Annual Tax Increment (CTC x Local Tax Rate)	\$144,822	
Percent Retained by the HRA	100%	

*Tax capacity includes a 1.5% inflation factor for the duration of the District. The tax capacity included in this chart is the estimated tax capacity of the District in year 25. The tax capacity of the District in year one is estimated to be \$101,250.

Pursuant to *M.S., Section 469.177, Subd. 4*, the HRA shall, after a due and diligent search, accompany its request for certification to the County Auditor or its notice of the District enlargement pursuant to *M.S., Section 469.175, Subd. 4*, with a listing of all properties within the District or area of enlargement for which building permits have been issued during the eighteen (18) months immediately preceding approval of the TIF Plan by the municipality pursuant to *M.S., Section 469.175, Subd. 3*. The County Auditor shall increase the original net tax capacity of the District by the net tax capacity of improvements for which a building permit was issued.

The City is reviewing the area to be included in the District to determine if any building permits have been issued during the 18 months immediately preceding approval of the TIF Plan by the City.

Subsection 2-9. Sources of Revenue/Bonds to be Issued

The costs outlined in the Uses of Funds will be financed primarily through the annual collection of tax increments. The HRA or City reserves the right to issue bonds or incur other indebtedness as a result of the TIF Plan. As presently proposed, the project within the District will be financed by a pay-as-you-go note. In addition, the HRA may enter into an interfund loan pursuant to *M.S. Section 469.178* to reimburse itself for funds advanced for the project through the conveyance of land to a developer for less than fair market value. Additional indebtedness may be required to finance other authorized activities. The total principal amount of bonds to be issued, or other indebtedness related to the use of tax increment financing, will not exceed \$1,690,000 without a modification to the TIF Plan pursuant to applicable statutory requirements. It is estimated that \$1,690,000 in a pay-as-you-go note will be financed with tax increment revenues. Any refunding amounts will be deemed a budgeted cost without a formal TIF Plan Modification.

This provision does not obligate the HRA or City to incur debt. The HRA or City will issue bonds or incur other debt only upon the determination that such action is in the best interest of the City. The HRA or City may also finance the activities to be undertaken pursuant to the TIF Plan through loans from funds of the HRA or City or to reimburse the developer on a "pay-as-you-go" basis for eligible costs paid for by a developer.

The total estimated tax increment revenues for the District are expected to be approximately \$2,900,000, as shown in the table below:

<u>SOURCES OF FUNDS</u>	<u>TOTAL</u>
Tax Increment	\$2,900,000

The HRA or City may issue bonds (as defined in the TIF Act) secured in whole or in part with tax increments from the District in a maximum principal amount of \$1,690,000. Such bonds may be in the form of pay-as-you-go notes, revenue bonds or notes, general obligation bonds, or interfund loans. This estimate of total bonded indebtedness is a cumulative statement of authority under this TIF Plan as of the date of this modification.

Subsection 2-10. Uses of Funds

Currently under consideration for the District is a proposal to facilitate the construction of a 90-unit, market rate housing development with an affordable component. The HRA and City have determined that it will be necessary to provide assistance to the project(s) for certain District costs, as described. The HRA has studied the feasibility of the development or redevelopment of property in and around the District. To facilitate the establishment and development or redevelopment of the District, this TIF Plan authorizes the use of tax increment financing to pay for the cost of certain eligible expenses. The estimate of public costs and uses of funds associated with the District is outlined in the table on the following page.

<u>USES OF TAX INCREMENT FUNDS</u>	TOTAL
Land/Building Acquisition	\$1,000,000
Site Improvements/Preparation	\$400,000
Public Utilities	\$0
Public Parking Facilities	\$0
Streets and Sidewalks	\$0
<u>Administrative Costs (up to 10%)</u>	<u>\$290,000</u>
PROJECT COST TOTAL	\$1,690,000
<u>Interest</u>	<u>\$1,210,000</u>
PROJECT AND INTEREST COSTS TOTAL	\$2,900,000

For purposes of OSA reporting forms, uses of funds include interfund loans, bond principal, TIF Note principal, and transfers, all in the principal amount of \$1,690,000. These amounts are not cumulative, but represent the various forms of "bonds" included within the concept of bonded indebtedness under the TIF Act.

The total project cost, including financing costs (interest) listed in the table above does not exceed the total projected tax increments for the District as shown in Appendix D.

Estimated costs associated with the District are subject to change among categories without a modification to this TIF Plan unless the estimate of the cost of the project, including administrative costs, increases. The cost of all activities to be considered for tax increment financing will not exceed, without formal modification, the budget above pursuant to the applicable statutory requirements. The HRA may expend funds for qualified housing activities outside of the District boundaries.

Subsection 2-11. Fiscal Disparities Election

Pursuant to *M.S., Section 469.177, Subd. 3*, the City may elect one of two methods to calculate fiscal disparities. If the calculations pursuant to *M.S., Section 469.177, Subd. 3, clause b*, (within the District) are followed, the following method of computation shall apply:

- (1) *The original net tax capacity shall be determined before the application of the fiscal disparity provisions of Chapter 276A or 473F. The current net tax capacity shall exclude any fiscal disparity commercial-industrial net tax capacity increase between the original year and the current year multiplied by the fiscal disparity ratio determined pursuant to M.S., Section 276A.06, subdivision 7 or M.S., Section 473F.08, subdivision 6. Where the original net tax capacity is equal to or greater than the current net tax capacity, there is no captured tax capacity and no tax increment determination. Where the original tax capacity is less than the current tax capacity, the difference between the original net tax capacity and the current net tax capacity is the captured net tax capacity. This amount less any portion thereof which the authority has designated, in its tax increment financing plan, to share with the local taxing districts is the retained captured net tax capacity of the authority.*
- (2) *The county auditor shall exclude the retained captured net tax capacity of the authority from the net tax capacity of the local taxing districts in determining local taxing district tax rates. The*

local tax rates so determined are to be extended against the retained captured net tax capacity of the authority as well as the net tax capacity of the local taxing districts. The tax generated by the extension of the less of (A) the local taxing district tax rates or (B) the original local tax rate to the retained captured net tax capacity of the authority is the tax increment of the authority.

The City will choose to calculate fiscal disparities by clause b. However, it is not anticipated that the District will contain commercial/industrial property. As a result, there should be no impact due to the fiscal disparities provision on the District.

According to *M.S., Section 469.177, Subd. 3*:

(c) The method of computation of tax increment applied to a district pursuant to paragraph (a) or (b) shall remain the same for the duration of the district, except that the governing body may elect to change its election from the method of computation in paragraph (a) to the method in paragraph (b).

Subsection 2-12. Business Subsidies

Pursuant to *M.S., Section 116J.993, Subd. 3*, the following forms of financial assistance are not considered a business subsidy:

- (1) A business subsidy of less than \$150,000;
- (2) Assistance that is generally available to all businesses or to a general class of similar businesses, such as a line of business, size, location, or similar general criteria;
- (3) Public improvements to buildings or lands owned by the state or local government that serve a public purpose and do not principally benefit a single business or defined group of businesses at the time the improvements are made;
- (4) Redevelopment property polluted by contaminants as defined in *M.S., Section 116J.552, Subd. 3*;
- (5) Assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code and assistance provided for designated historic preservation districts, provided that the assistance is equal to or less than 50% of the total cost;
- (6) Assistance to provide job readiness and training services if the sole purpose of the assistance is to provide those services;
- (7) Assistance for housing;
- (8) Assistance for pollution control or abatement, including assistance for a tax increment financing hazardous substance subdistrict as defined under *M.S., Section 469.174, Subd. 23*;
- (9) Assistance for energy conservation;
- (10) Tax reductions resulting from conformity with federal tax law;
- (11) Workers' compensation and unemployment compensation;
- (12) Benefits derived from regulation;
- (13) Indirect benefits derived from assistance to educational institutions;
- (14) Funds from bonds allocated under chapter 474A, bonds issued to refund outstanding bonds, and bonds issued for the benefit of an organization described in section 501 (c) (3) of the Internal Revenue Code of 1986, as amended through December 31, 1999;
- (15) Assistance for a collaboration between a Minnesota higher education institution and a business;
- (16) Assistance for a tax increment financing soils condition district as defined under *M.S., Section 469.174, Subd. 19*;
- (17) Redevelopment when the recipient's investment in the purchase of the site and in site preparation is 70 percent or more of the assessor's current year's estimated market value;
- (18) General changes in tax increment financing law and other general tax law changes of a principally technical nature.

- (19) Federal assistance until the assistance has been repaid to, and reinvested by, the state or local government agency;
- (20) Funds from dock and wharf bonds issued by a seaway port authority;
- (21) Business loans and loan guarantees of \$150,000 or less; and
- (22) Federal loan funds provided through the United States Department of Commerce, Economic Development Administration.

The HRA will comply with *M.S., Sections 116J.993 to 116J.995* to the extent the tax increment assistance under this TIF Plan does not fall under any of the above exemptions.

Subsection 2-13. County Road Costs

Pursuant to *M.S., Section 469.175, Subd. 1a*, the county board may require the HRA or City 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 within five years under another county plan.

If the county elects to use increments to improve county roads, it must notify the HRA or City within forty-five days of receipt of this TIF Plan. In the opinion of the HRA and City and consultants, the proposed development outlined in this TIF Plan will have little or no impact upon county roads, therefore the TIF Plan was not forwarded to the county 45 days prior to the public hearing. The HRA and City are aware that the county could claim that tax increment should be used for county roads, even after the public hearing.

Subsection 2-14. Estimated Impact on Other Taxing Jurisdictions

The estimated impact on other taxing jurisdictions assumes that the redevelopment contemplated by the TIF Plan would occur without the creation of the District. Through an analysis of the project financials, a financing gap exists and assistance is needed to move the project forward. The estimated fiscal impact of the District would be as follows if the "but for" test was not met:

IMPACT ON TAX BASE			
	Estimated 2009/Pay 2010 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) Upon Completion	Percent of CTC to Entity Total
Hennepin County	1,444,128,268	115,374	0.0080%
City of Richfield	26,887,191	115,374	0.4291%
Richfield ISD No. 280	35,305,263	115,374	0.3268%

IMPACT ON TAX RATES

	<u>Estimated Pay 2010 Extension Rates</u>	<u>Percent of Total</u>	<u>CTC</u>	<u>Potential Taxes</u>
Hennepin County	0.425610	33.91%	115,374	49,104
City of Richfield	0.498290	39.70%	115,374	57,490
Richfield ISD No. 280	0.249730	19.90%	115,374	28,812
Other	<u>0.081610</u>	<u>6.50%</u>	<u>115,374</u>	<u>9,416</u>
Total	1.255240	100.00%		144,822

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the estimated Pay 2010 rate. The total net capacity for the entities listed above are based on estimated Pay 2010 figures. The District will be certified under the actual Pay 2010 rates, which were unavailable at the time this TIF Plan was prepared.

Pursuant to *M.S. Section 469.175 Subd. 2(b)*:

- (1) Estimate of total tax increment. It is estimated that the total amount of tax increment that will be generated over the life of the District is \$2,900,000;
- (2) Probable impact of the District on city provided services and ability to issue debt. The probable impact of the District on police protection is not expected to be significant. With any addition of new residents or businesses, police calls for service will be increased. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

The probable impact of the District on fire protection is not expected to be significant. Typically new buildings generate few calls, if any, and are of superior construction. The City may have a slight increase in medical related calls; however, the development is not expected to require an increase in capital investment in vehicles or facilities.

The impact of the District on public infrastructure is expected to be minimal. The development is not expected to significantly impact any traffic movements in the area. The current infrastructure for sanitary sewer, storm sewer and water will be able to handle the additional volume generated from the proposed development. Based on the development plans, there are no additional costs associated with street maintenance, sweeping, plowing, lighting and sidewalks. The development in the District will contribute sanitary sewer (SAC) and water (WAC) connection fees.

The probable impact of any District general obligation tax increment bonds on the ability to issue debt for general fund purposes is expected to be minimal. It is not anticipated that there will be any general obligation debt issued in relation to this project, therefore there will be no impact on the City's ability to issue future debt or on the City's debt limit.

- (3) Estimated amount of tax increment attributable to school district levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same is \$749,112;

- (4) Estimated amount of tax increment attributable to county levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same is \$1,276,704;
- (5) Additional information requested by the county or school district. The City is not aware of any standard questions in a county or school district written policy regarding tax increment districts and impact on county or school district services. The county or school district must request additional information pursuant to *M.S. Section 469.175 Subd. 2(b)* within 15 days after receipt of the tax increment financing plan.

No requests for additional information from the county or school district regarding the proposed development for the District have been received.

Subsection 2-15. Supporting Documentation

Pursuant to *M.S. Section 469.175, Subd. 1 (a), clause 7* the TIF Plan must contain identification and description of studies and analyses used to make the findings that are required in the resolution approving the District. Following is a list of reports and studies on file at the City that support the HRA and City's findings:

- Application from Michael Development, January 15, 2010.
- Market Study by Maxfield Research, June 4, 2008.

Subsection 2-16. Definition of Tax Increment Revenues

Pursuant to *M.S., Section 469.174, Subd. 25*, tax increment revenues derived from a tax increment financing district include all of the following potential revenue sources:

1. Taxes paid by the captured net tax capacity, but excluding any excess taxes, as computed under *M.S., Section 469.177*;
2. The proceeds from the sale or lease of property, tangible or intangible, to the extent the property was purchased by the Authority with tax increments;
3. Principal and interest received on loans or other advances made by the Authority with tax increments;
4. Interest or other investment earnings on or from tax increments;
5. Repayments or return of tax increments made to the Authority under agreements for districts for which the request for certification was made after August 1, 1993; and
6. The market value homestead credit paid to the Authority under *M.S., Section 273.1384*.

Subsection 2-17. Modifications to the District

In accordance with *M.S., Section 469.175, Subd. 4*, any:

1. Reduction or enlargement of the geographic area of the District, if the reduction does not meet the requirements of *M.S., Section 469.175, Subd. 4(e)*;
2. Increase in amount of bonded indebtedness to be incurred;
3. A determination to capitalize interest on debt if that determination was not a part of the original TIF Plan;
4. Increase in the portion of the captured net tax capacity to be retained by the HRA or City;
5. Increase in the estimate of the cost of the District, including administrative expenses, that will be paid or financed with tax increment from the District; or
6. Designation of additional property to be acquired by the HRA or City,

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

Pursuant to *M.S. Section 469.175 Subd. 4(f)*, the geographic area of the District may be reduced, but shall not be enlarged after five years following the date of certification of the original net tax capacity by the county auditor. If a housing district is enlarged, the reasons and supporting facts for the determination that the addition to the district meets the criteria of *M.S., Section 469.174, Subd. 11* must be documented. The requirements of this paragraph do not apply if (1) the only modification is elimination of parcel(s) from the District and (2) (A) the current net tax capacity of the parcel(s) eliminated from the District equals or exceeds the net tax capacity of those parcel(s) in the District's original net tax capacity or (B) the HRA agrees that, notwithstanding *M.S., 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 the District.

The HRA or City must notify the County Auditor of any modification that reduces or enlarges the geographic area of the District. Modifications to the District in the form of a budget modification or an expansion of the boundaries will be recorded in the TIF Plan.

Subsection 2-18. Administrative Expenses

In accordance with *M.S., Section 469.174, Subd. 14*, administrative expenses means all expenditures of the HRA or City, *other than*:

1. Amounts paid for the purchase of land;
2. 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 District;
3. Relocation benefits paid to or services provided for persons residing or businesses located in the District; or
4. Amounts used to pay principal or interest on, fund a reserve for, or sell at a discount bonds issued pursuant to *M.S., Section 469.178*; or
5. Amounts used to pay other financial obligations to the extent those obligations were used to finance costs described in clauses (1) to (3).

For districts for which the request for certification were made before August 1, 1979, or after June 30, 1982, and before August 1, 2001, administrative expenses also include amounts paid for services provided by bond counsel, fiscal consultants, and planning or economic development consultants. Pursuant to *M.S., Section 469.176, Subd. 3*, tax increment may be used to pay any **authorized and documented** administrative expenses for the District up to but not to exceed 10 percent of the total estimated tax increment expenditures authorized by the TIF Plan or the total tax increments, as defined by *M.S., Section 469.174, Subd. 25, clause (1)*, from the District, whichever is less.

For districts for which certification was requested after July 31, 2001, no tax increment may be used to pay any administrative expenses for District costs which exceed ten percent of total estimated tax increment expenditures authorized by the TIF Plan or the total tax increments, as defined in *M.S., Section 469.174, Subd. 25, clause (1)*, from the District, whichever is less.

Pursuant to *M.S., Section 469.176, Subd. 4h*, tax increments may be used to pay for the County's actual administrative expenses incurred in connection with the District and are not subject to the percentage limits of *M.S., Section 469.176, Subd. 3*. The county may require payment of those expenses by February 15 of the year following the year the expenses were incurred.

Pursuant to *M.S., Section 469.177, Subd. 11*, the County Treasurer shall deduct an amount (currently .36 percent) of any increment distributed to the HRA or City 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. This amount may be adjusted annually by the Commissioner of Revenue.

Subsection 2-19. Limitation of Increment

The tax increment pledged to the payment of bonds and interest thereon may be discharged and the District may be terminated if sufficient funds have been irrevocably deposited in the debt service fund or other escrow account held in trust for all outstanding bonds to provide for the payment of the bonds at maturity or redemption date.

Pursuant to *M.S., Section 469.176, Subd. 6*:

if, after four years from the date of certification of the original net tax capacity of the tax increment financing district pursuant to M.S., 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. The authority must submit to the county auditor evidence that the required activity has taken place for each parcel in the district. The evidence for a parcel must be submitted by February 1 of the fifth year following the year in which the parcel was certified as included in the district. 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.

The HRA or City or a property owner must improve parcels within the District by approximately April 2014 and report such actions to the County Auditor.

Subsection 2-20. Use of Tax Increment

The HRA or City hereby determines that it will use 100 percent of the captured net tax capacity of taxable property located in the District for the following purposes:

1. To pay the principal of and interest on bonds issued to finance a project;
2. to finance, or otherwise pay public redevelopment costs of the Richfield Redevelopment Project Area pursuant to *M.S., Sections 469.001 to 469.047*;
3. To pay for project costs as identified in the budget set forth in the TIF Plan;
4. To finance, or otherwise pay for other purposes as provided in *M.S., Section 469.176, Subd. 4*;

5. To pay principal and interest on any loans, advances or other payments made to or on behalf of the HRA or City or for the benefit of the Richfield Redevelopment Project Area by a developer;
6. To finance or otherwise pay premiums and other costs for insurance or other security guaranteeing the payment when due of principal of and interest on bonds pursuant to the TIF Plan or pursuant to *M.S., Chapter 462C, M.S., Sections 469.152 through 469.165*, and/or *M.S., Sections 469.178*; 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 *M.S., Chapter 462C, M.S., Sections 469.152 through 469.165*, and/or *M.S., Sections 469.178*.

Revenues derived from tax increment from a housing district must be used solely to finance the cost of housing projects as defined in *M.S., Sections 469.174, Subd. 11 and 469.1761*. The cost of public improvements directly related to the housing projects and the allocated administrative expenses of the HRA or City may be included in the cost of a housing project.

These revenues shall not be used to circumvent any levy limitations applicable to the City nor for other purposes prohibited by *M.S., Section 469.176, Subd. 4*.

Tax increments generated in the District will be paid by Hennepin County to the HRA for the Tax Increment Fund of said District. The HRA or City will pay to the developer(s) annually an amount not to exceed an amount as specified in a developer's agreement to reimburse the costs of land acquisition, public improvements, demolition and relocation, site preparation, and administration. Remaining increment funds will be used for HRA or City administration (up to 10 percent) and the costs of public improvement activities outside the District.

Subsection 2-21. Excess Increments

Excess increments, as defined in *M.S., Section 469.176, Subd. 2*, shall be used only to do one or more of the following:

1. Prepay any outstanding bonds;
2. Discharge the pledge of tax increment for any outstanding bonds;
3. Pay into an escrow account dedicated to the payment of any outstanding bonds; or
4. Return the excess to the County Auditor for redistribution to the respective taxing jurisdictions in proportion to their local tax rates.

The HRA or City must spend or return the excess increments under paragraph (c) within nine months after the end of the year. In addition, the HRA or City may, subject to the limitations set forth herein, choose to modify the TIF Plan in order to finance additional public costs in the Richfield Redevelopment Project Area or the District.

Subsection 2-22. Requirements for Agreements with the Developer

The HRA or City will review any proposal for private development to determine its conformance with the Redevelopment 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 HRA or City to demonstrate the conformance of the development with City plans and ordinances. The HRA or City may also use the Agreements to address other issues related to the development.

Pursuant to *M.S., Section 469.176, Subd. 5*, no more than 10 percent, by acreage, of the property to be

acquired in the District as set forth in the TIF Plan shall at any time be owned by the HRA or City as a result of acquisition with the proceeds of bonds issued pursuant to *M.S., Section 469.178* to which tax increments from property acquired is pledged, unless prior to acquisition in excess of 10 percent of the acreage, the HRA or City concluded an agreement for the development of the property acquired and which provides recourse for the HRA or City should the development not be completed.

Subsection 2-23. Assessment Agreements

Pursuant to *M.S., Section 469.177, Subd. 8*, the HRA or City may enter into a written assessment agreement in recordable form with the developer of property within the District which establishes a minimum market value of the land and completed improvements for the duration of the District. The assessment agreement shall be presented to the County Assessor who shall review the plans and specifications for the improvements to be 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 appears, in the judgment of the assessor, to be a reasonable estimate, the County Assessor shall also certify the minimum market value agreement.

Subsection 2-24. Administration of the District

Administration of the District will be handled by the Community Development Director.

Subsection 2-25. Annual Disclosure Requirements

Pursuant to *M.S., Section 469.175, Subds. 5, 6, and 6b* the HRA or City must undertake financial reporting for all tax increment financing districts to the Office of the State Auditor, County Board and County Auditor on or before August 1 of each year. *M.S., Section 469.175, Subd. 5* also provides that an annual statement shall be published in a newspaper of general circulation in the City on or before August 15.

If the City fails to make a disclosure or submit a report containing the information required by *M.S., Section 469.175 Subd. 5 and Subd. 6*, the OSA will direct the County Auditor to withhold the distribution of tax increment from the District.

Subsection 2-26. Reasonable Expectations

As required by the TIF Act, in establishing the District, the determination has been made that the anticipated development would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future. In making said determination, reliance has been placed upon written representation made by the developer to such effects and upon HRA and City staff awareness of the feasibility of developing the project site(s) within the District.

Subsection 2-27. Other 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 public redevelopment costs of the the Richfield Redevelopment Project Area pursuant to *M.S., Sections 469.001 to 469.047*. Tax increments may not be used to circumvent existing levy limit law. No tax increment may 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. This provision does not prohibit the use of revenues derived from tax increments for the construction or renovation of a parking structure.

2. Housing District Exceptions to Restriction on Pooling; Five Year Limit. Tax increment derived from the District must be used solely to finance the cost of housing projects (including administrative expenses and public improvement costs) as defined in *M.S. Section 469.174, Subd. 11* and subject to the requirements set forth in *M.S. Section 469.1761*.

Pursuant to M.S. Section 469.1763, Subd. 3 (the “Five Year Rule”), expenditures of tax increment for housing purposes within the Richfield Redevelopment Project Area are considered to be an activity within the District, and therefore, such costs may be reimbursed with tax increment without regard to the Five Year Rule.

Subsection 2-28. Summary

The Richfield Housing and Redevelopment Authority is establishing the District to provide an impetus for residential development and provide safe and decent life cycle housing in the City. The TIF Plan for the District was prepared by Ehlers & Associates, Inc., 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, telephone (651) 697-8500.

Appendix A

Project Description

The 2010-1 Housing TIF District is being established to redevelop the Woodlake Plaza Shopping Center, which is currently a commercial center. According to Michael Development, the property is obsolete as a retail building.

The Lyndale Commons development will be located on 2 parcels currently owned by the developer and 1 parcel currently owned by the HRA.

The Lyndale Commons development will consist of 90 units of rental housing. Currently the plan will include nine studio apartments, forty-two one bedroom apartments, thirty-five two bedroom apartments and four three bedroom apartments. The current design provides two three-story elements defining the edge of Lyndale Avenue. Between these two elements, there is a landscaped courtyard that will provide a very “liveable” amenity for the resident, and will provide green space along Lyndale Avenue. Parking is available with sixty-nine below grade and sixty-five above grade stalls.

It is anticipated that the developer will be issued a pay-as-you-go note. In addition, the HRA will be paid for the property it owns within the District that is conveyed to the developer. It is estimated that the fair market value is \$80,000.

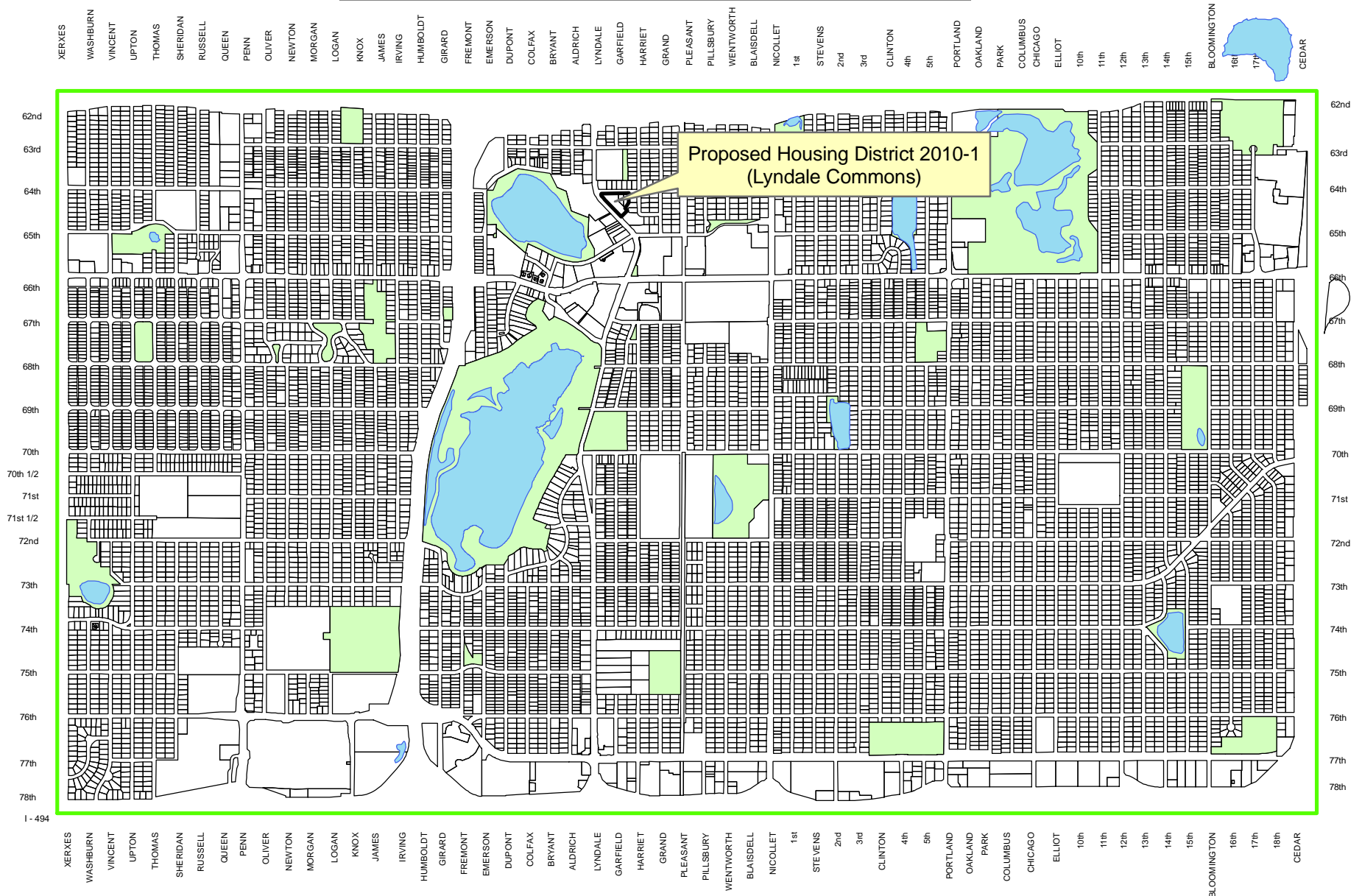
Appendix B

Map(s) of the Richfield Redevelopment Project Area and the District

Richfield Housing and Redevelopment Authority

Richfield Redevelopment Project Area

2010-1 Housing TIF District (Lyndale Commons)



The boundaries of the Richfield Redevelopment Project Area are coterminous with the corporate limits of the City of Richfield

Legend

- Proposed TIF District
- Richfield Redevelopment Project Area Boundary

Appendix C

Description of Property to be Included in the District

The District encompasses all property and adjacent rights-of-way and abutting roadways identified by the parcels listed below.

<u>Parcel Numbers</u>	<u>Address</u>	<u>Owner</u>
27-028-24-23-0092	6401 Lyndale Avenue South	Woodlake Plaza Partnership
27-028-24-23-0060	521 64 th Street West	Woodlake Plaza Partnership
27-028-24-23-0059	515 64 th Street West	Richfield HRA

Appendix D

Estimated Cash Flow for the District



EHLERS
& ASSOCIATES INC

Wood Lake Plaza Redevelopment

City of Richfield

Housing TIF District: Rental Housing Development

ASSUMPTIONS AND RATES

DistrictType:	Housing
District Name/Number:	TBD
County District #:	TBD
First Year Construction or Inflation on Value	2011
Existing District - Specify No. Years Remaining	
Inflation Rate - Every Year:	1.50%
Interest Rate:	6.00%
Present Value Date:	1-Aug-10
First Period Ending	1-Feb-11
Tax Year District was Certified:	Pay 2010
Cashflow Assumes First Tax Increment For District:	2013
Years of Tax Increment	26
Assumes Last Year of Tax Increment	2038
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	Inside(B)
Incremental or Total Fiscal Disparities	Incremental
Fiscal Disparities Contribution Ratio	39.8799% Pay 2010
Fiscal Disparities Metro-Wide Tax Rate	121.7320% Pay 2010

Maximum/Frozen Local Tax Rate:	125.5240%	Pay 2010
Current Local Tax Rate: (Use lesser of Current or Max.)	125.5240%	Pay 2010
State-wide Tax Rate (Comm./Ind. only used for total taxes)	46.0000%	Pay 2010
Market Value Tax Rate (Used for total taxes)	0.14643%	Pay 2010

PROPERTY TAX CLASSES AND CLASS RATES		
Exempt Class Rate (Exempt)		0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)		
First \$150,000		1.50%
Over \$150,000		2.00%
Commercial Industrial Class Rate (C/I)		2.00%
Rental Housing Class Rate (Rental)		1.25%
Affordable Rental Housing Class Rate (Aff. Rental)		0.75%
Non-Homestead Residential (Non-H Res.)		1.25%
Homestead Residential Class Rate (Hmstd. Res.)		
First \$500,000		1.00%
Over \$500,000		1.25%
Agricultural Non-Homestead		1.00%

BASE VALUE INFORMATION (Original Tax Capacity)

Map #	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Original Market Value	Tax Year Original Market Value	Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion Orig. Tax Cap.	Area/Phase
27-028-24-23-0092	WP Partners	6401 Lyndale	1,078,000	1,020,000	2,098,000	100%	2,098,000	Pay 2010	C/I Pref.	41,210	Rental	26,225		
27-028-24-23-0060	WP Partners	521 64th St. W	0	171,000	171,000	100%	171,000	Pay 2010	C/I	3,420	Rental	2,138		
27-028-24-23-0059	Richfield HRA	515 64th St. W	0	80,000	80,000	100%	80,000	Pay 2010	Exempt	-	Rental	1,000		
				1,078,000	1,271,000	2,349,000		2,349,000			44,630		29,363	

Note:

1. Base values are preliminary Pay 2010 values from Hennepin County
2. County may not adjust original tax capacity to new use, resulting in a higher base value.
3. Market value for the HRA parcel is based on estimates. It most likely will be adjusted when the parcel becomes taxable and may be valued between \$80,000 and \$85,000.



EHLERS
& ASSOCIATES INC

Wood Lake Plaza Redevelopment
City of Richfield
Housing TIF District: Rental Housing Development

PROJECT INFORMATION (Project Tax Capacity)											
Area/Phase	New Use	Total Sq. Ft./Units	Market Value Sq. Ft./Units	Market Value	Property Tax Class	Project Tax Capacity	Percentage Completed 2011	Percentage Completed 2012	Percentage Completed 2013	Percentage Completed 2014	First Year Full Taxes Payable
1	Rental Housing	90	90,000	8,100,000	Rental	101,250	100%	100%	100%	100%	2013
TOTAL				8,100,000		101,250					
Subtotal Residential		90		8,100,000		101,250					
Subtotal Commercial/Ind.		0		0		0					

Note:

- 1. Assumes partial increment in 2011. City and developer can elect to receive full increment beginning in 2012.
- 2. Market values are based upon estimates from developer that taxes will be between \$1,200 and \$1,330 per unit.

TAX CALCULATIONS									
New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Rental Housing	101,250	0	101,250	127,093	0	0	11,861	138,954	1,543.93
TOTAL	101,250	0	101,250	127,093	0	0	11,861	138,954	

Note:

- 1. Taxes and tax increment will vary significantly from year to year depending upon values, rates, state law, fiscal disparities and other factors which cannot be predicted.

WHAT IS EXCLUDED FROM TIF?	
Total Property Taxes	138,954
less State-wide Taxes	0
less Fiscal Disp. Adj.	0
less Market Value Taxes	(11,861)
less Base Value Taxes	(36,857)
Annual Gross TIF	90,236



**Wood Lake Plaza Redevelopment
City of Richfield
Housing TIF District: Rental Housing Development**

TAX INCREMENT CASH FLOW														
% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 5%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
														02/01/11
														08/01/11
														02/01/12
														08/01/12
														02/01/13
100%	101,250	(29,363)	-	71,888	126%	90,236	45,118	(162)	(2,248)	42,708	35,767	0.5	2013	08/01/13
							45,118	(162)	(2,248)	42,708	70,493	1	2013	02/01/14
100%	102,769	(29,363)	-	73,406	126%	92,142	46,071	(166)	(2,295)	43,610	104,919	1.5	2014	08/01/14
							46,071	(166)	(2,295)	43,610	138,342	2	2014	02/01/15
100%	104,310	(29,363)	-	74,948	126%	94,077	47,039	(169)	(2,343)	44,526	171,474	2.5	2015	08/01/15
							47,039	(169)	(2,343)	44,526	203,640	3	2015	02/01/16
100%	105,875	(29,363)	-	76,512	126%	96,041	48,021	(173)	(2,392)	45,455	235,522	3.5	2016	08/01/16
							48,021	(173)	(2,392)	45,455	266,475	4	2016	02/01/17
100%	107,463	(29,363)	-	78,101	126%	98,035	49,017	(176)	(2,442)	46,399	297,150	4.5	2017	08/01/17
							49,017	(176)	(2,442)	46,399	326,932	5	2017	02/01/18
100%	109,075	(29,363)	-	79,713	126%	100,058	50,029	(180)	(2,492)	47,357	356,443	5.5	2018	08/01/18
							50,029	(180)	(2,492)	47,357	385,094	6	2018	02/01/19
100%	110,711	(29,363)	-	81,349	126%	102,112	51,056	(184)	(2,544)	48,329	413,482	6.5	2019	08/01/19
							51,056	(184)	(2,544)	48,329	441,043	7	2019	02/01/20
100%	112,372	(29,363)	-	83,009	126%	104,197	52,098	(188)	(2,596)	49,315	468,348	7.5	2020	08/01/20
							52,098	(188)	(2,596)	49,315	494,857	8	2020	02/01/21
100%	114,057	(29,363)	-	84,695	126%	106,312	53,156	(191)	(2,648)	50,317	521,117	8.5	2021	08/01/21
							53,156	(191)	(2,648)	50,317	546,612	9	2021	02/01/22
100%	115,768	(29,363)	-	86,406	126%	108,460	54,230	(195)	(2,702)	51,333	571,865	9.5	2022	08/01/22
							54,230	(195)	(2,702)	51,333	596,381	10	2022	02/01/23
100%	117,505	(29,363)	-	88,142	126%	110,640	55,320	(199)	(2,756)	52,365	620,663	10.5	2023	08/01/23
							55,320	(199)	(2,756)	52,365	644,237	11	2023	02/01/24
100%	119,267	(29,363)	-	89,905	126%	112,852	56,426	(203)	(2,811)	53,412	667,582	11.5	2024	08/01/24
							56,426	(203)	(2,811)	53,412	690,247	12	2024	02/01/25
100%	121,056	(29,363)	-	91,694	126%	115,098	57,549	(207)	(2,867)	54,475	712,690	12.5	2025	08/01/25
							57,549	(207)	(2,867)	54,475	734,479	13	2025	02/01/26
100%	122,872	(29,363)	-	93,510	126%	117,377	58,689	(211)	(2,924)	55,553	756,052	13.5	2026	08/01/26
							58,689	(211)	(2,924)	55,553	776,997	14	2026	02/01/27
100%	124,715	(29,363)	-	95,353	126%	119,691	59,845	(215)	(2,981)	56,648	797,733	14.5	2027	08/01/27
							59,845	(215)	(2,981)	56,648	817,865	15	2027	02/01/28
100%	126,586	(29,363)	-	97,223	126%	122,039	61,019	(220)	(3,040)	57,760	837,794	15.5	2028	08/01/28
							61,019	(220)	(3,040)	57,760	857,143	16	2028	02/01/29
100%	128,485	(29,363)	-	99,122	126%	124,422	62,211	(224)	(3,099)	58,888	876,294	16.5	2029	08/01/29
							62,211	(224)	(3,099)	58,888	894,889	17	2029	02/01/30
100%	130,412	(29,363)	-	101,050	126%	126,841	63,421	(228)	(3,160)	60,033	913,292	17.5	2030	08/01/30
							63,421	(228)	(3,160)	60,033	931,159	18	2030	02/01/31
100%	132,368	(29,363)	-	103,006	126%	129,297	64,648	(233)	(3,221)	61,195	948,842	18.5	2031	08/01/31
							64,648	(233)	(3,221)	61,195	966,010	19	2031	02/01/32
100%	134,354	(29,363)	-	104,991	126%	131,789	65,895	(237)	(3,283)	62,375	982,999	19.5	2032	08/01/32
							65,895	(237)	(3,283)	62,375	999,493	20	2032	02/01/33
100%	136,369	(29,363)	-	107,007	126%	134,319	67,159	(242)	(3,346)	63,572	1,015,815	20.5	2033	08/01/33
							67,159	(242)	(3,346)	63,572	1,031,660	21	2033	02/01/34
100%	138,415	(29,363)	-	109,052	126%	136,887	68,443	(246)	(3,410)	64,787	1,047,339	21.5	2034	08/01/34
							68,443	(246)	(3,410)	64,787	1,062,561	22	2034	02/01/35
100%	140,491	(29,363)	-	111,128	126%	139,493	69,746	(251)	(3,475)	66,021	1,077,620	22.5	2035	08/01/35
							69,746	(251)	(3,475)	66,021	1,092,241	23	2035	02/01/36
100%	142,598	(29,363)	-	113,236	126%	142,138	71,069	(256)	(3,541)	67,272	1,106,706	23.5	2036	08/01/36
							71,069	(256)	(3,541)	67,272	1,120,749	24	2036	02/01/37
100%	144,737	(29,363)	-	115,375	126%	144,823	72,411	(261)	(3,608)	68,543	1,134,641	24.5	2037	08/01/37
							72,411	(261)	(3,608)	68,543	1,148,128	25	2037	02/01/38
100%	146,908	(29,363)	-	117,546	126%	147,548	73,774	(266)	(3,675)	69,833	1,161,468	25.5	2038	08/01/38
							73,774	(266)	(3,675)	69,833	1,174,420	26	2038	02/01/39
Total							3,046,925	(10,969)	(151,798)	2,884,158				
		Present Value From 08/01/2010		Present Value Rate	6.00%		1,240,698	(4,467)	(61,812)	1,174,420				

Appendix E

Housing Qualifications for the District

INCOME RESTRICTIONS - ADJUSTED FOR FAMILY SIZE (HOUSING DISTRICT) - HENNEPIN COUNTY HENNEPIN COUNTY MEDIAN INCOME: \$83,900		
No. of Persons	50% of Median Income	60% of Median Income
1-person	\$29,350	\$32,285
2-person	\$33,550	\$36,905
3-person	\$37,750	\$41,525
4-person	\$41,950	\$46,145

Source: Department of Housing and Urban Development and Minnesota Housing Finance Agency

The two options for income limits on a standard housing district are 20% of the units at 50% of median income or 40% of the units at 60% of median income. There are no rent restrictions for a housing district.

***PLEASE NOTE: THESE NUMBERS ARE ADJUSTED ANNUALLY. ALL INCOME FIGURES REPORTED ON THIS PAGE ARE FOR 2009. UPDATED NUMBERS FOR THE YEAR 2010 WILL BE AVAILABLE IN MARCH AND WILL BE UPDATED PRIOR TO THE PUBLIC HEARING FOR THE TIF DISTRICT.

Appendix F
Findings for the District

To be added prior to the public hearing