



Memorandum

To: Members of the Planning Commission
From: Rusty Fifield, Economic Development Coordinator
Date: February 5, 2020
Subject: Tax Increment Financing District #8

Action Requested

Adopt the attached resolution making the finding that the modified Redevelopment Plan for the Vermillion Street Project Area and the Tax Increment Financing Plan for Tax Increment Financing District #8 conforms with the general plan for the development of the city as a whole.

Background

The Hastings Economic Development and Redevelopment Authority (HEDRA) and the City Council are undertaking the process to establish a tax increment financing (TIF) District for a proposed affordable senior housing project at Schoolhouse Square. The City Council will hold the public hearing on the TIF District on February 18. In establishing the TIF District, the State Law requires the City Council to make the finding that it “conforms with the general plan for the development of the city as a whole”. The Planning Commission is asked to adopt the attached resolution as the basis for this finding.

Real Estate Equities, LLC is requesting tax increment financing (TIF) assistance from the City to assist with the financing of a 90-unit apartment building consisting of both one and two-bedroom units. All apartment units would be affordable to households at or below 60% of the area median income (AMI).

Several factors demonstrate the conformance of the proposed development:

- **Zoning.** The property is zoned RMU – Residential Mixed Use. The proposed use and density are permitted under the RMU Zoning District. A Special Use Permit would be required to construct a building greater than 40 feet in height. The Planning Commission will consider this request and the site plan at the February 10 meeting
- **Schoolhouse Square Development Plan Agreement.** The City executed a Development Plan Agreement for the entire Schoolhouse Site on September 3, 2002. It serves as a master plan for site development by outlining uses, density, parking,

landscaping, and architectural style. The agreement allows up to 84 residential units. 12 units were previously constructed leaving 72 units available for construction. The Development Plan Agreement will be amended to accommodate the proposed density.

- **Prior Approvals.** In 2006, the City Council granted Site Plan and Special Use Permit approval to Real Life Cooperative to construct a 58-unit four story building on the site. The approval has since expired.

A copy of the modified Redevelopment Plan and the TIF Plan accompanies this memo.

Attachments

1. Draft of the Modified Redevelopment Plan for the Vermillion Street Project Area and the Tax Increment Financing Plan.
2. Resolution for Planning Commission findings.

RESOLUTION NO. _____

RESOLUTION OF THE PLANNING COMMISSION FINDING PROPOSED
MODIFIED REDEVELOPMENT PLAN FOR MODIFIED VERMILLION STREET
REDEVELOPMENT AREA AND THE PROPOSED TAX INCREMENT FINANCING PLAN
FOR TAX INCREMENT FINANCING DISTRICT NO. 8 CONFORMS TO THE PLANS FOR
DEVELOPMENT OF THE CITY OF HASTINGS AS A WHOLE

WHEREAS, the City Council of the City of Hastings, Minnesota has authorized preparation of modification to the Redevelopment Plan for Vermillion Street Redevelopment Area (the “Redevelopment Plan”) and a Tax Increment Financing Plan (the “TIF Plan”) for Tax Increment Financing District No. 8 and has submitted to the Planning Commission for review pursuant to Minnesota Statutes, Section 469.126 and Section 469.175, Subdivision 3; and

WHEREAS, the Planning Commission has reviewed the Redevelopment Plan and the TIF Plan to determine its conformity to the general plan for the development or redevelopment of the City as a whole; and

WHEREAS, the Planning Commission is in agreement with the Redevelopment Plan and TIF Plan.

NOW, THEREFORE, BE IT RESOLVED By the Planning Commission of the City of Hastings, Minnesota as follows:

1. The proposed modified Redevelopment Plan and the proposed TIF Plan confirm to the general plan for the development or redevelopment of the City as a whole.
2. The Commission recommends that the City Council of the City of Hastings hold the public hearing required by law and adopt the proposed Redevelopment Plan and the proposed TIF Plan.

Adopted this 10th day of February, 2020, by the Planning Commission of the City of Hastings, Minnesota.

Chairperson, Planning Commission of the City of
Hastings, Minnesota

DRAFT
MODIFIED REDEVELOPMENT PLAN FOR
VERMILLION STREET REDEVELOPMENT AREA
AND
TAX INCREMENT FINANCING PLAN FOR
TAX INCREMENT FINANCING (HOUSING) DISTRICT NO. 8
(SCHOOLHOUSE SQUARE)
WITHIN
VERMILLION STREET REDEVELOPMENT AREA

ADOPTED BY

CITY OF HASTINGS, MINNESOTA
AND
HASTINGS ECONOMIC DEVELOPMENT AND REDEVELOPMENT AUTHORITY

PUBLIC HEARING DATE: FEBRUARY 18, 2020

PLAN APPROVED BY HEDRA DATE: _____, 2020

PLAN APPROVED BY CITY COUNCIL DATE: _____, 2020

PLAN CERTIFICATION REQUEST DATE: _____, 2020

PLAN CERTIFIED DATE: _____, 2020



Northland Securities, Inc.
150 South Fifth Street, Suite 3300
Minneapolis, MN 55402
(800) 851-2920
Member NASD and SIPC
Registered with SEC and MSRB

TABLE OF CONTENTS

ARTICLE I – INTRODUCTION AND DEFINITIONS 1

Section 1.01 Introduction 1

Section 1.02 Definitions 2

Section 1.03 Plan Preparation 3

ARTICLE II - STATEMENT OF PUBLIC PURPOSE AND AUTHORITY 4

Section 2.01 Enabling Act; Statutory Authority 4

Section 2.02 Statement and Finding of Public Purpose 4

Section 2.03 Boundaries of Project Area..... 4

ARTICLE III - REDEVELOPMENT PLAN 6

Section 3.01 Statement of Objectives 6

Section 3.02 Development Activities 7

Section 3.03 Payment of Public Costs 7

Section 3.04 Environmental Controls; Land Use Regulations 7

Section 3.05 Park and Open Space to be Created 8

Section 3.06 Proposed Reuse of Property 8

Section 3.07 Administration and Maintenance of Project Area..... 8

Section 3.08 Relocation 8

Section 3.09 Amendments..... 8

Section 3.10 Findings and Declaration..... 8

ARTICLE IV - TAX INCREMENT FINANCING PLAN 9

Section 4.01 Statutory Authority 9

Section 4.02 Planned Development 9

 4.02.1 Project Description..... 9

 4.02.2 City Plans and Development Program 9

 4.02.3 Land Acquisition 9

 4.02.4 Development Activities..... 9

 4.02.5 Need for Tax Increment Financing 9

Section 4.03 Tax Increment Financing District 10

 4.03.1 Designation 10

 4.03.2 Boundaries of TIF District..... 10

 4.03.3 Type of District..... 10

Section 4.04 Plan for Use of Tax Increment 10

 4.04.1 Estimated Tax Increment..... 10

 4.04.2 Project Costs..... 11

 4.04.3 Estimated Sources and Uses of Funds 12

 Figure 4.1 12

 4.04.4 Administrative Expense 13

 4.04.5 County Road Costs 13

 4.04.6 Bonded Indebtedness 13

 4.04.7 Duration of TIF District..... 14

 4.04.8 Estimated Impact on Other Taxing Jurisdictions 14

 4.04.9 Prior Planned Improvements 14

ARTICLE V – ADMINISTERING THE TIF DISTRICT..... 15

Section 5.01 Filing and Certification.....15

Section 5.02 Modifications of the Tax Increment Financing Plan.....15

Section 5.03 4-Year Knockdown Rule.....15

Section 5.04 Pooling/5-Year Rule.....16

Section 5.05 Financial Reporting and Disclosure Requirements.....16

Section 5.06 Business Subsidy Compliance.....16

EXHIBITS..... 17

Exhibit I Present Value Analysis17

Exhibit II Projected Tax Increment18

Exhibit III Impact on Other Taxing Jurisdictions.....19

Exhibit IV Estimated Tax Increment Over Life of District20

Exhibit V Maps of Project Area and TIF District.....21

Exhibit VI Parcels within Project Area23

ARTICLE I – INTRODUCTION AND DEFINITIONS

SECTION 1.01 INTRODUCTION

This Redevelopment Plan for the Vermillion Street Redevelopment Area of the Hastings Economic Development and Redevelopment Authority of the City of Hastings is intended to supersede and alter the activities described in the Redevelopment Plan for the Vermillion Street Redevelopment Area as originally adopted on October 6, 2008 and modified on July 19, 2010.

Tax Increment Financing District No. 5 and the Tax Increment Financing Plan relating thereto, within the Vermillion Street Redevelopment Area, remains in full force and effect and is not modified.

The City of Hastings and the Hastings Economic Development and Redevelopment Authority (HEDRA) propose to provide tax increment financing assistance through the establishment of Tax Increment Financing (Housing) District No. 8 within the Vermillion Street Redevelopment Area to assist with the financing of certain project costs for the construction of an approximate 90 unit affordable rental housing facility, an apartment building, by a private developer.

This document contains the Modified Redevelopment Plan for achieving the objectives of the Vermillion Street Redevelopment Area through the establishment of a Tax Increment Financing Plan and use of Tax Increment Financing (Redevelopment) District No. 8.

Below is a summary of the municipal action that has been taken in connection with the Vermillion Street Redevelopment Area to date and as proposed:

Vermillion Street Redevelopment Area:

January 22, 2008: The Vermillion Street Corridor Development Guidelines were adopted by City.

September 11, 2008: The Redevelopment Plan for the Project Area was adopted.

September 22, 2008: The Redevelopment Plan for the Project Area was reviewed by the City of Hastings Planning Commission.

October 6, 2008: The Redevelopment Plan for the Project Area was adopted by the City.

January 1, 2009: The HEDRA replaced the Housing and Redevelopment Authority and the Economic Development Commission. The HEDRA operates with the powers of both a Housing and Redevelopment Authority and an Economic Development Authority.

July 12, 2010: The Modified Redevelopment Plan for the Project Area was reviewed by the Planning Commission.

July 15, 2010: The Modified Redevelopment Plan for the Project Area was adopted by the HEDRA. The HEDRA approved the Tax Increment Financing Plan for Tax Increment Financing District No. 5.

July 19, 2010: The Modified Redevelopment Plan for the Project Area was adopted by the City. The City Council approved the Tax Increment Financing Plan for Tax Increment Financing District No. 5.

February 10, 2020: The Planning Commission is proposed to find that the Modified Redevelopment Plan and the proposed Tax Increment Financing Plan for Tax Increment Financing District No. 8 confirm to the general plan for the development or redevelopment of the City as a whole.

February 13, 2020: The Modified Redevelopment Plan for the Project Area is proposed to be adopted by the HEDRA. It is proposed the HEDRA will approve the Tax Increment Financing Plan for Tax Increment Financing District No. 8, subject to City approval.

February 18, 2020: The Modified Redevelopment Plan for the Project Area is proposed to be adopted by the City. It is proposed the City will approve the Tax Increment Financing Plan for Tax Increment Financing District No. 8.

SECTION 1.02 DEFINITIONS

For the purposes of this document, the terms below have the meanings given in this section, unless the context in which they are used indicates a different meaning:

1. "Authority" means the Hastings Economic Development and Redevelopment Authority of the City.
2. "City" means the City of Hastings, Minnesota.
3. "City Council" means the City Council of the City.
4. "County" means Dakota County, Minnesota.
5. "Developer" means the private party undertaking construction within the TIF District.
6. "EDA Act" means Minnesota Statutes, Section 469.090 through 469.1082, as amended and supplemented from time to time.
7. "Enabling Act" means Minnesota Statutes, Sections 469.001 through 469.047, as amended and supplemented from time to time.
8. "HEDRA" means the Hastings Economic Development and Redevelopment Authority of the City of Hastings.
9. "Land Use Regulations" means all federal, state and local laws, rules, regulations, ordinances, and plans relating to or governing the use of development of land in the City, including but not limited to environmental, zoning and building code laws and regulations.
10. "Project Costs" means the cost of qualified development activities that will occur within the TIF District that may be paid from tax increment revenue.
11. "Public Costs" means the costs of the Redevelopment Project funded under the TIF Act, EDA Act, or the Enabling Act.
12. "Public Improvements" means the public improvements described in the Redevelopment Plan and any future plans for Tax Increment Financing Districts within the Project Area.
13. "Redevelopment Plan" means the Redevelopment Plan for the Redevelopment Project, as the same may, from time to time, be amended or supplemented.
14. "Redevelopment Project" means Vermillion Street Redevelopment Area of the Authority, as the same may, from time to time, be amended or supplemented.
15. "School District" means Independent School District No. 200 (Hastings Public Schools).
16. "State" means the State of Minnesota.
17. "Tax Increment Bonds" means any tax increment bonds or notes issued by the City to finance the Public Costs as stated in the Redevelopment Plan for the Project Area and in the Tax Increment Financing plans for Tax Increment Financing Districts within the Project Area, and any obligations issued to refund such bonds.
18. "Tax Increment Financing District" means any tax increment financing district to be established in the future within the Project Area.
19. "Tax Increment Financing Plan" or "Plan" means the plans adopted by the HEDRA or the City for any Tax Increment Financing District.

20. "TIF Act" means Minnesota Statutes, Sections 469.174 through 469.1794, as amended, both inclusive.
21. "TIF District" means Tax Increment Financing (Housing) District No. 8 (Schoolhouse Square).
22. "TIF Plan" means the tax increment financing plan for the TIF District (this document).

SECTION 1.03 PLAN PREPARATION

The document was prepared for the City and the Authority by Northland Securities, Inc.

ARTICLE II – STATEMENT OF PUBLIC PURPOSE AND AUTHORITY

SECTION 2.01 ENABLING ACT; STATUTORY AUTHORITY

The Enabling Act authorizes the Authority, upon certain public purpose findings by the Authority and the City, to establish and designate redevelopment projects within the City and to establish, develop and the administer redevelopment plans therefor to meet the needs and accomplish the public purposes specified in Statement and Finding of Public Purpose.

In accordance with the purposes set forth in the Enabling Act, the Authority and the City have established the Redevelopment Project comprised of the parcels listed in Exhibit VI and have adopted the Modified Redevelopment Plan therefor.

The Enabling Act and the approval of the Redevelopment Plan by the City of Hastings authorizes the Authority to undertake redevelopment activities within the Project Area and, at a date subsequent to the adoption of the Modified Redevelopment Plan and with the City Council approval, to establish and designate Tax Increment Financing Districts within the Project Area and to adopt and implement Tax Increment Financing Plans to accomplish the objective of the Redevelopment Plan.

SECTION 2.02 STATEMENT AND FINDING OF PUBLIC PURPOSE

The Authority has determined that there is a need to take certain actions designed to encourage, ensure and facilitate development and redevelopment of under-utilized and unused land located within the corporate limits of the City. These actions will provide additional employment opportunities for residents of the City and the surrounding area, and improve the tax base, thereby enabling better utilization of existing public facilities and provide needed public services, and improve the general economy of the City, the County, and the State.

The Authority has determined that the property within the Project Area is either under-utilized or unused due to a variety of factors, including inadequate public parking to serve the property, small parcels, non-conforming uses, vacant or under-utilized property, possible environmental conditions, obsolete building design and site layout, poor access and parking, and lack of streetscaping and visual appeal that is needed to make this a viable business district. These factors have resulted in a lack of private investment. As a result, the property within the Project Area is not providing adequate employment opportunities, and is not contributing, to its full potential. Therefore, it is necessary for the Authority to exercise its authority under the Enabling Act to develop and implement a program designed to encourage, ensure and facilitate the commercial and mixed use development and redevelopment of the property located in the Project Area, to further and accomplish the desired public purposes for the Project Area as specified within the Redevelopment Plan for the Project Area.

The land in the Project Area would not be developed or redeveloped solely through private investment in the foreseeable future.

The welfare of the City, County, and the State of Minnesota requires active promotion, attraction, encouragement and development of economically sound commerce by the HEDRA.

SECTION 2.03 BOUNDARIES OF PROJECT AREA

The area within the Project Area is described in Exhibit V. The parcels included in the Project Area are listed in Exhibit VI.

The Project Area is inclusive of all immediate adjacent roadways, rights-of-way and other areas wherein will be installed or upgraded the various public improvements necessary for and part of the overall project.

The Authority and the City finds that the Project Area, together with the objectives which the Authority and the City seek to accomplish or encourage with respect to such property, constitutes a "redevelopment project" and a "redevelopment plan" within the meaning of Minnesota Statutes, Section 469.002, Subdivisions 14 and 16.

ARTICLE III - REDEVELOPMENT PLAN

SECTION 3.01 STATEMENT OF OBJECTIVES

The modification of the established Project Area in the City pursuant to the Enabling Act is necessary and in the best interests of the City and its residents and is necessary to give the Authority and the City the ability to meet certain public purpose objectives that would not be obtainable in the foreseeable future without intervention by the Authority in the normal development process.

The Authority intends, to the extent permitted by law, to accomplish the following objectives through the implementation of the Redevelopment Plan:

1. Promote and secure the development and redevelopment of property in the Project Area in a manner consistent with the City's planning, the Vermillion Street Development Guidelines, and with a minimal adverse impact on the environment, which property is less productive because of the lack of proper utilization and lack of investment, and thereby promoting and securing the development of other land in the City;
2. Promote and secure additional employment opportunities within the Project Area and the City for residents of the City and the surrounding area, thereby improving living standards and preventing unemployment and the loss of skilled and unskilled labor and other human resources in the City;
3. Secure the increase in value of property subject to taxation by the City, School District, County, and any other taxing jurisdictions in order to better enable such entities to pay for public improvements and governmental services and programs required to be provided by them;
4. Secure the construction and providing moneys for the payment of the cost of public improvements in the Project Area, which are necessary for the completion of the Redevelopment Project and the orderly and beneficial development of the Project Area.
5. Promote a compatible mix of commercial, institutional, and residential land uses.
6. Encourage the expansion and improvement of local business, and enhancing the economic vitality of existing and new businesses.
7. Eliminate blighting influences that impede development in the area.
8. Provide for adequate streets, utilities, and other public improvements and facilities to enhance the area for both new and existing development.
9. Create a desirable and unique character within the Project Area through quality land use alternatives and design quality in new buildings that create a safe environment for pedestrians, can be maintained for the long run, and celebrates the historic role of Vermillion Street as the main artery within the City.
10. Support the physical connection to local trails, open space, and other community institutions.
11. Enhance the integrity of residential neighborhoods adjacent to the Project Area.
12. Provide and secure the development of increased opportunities for families to reside in quality owner-occupied housing, for senior citizens to choose from housing options which offer a wide array of services without regard to income, and for residents looking for a wide range of multi-family units.
13. Enhance the long term viability of the Project Area by facilitating:
 - Land uses that complement and support existing businesses;

- New businesses that enhance the commercial market;
- Visual quality of the streetscape, landscape, site plan and building types of new developments;
- Mixed use housing development where appropriate; and
- Safe access and convenient parking.

SECTION 3.02 DEVELOPMENT ACTIVITIES

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

- (a) The making of studies, planning, and other formal and informal activities relating to the Redevelopment Plan.
- (b) The implementation and administration of the Redevelopment Plan.
- (c) The rezoning of land within the Project Area.
- (d) The acquisition of property, or interests in property, by purchase or condemnation, which acquisition is consistent with the objectives of the Redevelopment Plan,
- (e) The preparation of property for use and development in accordance with applicable Land Use Regulations and any development agreements, including demolition of structures, clearance of sites, placement of fill and grading.
- (f) The resale of property to private parties.
- (g) The construction or reconstruction of improvements as described in the Tax Increment Financing Plans for the Tax Increment Financing Districts within the Project Area.
- (h) The issuance of Tax Increment Financing Bonds to finance the Public Costs of the Redevelopment Plan, and the use of tax increments or other funds available to the City and the Authority to pay or finance the Public Costs of the Redevelopment Plan incurred or to be incurred by it.
- (i) The use of tax increments to pay debt service on the Tax Increment Financing Bonds or otherwise pay or reimburse with interest the Public Costs of the Redevelopment Plan.

SECTION 3.03 PAYMENT OF PUBLIC COSTS

It is anticipated that the Public Costs of the Redevelopment Plan will be paid primarily from proceeds of Tax Increment Financing Bonds or from tax increments from the Tax Increment Financing Districts with the Project Area. The Authority reserves the right to utilize other available sources of revenue, including but not limited to lease payments, special assessments and user charges, which the Authority may apply to pay a portion of the Public Costs.

SECTION 3.04 ENVIRONMENTAL CONTROLS; LAND USE REGULATIONS

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

SECTION 3.05 PARK AND OPEN SPACE TO BE CREATED

Park and open space within the Project Area, if created, will be created in accordance with the zoning and platting ordinances of the City.

SECTION 3.06 PROPOSED REUSE OF PROPERTY

The Redevelopment Plan contemplates that the Authority may acquire property and reconvey the same to another entity. Prior to formal consideration of the acquisition of any property, the Authority will require the execution of a binding development agreement with respect thereto and evidence that tax increments or other funds will be available to repay the Public Costs associated with the proposed acquisition. It is the intent of the Authority to negotiate the acquisition of property whenever possible. Appropriate restrictions regarding the reuse and redevelopment of property shall be incorporated into any development agreement to which the Authority is a party.

SECTION 3.07 ADMINISTRATION AND MAINTENANCE OF PROJECT AREA

Maintenance and operation of the Project Area will be the responsibility of the Director of the Authority, who shall serve as administrator of the Project Area. Each year the administrator of the Project Area will submit to the Authority the maintenance and operation budget for the following year.

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

SECTION 3.08 RELOCATION

Any person or business that is displaced as a result of the Redevelopment Plan will be relocated in accordance with Minnesota Statutes, Section 117.50 to 117.56. The Authority accepts its responsibility for providing for relocation assistance pursuant to the Enabling Act.

SECTION 3.09 AMENDMENTS

The Authority reserves the right to alter and amend the Redevelopment Plan, subject to the provisions of state law regulating such action. The Authority specifically reserves the right to enlarge or reduce the size of the Project Area.

SECTION 3.10 FINDINGS AND DECLARATION

The Authority makes the following findings:

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

ARTICLE IV - TAX INCREMENT FINANCING PLAN

SECTION 4.01 STATUTORY AUTHORITY

The TIF District and the TIF Plan are established under the authority of the TIF Act.

SECTION 4.02 PLANNED DEVELOPMENT

4.02.1 Project Description

The Developer proposes to build an approximate 90 unit rental housing facility, an apartment building, consisting of both one and two-bedroom units located at 101 10th Street East. All apartment units would be affordable to households at or below 60% of the area median income (AMI). The parcel is an approximate 2-acre site located with access to Highway 61.

4.02.2 City Plans and Development Program

In addition to achieving the objectives of the Redevelopment Plan, the development is consistent with and works to achieve the development objectives of the Authority and the City. The TIF Plan for the TIF District conforms to the general plan for development or redevelopment of the City as a whole.

The proposed development plan for the project in the TIF District has been reviewed by the Planning Commission and the City Council.

4.02.3 Land Acquisition

The Authority or the City do not plan to acquire property within the TIF District.

4.02.4 Development Activities

As of the date of approval of the TIF Plan, there are no development activities proposed in this TIF Plan that are subject to contracts.

4.02.5 Need for Tax Increment Financing

In various materials the Developer has demonstrated that the proposed use of tax increment financing is needed to offset the high construction costs of high-quality low- to moderate-income housing and associated infrastructure required to support the facility. Without the proposed assistance, these initial up-front costs would make it infeasible for the Developer to be able to charge the affordable rents required for low-to moderate-income residents. Thus, it is the opinion of the City and the Authority that the proposed development would not reasonably be expected to occur solely through private investment within the foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the TIF District permitted by the TIF Plan.

A comparative analysis of estimated market values both with and without establishment of the TIF District and the use of tax increments has been performed as described above and is shown in Exhibit I. This analysis, which is not required by the TIF Act for approval of a housing district, indicates that the increase in estimated market value of the proposed development (less the present value of the projected tax increments for the maximum duration permitted by the TIF Plan) exceeds the estimated market value of the site prior to the establishment of the TIF District.

SECTION 4.03 TAX INCREMENT FINANCING DISTRICT

4.03.1 Designation

This TIF District is designated Tax Increment Financing (Housing) District No. 8 (Schoolhouse Square).

4.03.2 Boundaries of TIF District

The boundaries of the TIF District are depicted in Exhibit V.

The TIF District includes the following two parcels and the adjacent roads and right-of-way:

- 19-66902-00-010 (Outlot A, Schoolhouse Square 3rd Addition, Plat of Hastings, Dakota County, Minnesota); and
- 19-66902-00-020 (Outlot B, Schoolhouse Square 3rd Addition, Plat of Hastings, Dakota County, Minnesota)

4.03.3 Type of District

The TIF District is designated as a “housing” district pursuant to Section 469.174, Subd. 11 of the TIF Act. For the designation, of a tax increment financing housing district, the Developer of the Project will need to commit to the following:

1. Satisfy the income requirements for a qualified residential rental project as defined in section 142(d) of the Internal Revenue Code. This requirement applies for the duration of the tax increment financing district. The applicable Fiscal Year 2019 Area Median Income for the County is \$100,000. The Developer plans to commit to provide 40% or more of units for occupancy by persons at 60% or less of area median gross income. These income thresholds may change over the life of the TIF District.
2. No more than 20% of the square footage of the building to receive assistance from tax increments will consist of commercial, retail, or other nonresidential uses. Revenue derived from tax increment from the TIF District shall be used solely to finance the cost of the housing project as defined in Section 469.174, subdivision 11 of the TIF Act. The cost of public improvements directly related to the housing project and the allocated administrative expenses of the Authority may be included in the cost of the housing project.
3. Failure to comply with these income limitations is subject to the enforcement provisions of Section 469.1771 of the TIF Act.

SECTION 4.04 PLAN FOR USE OF TAX INCREMENT

4.04.1 Estimated Tax Increment

The original net tax capacity of value of the TIF District will be set by the County upon request for certification. For the purposes of this Plan, the estimated original net tax capacity is \$1,199. This amount is estimated based on the most recent published estimated market value of \$159,800 for property within the TIF District; with net tax capacity value calculated for apartments, under the 4d affordable housing program.

The estimated net tax capacity of the property after completion of the project (for taxes payable in 2023, or year two of the TIF District) is \$109,080. This amount is based on a total estimated market value of \$14,544,000 with property classified as apartment, under the 4d affordable housing program. The difference between the net tax capacity and the original net tax capacity is \$107,882 (for taxes payable in 2023), which is the captured tax capacity for the creation of tax increment.

The total local tax rate for taxes payable in 2019 is 108.51%. The TIF Plan assumes that this rate will be set as the original local tax rate for the TIF District. At the time of the certification

of the original net tax capacity for the TIF District, the county auditor will certify the original local tax rate that applies to the TIF District. The original local tax rate is the sum of all the local tax rates, excluding that portion of the school rate attributable to the general education levy under Minnesota Statutes section 126C.13, that apply to a property in the TIF District. The local tax rate to be certified is the rate in effect for the same taxes payable year applicable to the tax capacity values certified as the TIF District's original tax capacity. The resulting tax capacity rate is the original local tax rate for the life of the TIF District.

Under these assumptions, the estimated annual tax increment is \$117,065 after development completion (for taxes payable 2023). The actual tax increment will vary according to the certified original net tax capacity and original tax rate, the actual property value produced by the proposed development and the changes in property value and state tax policy over the life of the TIF District.

The City and the Authority elect to retain 100% of the captured tax capacity value for the duration of the TIF district. Exhibit II contains the projected tax increment over the life of the TIF District, including present value of the future tax increments.

4.04.2 *Project Costs*

The Authority will use tax increment to pay Project Costs. The Authority anticipates the use of tax increment to pay administrative expenses for the TIF District and to reimburse the Developer on a pay-go basis for certain Project Costs to provide the affordable housing. A contract between the Authority and the Developer will define the means for verifying Developer costs eligible for reimbursement and the means of disbursing tax increments collected by the Authority to the Developer, including terms for payment.

The Authority may also use tax increments to pay financing costs. The interest rate payable on bonds, the definition of bonds includes tax increment financing revenue notes, to be issued will be set pursuant to a contract with the Developer. The Authority reserves the right to use any other legally available revenues to finance or pay for Project Costs associated with the development in the TIF District.

The City and the Authority reserve the right to modify the TIF Plan to provide authority to expend tax increment from the TIF District on other housing projects that meet the criteria for establishing a housing TIF district. Section 469.174, Subd. 11 of the TIF Act defines a housing districts consisting of a project, or a portion of a project, intended for occupancy, in part, by persons or families of low and moderate income. The requirements for the establishment of a housing TIF district are contained in Section 469.1761 of the TIF Act. The primary criteria are income related. The criteria are different for owned and rental housing.

The practical application of this authority includes:

- The use of tax increment is not limited by pooling restrictions or the five-year rule.
- The tax increment can be spent on activities outside of the TIF district, but within the Project Area.
- This authority does not extend the maximum statutory duration of the TIF district.
- The tax increment must be used solely to finance the cost of the "housing project" as defined by the TIF Act. The cost of public improvements directly related to the housing project and the allocated administrative expenses of the Authority may be included in the cost of the housing project.
- No more than 20% of the square footage of buildings that receive TIF assistance may consist of commercial, retail, or other nonresidential uses.

Potential applications of this authority include:

- Assistance to other housing projects avoiding the need for a new TIF district.

- Supplementing the revenues of another housing TIF district.
- Assistance for the renovation of existing housing.
- Acquisition of land for housing.
- Assistance to make public improvements, that directly benefit affordable housing, more affordable.

4.04.3 *Estimated Sources and Uses of Funds*

The estimated sources of revenue, along with the estimated Project Costs of the TIF District, are itemized in Figure 4.1.

The City and the Authority reserve the right to administratively adjust the amount of any of the Project Cost items listed in Figure 4.1, so long as the total Project costs amount, not including financing costs, is not increased.

**FIGURE 4.1
ESTIMATED SOURCES AND USES OF FUNDS**

	Total
Estimated Tax Increment Revenues (from tax increment generated by the district)	
Tax increment revenues distributed from the county	3,355,693
Interest and investment earnings	20,000
Sales/lease proceeds	-
Market value homestead credit	-
Total Estimated Tax Increment Revenues	3,375,693
Estimated Project/Financing Costs (to be paid or financed with tax increment)	
Project costs	
Land/building acquisition	862,394
Site improvements/preparation costs	-
Utilities	-
Other public improvements	-
Construction of affordable housing	793,024
Small city authorized costs, if not already included above	-
Administrative costs	83,892
Estimated Tax Increment Project Costs	1,739,310
Estimated financing costs	
Interest expense	1,636,382
Total Estimated Project/Financing Costs to be Paid from Tax Increment	3,375,693
Estimated Financing	
Total amount of bonds to be issued	3,375,693

4.04.4 Administrative Expense

The Authority reserves the right to retain up to ten percent (10%) of annual tax increment revenues distributed from the County, net of any required fees paid to the State and County. The Authority will use these monies to pay for and reimburse the Authority for costs of administering the TIF district as allowed by the TIF Act.

The amount of tax increment revenue planned to pay administrative expense is shown in Figure 4.1. Anticipated administrative expenses of the TIF District include annual audit of the fund for TIF District, preparation of annual reporting, legal publication of annual report, and administration of the development agreement.

4.04.5 County Road Costs

The proposed development will not substantially increase the use of county roads and necessitate the need to use tax increments to pay for county road improvements.

4.04.6 Bonded Indebtedness

The total amount of bonds estimated to be issued is shown in Figure 4.1. The City will not issue any general obligation bonded indebtedness as a result of the TIF Plan.

The Authority intends to use tax increment financing to reimburse the Developer on a pay-as-you-go basis for certain Project Costs pursuant to a contract with the Developer.

The City or the Authority may advance or loan money to finance expenditures under Section 469.176, subdivision 4 of the TIF Act, from the general funds of the City or the Authority or any other fund under which there is legal authority to do so, subject to the following provisions:

- (a) Not later than 60 days after money is transferred, advanced, or spent, whichever is earliest, the loan or advance must be authorized by resolution of the City or of the Authority, whichever has jurisdiction over the fund from which the advance or loan is authorized.
- (b) The resolution may generally grant to the City or the Authority the power to make interfund loans under one or more tax increment financing plans or for one or more districts. The resolution may be adopted before or after the adoption of the tax increment financing plan or the creation of the tax increment financing district from which the advance or loan is to be repaid.
- (c) The terms and conditions for repayment of the loan must be provided in writing. The written terms and conditions may be in any form, but must include, at a minimum, the principal amount, the interest rate, and maximum term. Written terms may be modified or amended in writing by the City or the Authority before the latest decertification of any tax increment financing district from which the interfund loan is to be repaid. The maximum rate of interest permitted to be charged is limited to the greater of the rates specified under Minnesota Statutes, Section 270C.40 or 549.09 as of the date the loan or advance is authorized, unless the written agreement states that the maximum interest rate will fluctuate as the interest rates specified under Minnesota Statutes, Section 270C.40 or 549.09 are from time to time adjusted. Loans or advances may be structured as draw-down or line-of-credit obligations of the lending fund.
- (d) The Authority shall report in the annual report submitted under Section 469.175, subdivision 6 of the TIF Act:
 - (1) the amount of any interfund loan or advance made in a calendar year; and
 - (2) any amendment of an interfund loan or advance made in a calendar year.

4.04.7 Duration of TIF District

The duration to collect and spend tax increments on eligible purposes is set at the duration of 25 years after the date of receipt of the first tax increment for a total of 26 years of tax increment collection. The estimated decertification date is 12/31/2047.

4.04.8 Estimated Impact on Other Taxing Jurisdictions

Exhibits III and IV show the estimated impact on other taxing jurisdictions if the maximum projected retained captured net tax capacity of the TIF District was hypothetically available to the other taxing jurisdictions.

The City and the Authority believe that there will be no adverse impact on other taxing jurisdictions during the life of the TIF District, since the proposed development would not have occurred without the establishment of the TIF District and the provision of public assistance. A positive impact on other taxing jurisdictions will occur when the TIF District is decertified and the development therein becomes part of the general tax base.

The City and the Authority anticipate minimal impact of the proposed development on city-provided services. There will be no borrowing costs to the City or the Authority for the Project. A manageable increase in water and sewer usage is expected. It is anticipated that there may be a slight but manageable increase in police and fire protection duties due to the development.

4.04.9 Prior Planned Improvements

There have been no building permits issued in the last 18 months in conjunction with any of the properties within the TIF District. The Authority will include this statement with the request for certification to the County Auditor.

ARTICLE V – ADMINISTERING THE TIF DISTRICT

SECTION 5.01 FILING AND CERTIFICATION

The filing and certification of the TIF Plan consists of the following steps:

1. Upon adoption of the TIF Plan by the City and the Authority, the Authority, or its designee, shall submit a copy of the TIF Plan to the Minnesota Department of Revenue and the Office of the State Auditor.
2. The Authority, or its designee, shall request that the County Auditor certify the original net tax capacity and net tax capacity rate of the TIF District. To assist the County Auditor in this process, the Authority, or its designee, shall submit copies of the TIF Plan, the resolutions of the City and the Authority establishing the TIF District and adopting the TIF Plan, and a listing of any prior planned improvements.

SECTION 5.02 MODIFICATIONS OF THE TAX INCREMENT FINANCING PLAN

The City and the Authority reserve the right to modify the TIF District and the TIF Plan. Under the TIF Act, the following actions can only be approved after satisfying all the necessary requirements for approval of the original TIF Plan (including notifications and public hearing):

- Reduction or enlargement in the geographic area of the Development District or the TIF District.
- Increase in the amount of bonded indebtedness to be incurred.
- Increase in the amount of capitalized interest.
- Increase in that portion of the captured net tax capacity to be retained by the Authority.
- Increase in the total estimated Project Costs, not including cost of financing.
- Designation of additional property to be acquired by the City or the Authority.

Other modifications can be made by resolution of the Authority. In addition, the original approval process does not apply if (1) the only modification is elimination of parcels from the TIF District and (2) the current net tax capacity of the parcels eliminated equals or exceeds the net tax capacity of those parcels in the TIF District's original net tax capacity, or the City and the Authority agree that the TIF District's original net tax capacity will be reduced by no more than the current net tax capacity of the parcels eliminated.

Upon approval by the City, the Authority must notify the County Auditor of any modification that reduces or enlarges the geographic area of the TIF District. The geographic area of the TIF District may be reduced but not enlarged after five years following the date of certification of the TIF District.

SECTION 5.03 4-YEAR KNOCKDOWN RULE

Since the TIF District consists of a single parcel, development of the project as planned prevents any loss of value from the 4-Year Knockdown Rule. The 4-Year Knockdown Rule requires that if after four years from certification of the TIF District no demolition, rehabilitation, renovation or site improvement, including a qualified improvement of an adjacent street, has commenced on a parcel located within the TIF District, then that parcel shall be excluded from the TIF District and the original net tax capacity shall be adjusted accordingly. Qualified improvements of a street are limited to construction or opening of a new street, relocation of a street, or substantial reconstruction or rebuilding of an existing street. The Authority must submit to the County

Auditor, by February 1 of the fifth year, evidence that the required activity has taken place for each parcel in the TIF District.

If a parcel is excluded from the TIF District and the City, Authority, or owner of the parcel subsequently commences any of the above activities, the Authority shall certify to the County Auditor that such activity has commenced and the parcel shall once again be included in the TIF District. The County Auditor shall certify the net tax capacity of the parcel, as most recently certified by the Commissioner of Revenue, and add such amount to the original net tax capacity of the TIF District.

SECTION 5.04 POOLING/5-YEAR RULE

As permitted under Section 469.1763, subdivision 2(b) and subdivision 3(a)(5) of the TIF Act, any expenditures of increment from the TIF District to pay the cost of a “housing project” as defined in Section 469.174, subd. 11 of the TIF Act will be treated as an expenditure within the district for the purposes of the “pooling rules” and the “five year rule”. It is not anticipated that tax increments will be spent outside the TIF District (except allowable administrative expenses), but such expenditures are expressly authorized in the TIF Plan.

SECTION 5.05 FINANCIAL REPORTING AND DISCLOSURE REQUIREMENTS

The Authority will comply with the annual reporting requirements of State Law pursuant to the guidelines of the Office of the State Auditor. Under current law, the Authority must prepare and submit a report on the TIF district on or before August 1 of each year. The Authority must also annually publish in a newspaper of general circulation in the City an annual statement for each tax increment financing district.

The reporting and disclosure requirements outlined in this section begin with the year the district was certified, and shall end in the year in which both the district has been decertified and all tax increments have been spent or returned to the county for redistribution. Failure to meet these requirements, as determined by the State Auditors Office, may result in suspension of distribution of tax increment.

SECTION 5.06 BUSINESS SUBSIDY COMPLIANCE

The Project is exempt from the business subsidies requirements specified in Minnesota Statutes, Sections 116J.993 to 116J.995 because the assistance for the Project specified in this document, the TIF Plan for the TIF District, will be 100% for housing assistance.

Exhibit I
City of Hastings
Hastings Economic Development and Redevelopment Authority
Tax Increment Financing District No. 8
Present Value Analysis ³
Minnesota Statutes 469.175(3)(2)
(School House Square)

1	Estimated Future Market Value w/ Tax Increment Financing	18,467,021 ¹
2	Payable 2019 Market Value	<u>159,800</u>
3	Market Value Increase (1-2)	18,307,221
4	Present Value of Future Tax Increments	<u>1,697,865</u>
5	Market Value Increase Less PV of Tax Increments	16,609,356
6	Estimated Future Market Value w/o Tax Increment Financing	204,933 ¹
7	Payable 2019 Market Value	<u>159,800</u>
8	Market Value Increase (6-7)	<u>45,133</u>
9	Increase in MV From TIF	<u><u>16,564,223</u></u> ²

¹ Assume 1.00% annual appreciation over 26 year life of district.

² Statutory compliance achieved if increase in market value from TIF (Line 9) is greater than or equal to zero.

³ Section 469.175(3)(2) of the TIF Act does not require this present value analysis for a housing tax increment financing district. This analysis is provided for information purposes.

TAX INCREMENT FINANCING (HOUSING) DISTRICT NO. 8

Exhibit II
City of Hastings
Hastings Economic Development and Redevelopment Authority
Tax Increment Financing District No. 8 (Housing)
Projected Tax Increment Cash Flow
(School House Square)

TIF District Year	Taxes Payable Year	Taxable Market Value (TMV) ^{1, 6}	Net Tax Capacity	Less			Original Tax Rate ²	Captured Tax Increment Financing (TIF)	Less State Fee	Available TIF	Present Value of Available TIF ⁵
				Original Net Tax Capacity ⁴	Captured Net Tax Capacity ³	Original Net Tax Capacity					
1	2022	7,200,000	54,000	(1,199)	52,802	108.51%	57,296	(206)	57,090	52,145	
2	2023	14,544,000	109,080	(1,199)	107,882	108.51%	117,065	(421)	116,644	153,551	
3	2024	14,689,440	110,171	(1,199)	108,972	108.51%	118,249	(426)	117,823	251,048	
4	2025	14,836,334	111,273	(1,199)	110,074	108.51%	119,445	(430)	119,015	344,785	
5	2026	14,984,698	112,385	(1,199)	111,187	108.51%	120,652	(434)	120,218	434,906	
6	2027	15,134,545	113,509	(1,199)	112,311	108.51%	121,872	(439)	121,433	521,553	
7	2028	15,285,890	114,644	(1,199)	113,446	108.51%	123,103	(443)	122,660	604,858	
8	2029	15,438,749	115,791	(1,199)	114,592	108.51%	124,347	(448)	123,899	684,949	
9	2030	15,593,137	116,949	(1,199)	115,750	108.51%	125,604	(452)	125,152	761,952	
10	2031	15,749,068	118,118	(1,199)	116,920	108.51%	126,873	(457)	126,416	835,986	
11	2032	15,906,559	119,299	(1,199)	118,101	108.51%	128,155	(461)	127,694	907,163	
12	2033	16,065,624	120,492	(1,199)	119,294	108.51%	129,449	(466)	128,983	975,595	
13	2034	16,226,280	121,697	(1,199)	120,499	108.51%	130,757	(471)	130,286	1,041,388	
14	2035	16,388,543	122,914	(1,199)	121,716	108.51%	132,077	(475)	131,602	1,104,643	
15	2036	16,552,429	124,143	(1,199)	122,945	108.51%	133,411	(480)	132,931	1,165,458	
16	2037	16,717,953	125,385	(1,199)	124,186	108.51%	134,758	(485)	134,273	1,223,927	
17	2038	16,885,132	126,638	(1,199)	125,440	108.51%	136,119	(490)	135,629	1,280,140	
18	2039	17,053,984	127,905	(1,199)	126,706	108.51%	137,493	(495)	136,998	1,334,185	
19	2040	17,224,524	129,184	(1,199)	127,985	108.51%	138,881	(500)	138,381	1,386,146	
20	2041	17,396,769	130,476	(1,199)	129,277	108.51%	140,283	(505)	139,778	1,436,101	
21	2042	17,570,737	131,781	(1,199)	130,582	108.51%	141,698	(510)	141,188	1,484,129	
22	2043	17,746,444	133,098	(1,199)	131,900	108.51%	143,128	(515)	142,613	1,530,305	
23	2044	17,923,908	134,429	(1,199)	133,231	108.51%	144,573	(520)	144,053	1,574,698	
24	2045	18,103,147	135,774	(1,199)	134,575	108.51%	146,031	(526)	145,505	1,617,379	
25	2046	18,284,179	137,131	(1,199)	135,933	108.51%	147,505	(531)	146,974	1,658,414	
26	2047	18,467,021	138,503	(1,199)	137,304	108.51%	148,993	(536)	148,457	1,697,865	
TOTAL =								3,367,817	(12,124)	3,355,693	1,697,865

Key Assumptions for Cash Flow:

- 1 Taxable market value (TMV) annual growth assumption = 1.00%
- 2 Original Tax Rate estimated based on Taxes Payable Year 2019.
- 3 Election for captured tax capacity is 100.00%
- 4 Original Net Tax Capacity is calculated based on a TMV = \$159,800, calculated for apartment, 4d affordable housing p
- 5 Present value is calculated based on semi-annual payments, 5.0% interest rate, and date of 12/31/2020.
- 6 TMV is calculated based on 90 housing units at an estimated average value of \$160,000 per unit. Classification of 4d.

Exhibit III
City of Hastings
Hastings Economic Development and Redevelopment Authority
Tax Increment Financing District No. 8
Impact on Other Taxing Jurisdictions
(Taxes Payable 2019)
(School House Square)

Annual Tax Increment

Estimated Annual Captured Tax Capacity (Full Development)	\$137,304
Payable 2019 Local Tax Rate	108.513%
Estimated Annual Tax Increment	\$148,993

Percent of Tax Base

	Net Tax Capacity (NTC)	Captured Tax Capacity	Percent of Total NTC
City of Hastings	19,554,232	137,304	0.70%
Dakota County	491,799,026	137,304	0.03%
ISD # 200	31,331,629	137,304	0.44%

Dollar Impact of Affected Taxing Jurisdictions

	Net Tax Capacity (NTC)	% of Total	Tax Increment Share	Added Local Tax Rate
City of Hastings	59.612%	54.935%	81,850	0.419%
Dakota County	25.386%	23.394%	34,856	0.007%
ISD # 200	19.079%	17.582%	26,196	0.084%
Other	4.436%	4.088%	6,091	
Totals	108.513%	100.000%	148,993	

NOTE NO. 1: Assuming that ALL of the captured tax capacity would be available to all taxing jurisdictions even if the City does not create the Tax Increment District, the creation of the District will reduce tax capacities and increase the local tax rate as illustrated in the above tables.

NOTE NO. 2: Assuming that NONE of the captured tax capacity would be available to the taxing jurisdiction if the City did not create the Tax Increment District, then the plan has virtually no initial effect on the tax capacities of the taxing jurisdictions. However, once the District is established, allowable costs paid from the increments, and the District is terminated, all taxing jurisdictions will experience an increase in their tax base.

TAX INCREMENT FINANCING (HOUSING) DISTRICT NO. 8

Exhibit IV
City of Hastings
Hastings Economic Development and Redevelopment Authority
Tax Increment Financing (Housing) District No. 8
(School House Square)

Estimated Tax Increments Over Maximum Life of District

Based on Pay 2019 Tax Rate = 108.513% 59.612% 25.386% 19.079% 4.436%

TIF District Year	Taxes Payable Year	New Taxable Market Value	New Tax Capacity	Base Tax Capacity	Captured Tax Capacity	Estimated Total Tax Increment	City TIF Related Share	County TIF Related Share	School TIF Related Share	Other TIF Related Share
1	2022	7,200,000	54,000	(1,199)	52,802	57,296	31,476	13,404	10,074	2,342
2	2023	14,544,000	109,080	(1,199)	107,882	117,065	64,310	27,387	20,583	4,785
3	2024	14,689,440	110,171	(1,199)	108,972	118,249	64,961	27,664	20,791	4,833
4	2025	14,836,334	111,273	(1,199)	110,074	119,445	65,617	27,943	21,001	4,884
5	2026	14,984,698	112,385	(1,199)	111,187	120,652	66,281	28,226	21,213	4,932
6	2027	15,134,545	113,509	(1,199)	112,311	121,872	66,951	28,511	21,428	4,982
7	2028	15,285,890	114,644	(1,199)	113,446	123,103	67,627	28,799	21,644	5,033
8	2029	15,438,749	115,791	(1,199)	114,592	124,347	68,311	29,090	21,863	5,083
9	2030	15,593,137	116,949	(1,199)	115,750	125,604	69,001	29,384	22,084	5,135
10	2031	15,749,068	118,118	(1,199)	116,920	126,873	69,698	29,681	22,307	5,187
11	2032	15,906,559	119,299	(1,199)	118,101	128,155	70,402	29,981	22,532	5,240
12	2033	16,065,624	120,492	(1,199)	119,294	129,449	71,113	30,284	22,760	5,292
13	2034	16,226,280	121,697	(1,199)	120,499	130,757	71,832	30,590	22,990	5,345
14	2035	16,388,543	122,914	(1,199)	121,716	132,077	72,557	30,899	23,222	5,399
15	2036	16,552,429	124,143	(1,199)	122,945	133,411	73,290	31,211	23,457	5,453
16	2037	16,717,953	125,385	(1,199)	124,186	134,758	74,030	31,526	23,693	5,509
17	2038	16,885,132	126,638	(1,199)	125,440	136,119	74,777	31,844	23,933	5,565
18	2039	17,053,984	127,905	(1,199)	126,706	137,493	75,532	32,166	24,174	5,621
19	2040	17,224,524	129,184	(1,199)	127,985	138,881	76,295	32,490	24,418	5,678
20	2041	17,396,769	130,476	(1,199)	129,277	140,283	77,065	32,818	24,665	5,735
21	2042	17,570,737	131,781	(1,199)	130,582	141,698	77,843	33,150	24,914	5,791
22	2043	17,746,444	133,098	(1,199)	131,900	143,128	78,628	33,484	25,165	5,851
23	2044	17,923,908	134,429	(1,199)	133,231	144,573	79,422	33,822	25,419	5,910
24	2045	18,103,147	135,774	(1,199)	134,575	146,031	80,223	34,163	25,676	5,969
25	2046	18,284,179	137,131	(1,199)	135,933	147,505	81,032	34,508	25,935	6,030
26	2047	18,467,021	138,503	(1,199)	137,304	148,993	81,850	34,856	26,196	6,091
Total						3,367,817	1,850,124	787,881	592,137	137,675

Note: The Estimated Total Tax Increment shown above is before deducting the State Auditor's fee, which is payable at a rate of 0.36% of the Total Tax Increment collected. Exhibit II provides Estimated Total Tax Increment after deducting for the State Auditor's fee.

EXHIBIT V
Boundaries of Tax Increment Financing District No. 8
within Vermillion Street Redevelopment Project Area

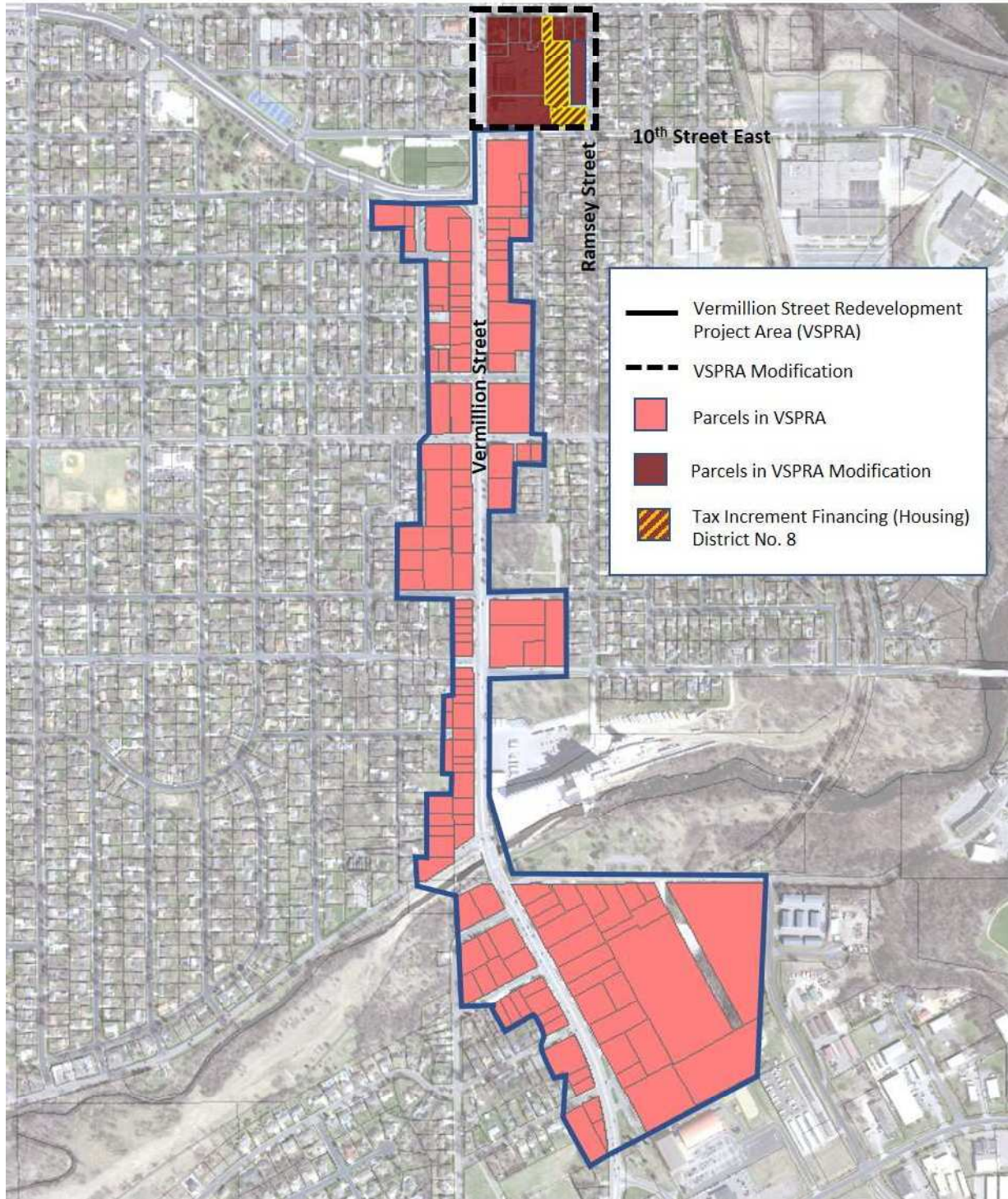


EXHIBIT V - CONTINUED
Boundaries of Tax Increment Financing District No. 8
within Vermillion Street Redevelopment Project Area



--- Vermillion Street Redevelopment Project Area Modification


 Tax Increment Financing (Housing) District No. 8

EXHIBIT VI
Parcels within Project Area

<u>COUNT</u>	<u>PARCEL ID</u>	<u>COUNT</u>	<u>PARCEL ID</u>	<u>COUNT</u>	<u>PARCEL ID</u>
1	037-190340050010	51	037-194470007190	101	037-198170001011
2	037-190340055010	52	037-194470007200	102	037-198170001020
3	037-190370005011	53	037-194470007210	103	037-198170001021
4	037-190370005081	54	037-194470007220	104	037-198170001040
5	037-190370005082	55	037-194470007230	105	037-198170001060
6	037-190370007014	56	037-194470007240	106	037-198170001081
7	037-190370008010	57	037-194470018010	107	037-198170001090
8	037-190370009010	58	037-194470018020	108	037-198170001121
9	037-190370010015	59	037-194470018022	109	037-198170001122
10	037-190380001081	60	037-194470018030	110	037-198170001140
11	037-190380001131	61	037-194470018040	111	037-198170001230
12	037-190380006011	62	037-194470018071	112	037-198170002030
13	037-190380007011	63	037-194470018080	113	037-198170002053
14	037-190380020010	64	037-194470018100	114	037-198170003031
15	037-190380021010	65	037-194470018110	115	037-198170003050
16	037-191320006013	66	037-194470018120	116	037-198170003130
17	037-191320006051	67	037-194470018150	117	037-198170004010
18	037-191320006062	68	037-194470018160	118	037-198170004030
19	037-191320006081	69	037-195845001010	119	037-198170004040
20	037-191630001010	70	037-197730004020	120	037-198170004050
21	037-191630001020	71	037-197730004160	121	037-198170004171
22	037-191630001030	72	037-197730004191	122	037-198170004180
23	037-191630001040	73	037-197730004212	123	037-198170004190
24	037-191955101010	74	037-197730004220	124	037-198170005040
25	037-191955101020	75	037-197730004250	125	037-198170005050
26	037-191955101030	76	037-197730004252	126	037-198170005251
27	037-192775001010	77	037-197730004253	127	037-198170006020
28	037-192775001011	78	037-197730004260	128	037-198170006101
29	037-192775002012	79	037-197730004261	129	037-198170006300
30	037-193215079060	80	037-197730004270	130	037-198815001040
31	037-193215080010	81	037-197730004280	131	037-198815002010
32	037-193215080040	82	037-197730005030	132	037-198815002040
33	037-193215080080	83	037-197730005040	133	037-198170002052
34	037-193215088040	84	037-197730005060	134	037-190370007013
35	037-193215088060	85	037-197730005070	135	037-190370007012
36	037-193215088061	86	037-197730005080	136	037-196690001120
37	037-193215089041	87	037-197730005090	137	037-196690001110
38	037-193215089050	88	037-197730005103	138	037-196690001100
39	037-193215089060	89	037-197730005121	139	037-196690001090
40	037-193215098061	90	037-197730005130	140	037-196690001080
41	037-194470006023	91	037-197730005140	141	037-196690001070
42	037-194470006024	92	037-197730006053	142	037-196690001060
43	037-194470006122	93	037-197730101012	143	037-196690001050
44	037-194470006163	94	037-197755004010	144	037-196690001040
45	037-194470007033	95	037-197755004011	145	037-196690001030
46	037-194470007052	96	037-197755004050	146	037-196690001020
47	037-194470007082	97	037-197755004060	147	037-196690001010
48	037-194470007102	98	037-197755005010		
49	037-194470007130	99	037-197755005030		
50	037-194470007171	100	037-198170001010		