



TAX INCREMENT FINANCING PLAN
for establishment of the
Maple Brook Tax Increment Financing District
(a housing district)

Located in the Southbridge Development District

City of Northfield, Rice County, Minnesota

Public Hearing: July 2, 2019



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Table of Contents

Tax Increment Financing Plan for Maple Brook Tax Increment Financing District.....	3
Foreword.....	3
Statutory Authority	3
Statement of Objectives	3
Development Program Overview	3
Description of Property in the TIF District and Property to be Acquired	4
Classification of the TIF District	4
Duration and First Year of Tax Increment of the TIF District	5
Estimated Original Net Tax Capacity, Tax Rate, Captured Net Tax Capacity and Annual Tax Increment / Notification of Prior Planned Improvements.....	5
Sources of Revenue/Bonds to be Issued	6
Uses of Funds.....	7
Estimated Impact on Other Taxing Jurisdictions.....	7
Supporting Documentation	9
Administration of the TIF District	9
Appendix A: Map of Southbridge Development District and TIF District	A
Appendix B: Estimated Cashflow for the TIF District	B
Appendix C: Findings.....	C

Tax Increment Financing Plan for Maple Brook Tax Increment Financing District

Foreword

The City of Northfield (the "City"), staff and consultants have prepared the following information to expedite the establishment of the Maple Brook Tax Increment Financing District (the "TIF District"), a housing tax increment financing district, located in the Southbridge Development District.

Statutory Authority

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the City has certain statutory powers pursuant to *Minnesota Statutes ("M.S."), Sections 469.124 to 469.134*, inclusive, as amended (the "Municipal Development Act"), and *M.S., Sections 469.174 to 469.1794*, 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 Development Program for the Southbridge Development District.

Statement of Objectives

The TIF District currently consists of one parcel of land and adjacent and internal rights-of-way. The TIF District is being created to facilitate the private development of the Maple Brook Townhome project which includes construction of 24 units of apartments and associated infrastructure including an extension of Maple Street in the City. The City anticipates entering into an agreement with Schrom Construction as the developer. Development is anticipated to begin in 2019. This TIF Plan is expected to achieve many of the objectives outlined in the Development Program for Southbridge Development District.

The activities contemplated in the Modification to the Development Program 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 Southbridge Development District and the TIF District.

Development Program Overview

1. Property to be Acquired - Selected property located within the Southbridge Development District may be acquired by the City, including interior or adjacent rights of way. Such acquisition is to be 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 City may sell to a developer selected properties that it may acquire within the Development District or may lease land or facilities to a developer.
4. The City may perform or provide for some or all necessary acquisition, construction, relocation, demolition, and required utilities and public street work within the Development District as described in this TIF Plan.

Description of Property in the TIF District and Property to be Acquired

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

Parcel number	Address	Owner
22.07.3.01.069	N/A - Lot A of SOUTHBRIDGE 1ST ADD OUTLOT A SOUTHBRIDGE 1ST ADD	V & J Koester

See the map in Appendix A for further information on the location of the TIF District.

The City may acquire any parcel within the TIF District including interior and adjacent street rights of way, however the City does not anticipate acquiring any such property at this time. Any properties identified for acquisition will be acquired by the City only in order to accomplish one or more of the following: storm sewer improvements; provide land for needed public streets, utilities and facilities; carry out land acquisition, site improvements, clearance and/or development to accomplish the uses and objectives set forth in this plan. The City may acquire property by gift, dedication, condemnation or direct purchase from willing sellers in order to achieve the objectives of this TIF Plan. Such acquisitions will be undertaken only when there is assurance of funding to finance the acquisition and related costs.

Classification of the TIF District

The City, in determining the need to create a tax increment financing district in accordance with the TIF Act, finds that the TIF District, to be established, is a housing district pursuant to *M.S., Section 469.174, Subd. 11 and M.S., Section 469.1761*.

In meeting the statutory criteria, the City relies on the following facts and findings:

- The TIF District consists of one parcel.
- The development will consist of construction of 24-units of apartments and associated infrastructure including an extension of Maple Street in the City.
- At least 20% of the units will be reserved for occupancy by persons with incomes less than 50% of area median income.

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, 273.112, or 273.114 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.

Duration and First Year of Tax Increment of the TIF 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 TIF District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b.*, the duration of the TIF District will be 26 years. The City elects to receive the first tax increment in 2021, which is no later than four years following the year of approval of the TIF District. Thus, it is estimated that the TIF District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after the earlier of 2046 or when the TIF Plan is satisfied. The City reserves the right to decertify the TIF District prior to the legally required date.

Estimated Original Net Tax Capacity, Tax Rate, Captured Net Tax Capacity and Annual Tax Increment / Notification of Prior Planned Improvements

Pursuant to *M.S., Section 469.174, Subd. 7 and M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the TIF District will be based on the market values placed on the property by the assessor in 2019 for taxes payable 2020. The estimated ONTC as of January 2, 2019 is \$264.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2021) 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 TIF 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 TIF District declines below the ONTC, no value will be captured and no tax increment will be payable to the City.

The original local tax rate for the TIF District will be the local tax rate for taxes payable 2020, assuming the request for certification is made before June 30, 2020. That rate is not available at the time of drafting this TIF Plan. The Pay 2019 local tax rate is being utilized as an estimate for the Original Local Tax Rate for the TIF District tables throughout this TIF Plan.

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 TIF District, within the Southbridge Development District, upon completion of the projects within the TIF District will annually approximate tax increment revenues as shown in the table below. The City requests 100 percent of the available increase in tax capacity for repayment of its obligations and current expenditures, beginning in the tax year payable 2021. The Project Tax Capacity (PTC) listed is an estimate of values for the project when the TIF District is completed.

Project Net Tax Capacity		
Estimated Project Net Tax Capacity at completion	\$36,373	
Estimated Original Net Tax Capacity	\$264	
<u>Fiscal Disparities</u>	<u>\$0</u>	
Estimated Captured Tax Capacity	\$36,109	
Original Local Tax Rate	<u>130.2820%</u>	Pay 2019
Estimated Annual Tax Increment	\$47,043	
Percent Retained by the City	100%	

Note: Tax capacity estimates include a 1.0% inflation factor for the duration of the TIF 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 \$14,323 with partial value and \$28,646 at full value payable in 2022.

Pursuant to *M.S., Section 469.177, Subd. 4*, the City shall, after a due and diligent search, accompany its request for certification to the County Auditor or its notice of the TIF District enlargement pursuant to *M.S., Section 469.175, Subd. 4*, with a listing of all properties within the TIF 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 ONTC of the TIF District by the net tax capacity of improvements for which a building permit was issued.

The City has reviewed the area to be included in the TIF District and found no parcels for which building permits have been issued during the 18 months immediately preceding approval of the TIF Plan by the City.

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 City reserves the right to incur bonds or other indebtedness as a result of the TIF Plan. As presently proposed, the projects within the TIF District will be financed by a pay-as-you-go TIF Note and/or interfund loan. Any refunding amounts will be deemed a budgeted cost without a formal TIF Plan Modification. This provision does not obligate the City to incur debt. The City will issue bonds or incur other debt only upon the determination that such action is in the best interest of the City.

The total estimated tax increment revenues for the TIF District are shown in the table below:

Sources	
Tax Increment	1,059,943
<u>Interest</u>	<u>52,997</u>
TOTAL	1,112,940

The City may issue bonds (as defined in the TIF Act) secured in whole or in part with tax increments from the TIF District in a maximum principal amount of \$598,527. 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 approval.

Uses of Funds

Currently under consideration for the TIF District is a proposal to facilitate the private development of the Maple Brook Townhome project which includes construction of 24 units of apartments and associated infrastructure including an extension of Maple Street. The City has determined that it will be necessary to provide assistance to the project for certain TIF District costs, as described. The City has studied the feasibility of the development or redevelopment of property in and around the TIF District. To facilitate the establishment and development or redevelopment of the TIF District, this TIF Plan authorizes the use of tax increment financing to pay for the cost of certain affordable housing eligible expenses. The estimate of public costs and uses of funds associated with the TIF District is outlined in the following table.

Uses	
Land/Building Acquisition	-
Site Improvements/Preparation	-
Affordable Housing	545,530
Utilities	-
Other Qualifying Improvements	-
<u>Administrative Costs (up to 5%)</u>	<u>52,997</u>
PROJECT AND INTEREST COSTS TOTAL	598,527
<u>Interest</u>	<u>514,413</u>
PROJECT AND INTEREST COSTS TOTAL	1,112,941

The total project cost, including financing costs (interest) listed in the table above does not exceed the total projected tax increments for the TIF District as shown in the Sources of Revenue section.

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 TIF District. However, the City has determined that such development or redevelopment would not occur "but for" tax increment financing and that, therefore, the fiscal impact on other taxing jurisdictions is \$0. The estimated fiscal impact of the TIF District would be as follows if the proposed development occurred and the "but for" test was not met:

Impact on Tax Base			
	2018/Pay 2019 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) upon completion	Percent of CTC to Entity Total
Rice County	66,133,795	36,109	0.0546%
City of Northfield	14,380,394	36,109	0.2511%
ISD #659	24,441,428	36,109	0.1477%

Impact on Tax Rates				
	Pay 2019 Extension Rate	Percent of Total	CTC	Potential Taxes
Rice County	39.5240%	30.3373%	36,109	\$ 14,272
City of Northfield	56.2160%	43.1495%	36,109	20,299
ISD #659	31.0960%	23.8682%	36,109	11,228
Other	3.4460%	2.6450%	36,109	1,244
	<u>130.2820%</u>	<u>100.0000%</u>		\$ 47,043

*Impacts are for Rice County.

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the Pay 2019 rate. The total net capacity for the entities listed above are based on Pay 2019 figures. The TIF District will be certified under the Pay 2020 rates and figures, 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 \$1,059,943;
- (2) Probable impact of the District on city provided services and ability to issue debt. A moderate impact of the TIF District on police protection is expected. With any addition of new residents or businesses, police service levels will be increased. New developments add an increase in traffic and additional overall demands to the call load. However, due to the relative size of the development the City anticipates the financial impacts to be minimal and 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 TIF District on fire protection is not expected to be significant. While it is anticipated that calls will increase due to population increases, new buildings typically generate few calls, if any, and are of superior construction. It is expected that hydrant and signage requirements will ensure adequate fire protection and the City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

An impact of the TIF District on public infrastructure is expected. The existing sanitary

sewer and water mains are larger than what is needed just to service the anticipated development and is considered trunk infrastructure. Any oversizing will be paid for by the SAC and WAC fees collected from the development. Any necessitated road improvements will be paid through the development expenses. City operations, including plowing, street maintenance, street sweeping, and other related expenses are estimated to increase approximately \$16,000 due to the new development. The development in the District is expected to contribute an estimated \$45,887 in sanitary sewer (SAC) and \$20,043 in water (WAC) connection fees.

The probable impact of any TIF 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 TIF 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 \$252,990;
- (4) Estimated amount of tax increment attributable to county levies. It is estimated that the amount of tax increments over the life of the TIF 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 \$321,558;
- (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 TIF District have been received.

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 determination set forth in *M.S. Section 469.175, Subd. 3, clause (b)(2)* and the findings are required in the resolution approving the District.

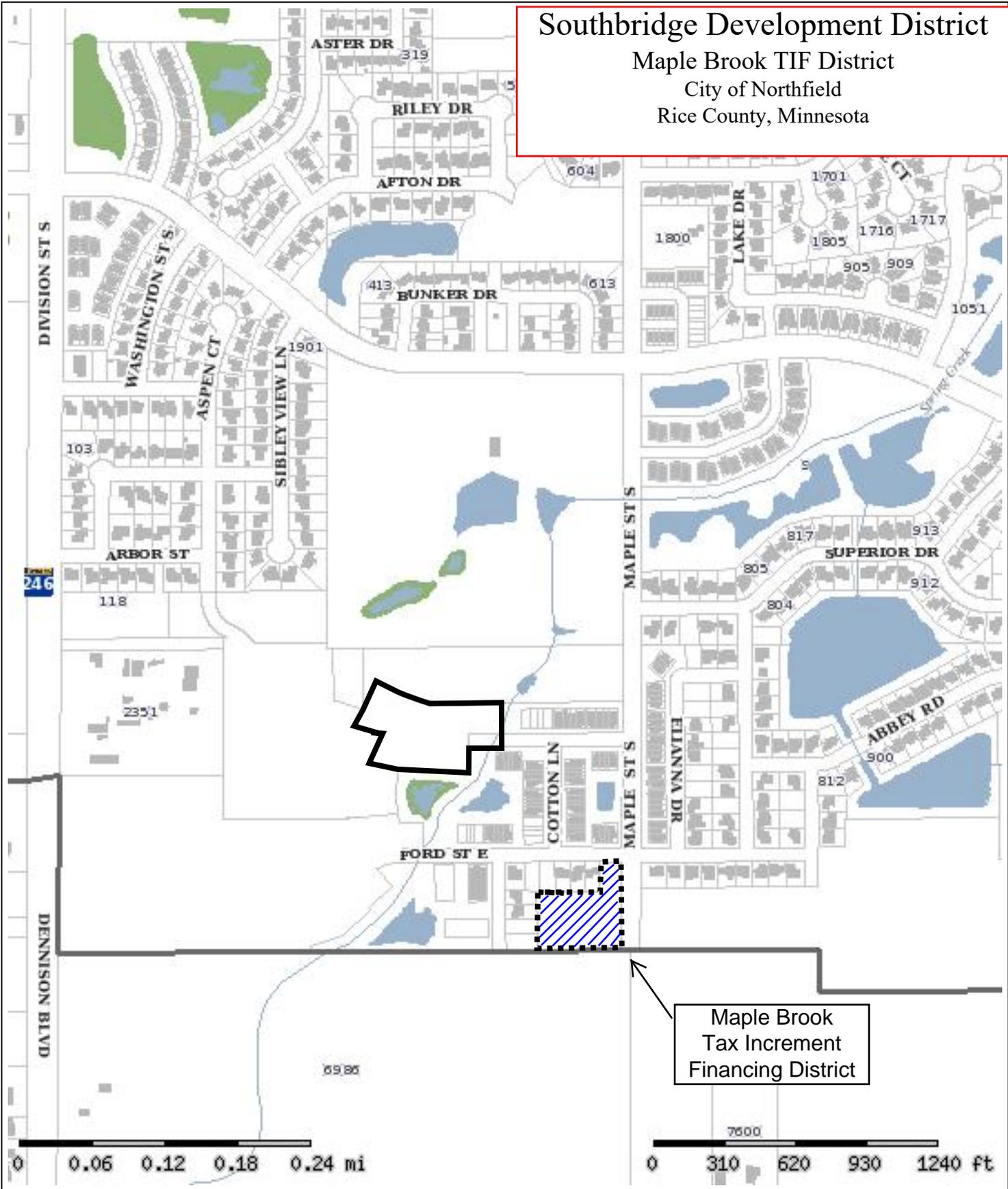
- (i) In making said determination, reliance has been placed upon (1) written representation made by the developer to such effects; and (2) City staff awareness of the feasibility of developing the project site within the TIF District, which is further outlined in the city council resolution approving the establishment of the TIF District.

Administration of the TIF District

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

Appendix A: Map of Southbridge Development District

Southbridge Development District
Maple Brook TIF District
 City of Northfield
 Rice County, Minnesota



- Southbridge Development District
- Maple Brook Tax Increment Financing District
- Southbridge Development District as expanded



Disclaimer: This information is to be used for reference purposes only. Property data from Dakota & Rice Counties is approximate and not legally binding. Contact the appropriate county with property corrections.

Appendix B: Estimated Cash Flow for the TIF District



Maple Brook Affordable Housing

City of Northfield, MN

24 rental units: 5-units classified as 4d

ASSUMPTIONS AND RATES

DistrictType:	Housing
District Name/Number:	
County District #:	
First Year Construction or Inflation on Value	2019
Existing District - Specify No. Years Remaining	
Inflation Rate - Every Year:	1.00%
Interest Rate:	5.55%
Present Value Date:	1-Aug-20
First Period Ending	1-Feb-21
Tax Year District was Certified:	Pay 2020
Cashflow Assumes First Tax Increment For Developmen	2021
Years of Tax Increment	26
Assumes Last Year of Tax Increment	2046
Fiscal Disparities Election [Outside (A), Inside (B), or N/	NA
Incremental or Total Fiscal Disparities	
Fiscal Disparities Contribution Ratio	
Fiscal Disparities Metro-Wide Tax Rate	
Maximum/Frozen Local Tax Rate:	130.282% Pay 2019
Current Local Tax Rate: (Use lesser of Current or Max.)	130.282% Pay 2019
State-wide Tax Rate (Comm./Ind. only used for total tax)	
Market Value Tax Rate (Used for total taxes)	0.44188% Pay 2019

Tax 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)		
First \$150,000		0.75%
Over \$150,000		0.25%
Non-Homestead Residential (Non-H Res. 1 Unit)		
First \$500,000		1.00%
Over \$500,000		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 ID	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
	22.07.3.01.069			21,100	0	21,100	100%	21,100	Pay 2020	Rental	264	Rental	264	1
				21,100	0	21,100		21,100			264		264	

Note:

1. Base values are for pay 2020 based upon review of County website on 5.14.2019. Pay 2020 local tax rates will be set at the end of 2019.
2. TIF District located in City of Northfield and ISD # 659.



Maple Brook Affordable Housing
City of Northfield, MN
24 rental units: 5-units classified as 4d

PROJECT INFORMATION (Project Tax Capacity)													
Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Total Taxable Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2019	Percentage Completed 2020	Percentage Completed 2021	Percentage Completed 2022	First Year Full Taxes Payable
1	Townhouses	104,167	104,167	19	1,979,167	Rental	24,740	1,302	50%	100%	100%	100%	2022
1	Townhouses	104,167	104,167	5	520,833	Aff. Rental	3,906	781	50%	100%	100%	100%	2022
TOTAL					2,500,000		28,646						
Subtotal Residential				24	2,500,000		28,646						

Note:

- Market values are based upon preliminary estimated provided by the Rice County Assessor's Office on 4.25.2019.

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
Townhouses	24,740	0	24,740	32,231	0	0	8,746	40,977	2,156.67
Townhouses	3,906	0	3,906	5,089	0	0	2,301	7,391	1,478.12
TOTAL	28,646	0	28,646	37,320	0	0	11,047	48,367	

Note:

- 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	48,367
less State-wide Taxes	0
less Fiscal Disp. Adj.	0
less Market Value Taxes	(11,047)
less Base Value Taxes	(344)
Annual Gross TIF	36,977



**Maple Brook Affordable Housing
City of Northfield, MN**

24 rental units: 5-units classified as 4d

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
100%	14,323	(264)	-	14,059	130.282%	18,317	9,158	(33)	(456)	8,669	8,207	0.5	2021	02/01/21
100%	28,646	(264)	-	28,382	130.282%	36,977	18,488	(67)	(921)	17,501	16,193	1	2021	02/01/22
100%	28,932	(264)	-	28,669	130.282%	37,350	18,488	(67)	(921)	17,501	31,879	1.5	2022	08/01/22
100%	29,222	(264)	-	28,958	130.282%	37,727	18,675	(67)	(930)	17,677	47,141	2	2022	02/01/23
100%	29,514	(264)	-	29,250	130.282%	38,108	18,675	(67)	(930)	17,677	62,141	2.5	2023	08/01/23
100%	29,809	(264)	-	29,545	130.282%	38,492	18,863	(68)	(940)	17,677	76,736	3	2023	02/01/24
100%	30,107	(264)	-	29,843	130.282%	38,880	18,863	(68)	(940)	17,856	91,080	3.5	2024	08/01/24
100%	30,408	(264)	-	30,144	130.282%	39,273	19,054	(69)	(949)	17,856	105,037	4	2024	02/01/25
100%	30,712	(264)	-	30,448	130.282%	39,669	19,054	(69)	(949)	18,036	118,754	4.5	2025	08/01/25
100%	31,019	(264)	-	30,756	130.282%	40,069	19,246	(69)	(959)	18,036	132,101	5	2025	02/01/26
100%	31,330	(264)	-	31,066	130.282%	40,473	19,246	(69)	(959)	18,218	145,219	5.5	2026	08/01/26
100%	31,643	(264)	-	31,379	130.282%	40,881	19,440	(70)	(969)	18,218	157,982	6	2026	02/01/27
100%	31,959	(264)	-	31,695	130.282%	41,294	19,440	(70)	(969)	18,402	170,526	6.5	2027	08/01/27
100%	32,279	(264)	-	32,015	130.282%	41,710	19,636	(71)	(978)	18,402	182,731	7	2027	02/01/28
100%	32,602	(264)	-	32,338	130.282%	42,130	19,636	(71)	(978)	18,587	194,726	7.5	2028	08/01/28
100%	32,928	(264)	-	32,664	130.282%	42,555	19,834	(71)	(988)	18,587	206,398	8	2028	02/01/29
100%	33,257	(264)	-	32,993	130.282%	42,984	19,834	(71)	(988)	18,775	217,869	8.5	2029	08/01/29
100%	33,589	(264)	-	33,326	130.282%	43,417	20,034	(72)	(998)	18,775	229,030	9	2029	02/01/30
100%	33,925	(264)	-	33,662	130.282%	43,855	20,034	(72)	(998)	18,964	240,000	9.5	2030	08/01/30
100%	34,265	(264)	-	34,001	130.282%	44,297	20,237	(73)	(1,008)	18,964	250,673	10	2030	02/01/31
100%	34,607	(264)	-	34,344	130.282%	44,743	20,237	(73)	(1,008)	19,156	261,163	10.5	2031	08/01/31
100%	34,953	(264)	-	34,690	130.282%	45,194	20,441	(74)	(1,018)	19,156	271,370	11	2031	02/01/32
100%	35,303	(264)	-	35,039	130.282%	45,650	20,441	(74)	(1,018)	19,349	281,401	11.5	2032	08/01/32
100%	35,656	(264)	-	35,392	130.282%	46,110	20,647	(74)	(1,029)	19,349	291,161	12	2032	02/01/33
100%	36,012	(264)	-	35,749	130.282%	46,574	20,647	(74)	(1,029)	19,544	300,754	12.5	2033	08/01/33
100%	36,373	(264)	-	36,109	130.282%	47,043	20,855	(75)	(1,039)	19,544	310,087	13	2033	02/01/34
							20,855	(75)	(1,039)	19,741	319,260	13.5	2034	08/01/34
							21,065	(76)	(1,049)	19,741	328,186	14	2034	02/01/35
							21,065	(76)	(1,049)	19,940	336,958	14.5	2035	08/01/35
							21,278	(77)	(1,060)	19,940	345,493	15	2035	02/01/36
							21,278	(77)	(1,060)	20,141	353,881	15.5	2036	08/01/36
							21,492	(77)	(1,071)	20,141	362,043	16	2036	02/01/37
							21,492	(77)	(1,071)	20,344	370,065	16.5	2037	08/01/37
							21,709	(78)	(1,082)	20,344	377,870	17	2037	02/01/38
							21,709	(78)	(1,082)	20,549	385,541	17.5	2038	08/01/38
							21,928	(79)	(1,092)	20,549	393,005	18	2038	02/01/39
							21,928	(79)	(1,092)	20,756	400,340	18.5	2039	08/01/39
							22,149	(80)	(1,103)	20,756	407,477	19	2039	02/01/40
							22,149	(80)	(1,103)	20,965	414,492	19.5	2040	08/01/40
							22,372	(81)	(1,115)	20,965	421,317	20	2040	02/01/41
							22,372	(81)	(1,115)	21,177	428,025	20.5	2041	08/01/41
							22,597	(81)	(1,126)	21,177	434,552	21	2041	02/01/42
							22,597	(81)	(1,126)	21,390	440,966	21.5	2042	08/01/42
							22,825	(82)	(1,137)	21,390	447,207	22	2042	02/01/43
							23,055	(83)	(1,149)	21,606	453,341	22.5	2043	08/01/43
							23,055	(83)	(1,149)	21,606	459,310	23	2043	02/01/44
							23,287	(84)	(1,160)	21,823	465,175	23.5	2044	08/01/44
							23,287	(84)	(1,160)	21,823	470,883	24	2044	02/01/45
							23,522	(85)	(1,172)	22,043	476,492	24.5	2045	08/01/45
							23,522	(85)	(1,172)	22,043	481,950	25	2045	02/01/46
							23,522	(85)	(1,172)	22,265	487,313	25.5	2046	08/01/46
							23,522	(85)	(1,172)	22,265	492,532	26	2046	02/01/47
Total							1,063,773	(3,830)	(52,997)	1,006,946				
			Present Value From 08/01/2020	Present Value Rate	5.55%		520,328	(1,873)	(25,923)	492,532				

Appendix C: Findings

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan for the Maple Brook Tax Increment Financing District as required pursuant to Minnesota Statutes, Section 469.175, Subdivision 3 are as follows:

1. Finding that the TIF District is a housing district as defined in M.S., Section 469.174, Subdivision 11.

The TIF District consists of one parcel within the City's Southbridge Development District. The development receiving assistance is proposed to be constructed as 24-units of rental housing and at least 20 percent of the units will be occupied by persons with incomes no greater than 50% of Rice County median income. No more than 20% of the square footage of the buildings will consist of commercial, retail or other nonresidential uses.

2. Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future.

This finding is supported by the fact that the development proposed in the TIF Plan is a housing district that meets the City's objectives for redevelopment and is intended for occupancy, in part, by low and moderate-income persons. The development also requires substantial investment toward public improvement to extend street and utility infrastructure to the site. Due to the high cost of building affordable new housing in the City, this project is feasible only through assistance, in part, from tax increment financing. At least 20% of the assisted housing units are intended to be both rent and income restricted, and affordable rental revenues alone are insufficient to make the project economically feasible without public assistance. The necessity of public assistance is true for most affordable housing developments in Minnesota.

The developer has provided the City its estimated project proforma outlining project sources and uses as well as projected rent, vacancy and financing assumptions. City staff and the City's advisors reviewed the information and have determined the project is not feasible without the proposed assistance due to anticipated rent levels and market returns not supporting the development costs. Based on the review, the City does not expect that a development of this type would occur in the reasonably foreseeable future but-for the use of tax increment assistance.

3. Finding that the TIF Plan for the TIF District conforms to the general plan for the development or redevelopment of the municipality as a whole.

The Planning Commission reviewed the Development Program and TIF Plan and approved Resolution 2019-001 that affirms that the plans conform to the general development plan of the City.

4. Finding that the TIF Plan for the TIF District will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development of the Development District by private enterprise.

Through the implementation of the TIF Plan, the City will provide an impetus for residential development which is desirable and necessary for increased tax base of the State; addressing several of the goals and development principles identified within the City's land use and development plans; meeting housing needs of people with a variety of incomes and provide new housing that would otherwise not be available.