



MODIFICATION TO THE DEVELOPMENT PROGRAM

Southeast Edina Redevelopment Project Area

- AND -

TAX INCREMENT FINANCING PLAN

Amundson Avenue Tax Increment Financing District
(a housing district)



Edina Housing and Redevelopment Authority
City of Edina, Hennepin County, Minnesota

Public Hearing: December 17, 2019

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Section 1: Modification to the Redevelopment Plan for the Southeast Edina Redevelopment Project Area

Foreword

The following text represents a Modification to the Redevelopment Plan for the Southeast Edina Redevelopment Project Area. This modification represents a continuation of the goals and objectives set forth in the Redevelopment Plan for Southeast Edina Redevelopment Project Area. Generally, the substantive changes include the establishment of the Amundson Avenue Tax Increment Financing District.

Municipal Action Taken

Based upon the statutory authority described in the Redevelopment Plan, the public purpose findings by the City Council and for the purpose of fulfilling the City's development objects as set forth in the Redevelopment Plan, the City Council has created, established and designated the Southeast Edina Redevelopment Plan pursuant to and in accordance with the requirements of Minnesota Statutes, Section 469.001 to 469.047.

The original and amended Southeast Edina Redevelopment Plan documents designated the Southeast Edina Redevelopment Plan as a redevelopment project and also a tax increment financing plan for tax increment districts created prior to 1988. The Centennial Lakes Tax Increment Financing District was created in 1988 pursuant to Tax Increment Financing Plan 88-1, which was subsequently renamed the Centennial Lakes Tax Increment District and referred to by Hennepin County as District #1203 and #1249.

For purposes of clarification, this modification will refer to the Southeast Edina Redevelopment Plan as the Southeast Edina Redevelopment Project Area Plan pursuant to Minnesota Statutes 469.002. The following municipal action has been taken with regard to the Southeast Edina Redevelopment Project Area Plan:

September 29, 1977: The Housing and Redevelopment Authority of Edina (the "HRA") approved the Southeast Edina Redevelopment Project Area Plan.

October 5, 1981: The Southeast Edina Redevelopment Project Area Plan was amended to identify project costs and bonded indebtedness incurred to finance those costs.

May 6, 1985: The HRA and the City approved an amendment to the Southeast Edina Redevelopment Project Area Plan which establishes an interest reduction program and enlarges the project area to include the "1985 Project Area."

August 19, 1985: The HRA and the City approved the First Amendment to the 1985 Amendment to the Southeast Edina Redevelopment Project Area Plan to enlarge the 1985 Project Area and authorize the issuance of additional bonds to acquire land within the enlarged 1985 Project Area.

1987: The HRA and City approved the 1987 Amendments to the Southeast Edina Redevelopment Plan to enlarge the project area to include the 1987 Project Area.

1988: The HRA and City approved the 1988 Amendments to the Southeast Edina Redevelopment Plan to provide an Interest Reduction Program in the amount of \$2,500,000 to assist in the financing and construction of housing units and authorize the HRA and City to incur additional bonded indebtedness.

February 21, 2012: The HRA and City expand the Southeast Edina Project Area.

April 17, 2012: The HRA and City establish the Southdale 2 Tax Increment Financing District.

February 18, 2014: The HRA and City establish the Pentagon Park Tax Increment Financing District.

March 2, 2016: The HRA and City establish the Grandview 2 Tax Increment Financing District.

April 5, 2016: The HRA and City modify the Tax Increment Financing Plan for the Southdale 2 Tax Increment Financing District and establish the 66 West Tax Increment Financing District.

June 20, 2017: The HRA and City establish the 50th and France 2 Tax Increment Financing District.

October 16, 2018: The HRA and City establish the 44th and France 2 Tax Increment Financing District.

November 20, 2018: The HRA and City modify the Tax Increment Financing Plan for the Southdale 2 Tax Increment Financing District to increase the TIF Budget and enable special legislative pooling authority for affordable housing. The HRA and City also establish the West 76th Street Tax Increment Financing District.

March 19, 2019: The HRA and City establish the 72nd and France Tax Increment Financing District.

(As Modified December 17, 2019)

December 17, 2019: The HRA and City modify the Tax Increment Financing Plan for the Southdale 2 Tax Increment Financing District to designate additional property to be acquired and establish the Amundson Avenue Tax Increment Financing District.

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

Section 2: Tax Increment Financing Plan for the Amundson Avenue Tax Increment Financing District

Foreword

The Edina Housing and Redevelopment Authority (the "HRA"), the City of Edina (the "City"), staff and consultants have prepared the following information to establish the Amundson Avenue Tax Increment Financing District (the "District"), a housing tax increment financing district, located in Southeast Edina Redevelopment Project Area.

Statutory Authority

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the HRA and City have certain statutory powers pursuant to *Minnesota Statutes ("M.S."), Sections 469.001 - 469.047*, inclusive, as amended (the "HRA Act"), *M.S., Sections 469.174 to 469.1794*, inclusive, as amended (the "Tax Increment Financing Act" or "TIF Act"), and *Minnesota Session Laws 2014, Chapter 308, Article 6, Section 8*, inclusive, as amended (the "Special TIF Housing Legislation"), to assist in financing public costs related to this project.

This section contains the Tax Increment Financing Plan (the "TIF Plan") for the District. Other relevant information is contained in the Modification to the Redevelopment Plan for the Southeast Edina Redevelopment Project Area, originally adopted September 29, 1977, and modified from time to time.

Statement of Objectives

The District currently consists of two parcels of land and adjacent and internal rights-of-way. The District is being created to facilitate the development of 62-units of new affordable housing in the City. Please see Appendix B for further District information. The HRA anticipates entering into an agreement with MWF Properties, LLC as the developer of the housing at the time of preparation of the TIF Plan. Development is anticipated to begin in 2020. This TIF Plan is expected to achieve many of the objectives outlined in the Redevelopment Plan for the Southeast Edina Redevelopment Project Area.

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

Redevelopment Plan Overview

Pursuant to the Redevelopment Plan and authorizing state statutes, the HRA or City is authorized to undertake the following activities in the District:

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

Description of Property in the District and Property to be Acquired

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

Parcel number	Address	Owner
08-116-21-11-0009	7075 Amundson Ave	Edina Housing Foundation
08-116-21-11-0021	7079 Amundson Ave	Edina Housing Foundation

Please also see the map in Appendix A for further information on the location of the District.

The HRA or City may acquire any parcel within the District including supporting interior and adjacent street, trail or utility rights of way. Any properties identified for acquisition will be acquired only in order to accomplish one or more of the following: storm sewer improvements; provide land for needed public streets, utilities, and facilities; and carry out land acquisition, site improvements, clearance and/or development to accomplish the uses and objectives set forth in this TIF Plan. The HRA or 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 District

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

In meeting the statutory criteria of the TIF Act, the HRA and City rely on the following facts and findings:

- The District consists of two parcels.
- The development will consist of one building consisting of 62-units of multi-family rental housing.
- No more than 20% of the square footage of the building receiving assistance from tax increment will consist of commercial, retail, or other nonresidential uses.

In meeting the criteria of the Special TIF Housing Legislation, the HRA and City rely on the following facts and findings:

- At least 20% of the residential units of the buildings assisted with tax increment will be occupied by households earning annual incomes at 60% or less of area median income.

Pursuant to *M.S., Section 469.176, Subd. 7*, the District does not contain any parcel or part of a parcel that qualified under the provisions of *M.S., Sections 273.111, 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 District.

Duration and First Year of Tax Increment of the District

Pursuant to *M.S., Section 469.175, Subd. 1, and Section 469.176, Subd. 1*, the duration and first year of tax increment of the District must be indicated within the TIF Plan. Pursuant to the Special TIF Housing Legislation, the duration of the District will be 20 years after receipt of the first increment by the HRA or City (a total of 21 years of tax increment). The HRA or City elects to receive the first tax increment in 2022, which is no later than four years following the year of approval of the District.

Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2042, or when the TIF Plan is satisfied. The HRA or City reserves the right to decertify the District prior to the legally required date.

Original Net Tax Capacity, Tax Rate, Estimated Captured Net Tax Capacity Value/Increment and 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 District will be based on the market values placed on the property by the assessor in 2019 for taxes payable 2020.

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 district;
3. Change due to adjustments, negotiated or court-ordered abatements;
4. Change in the use of the property and classification;
5. Change in state law governing class rates; or
6. Change in previously issued building permits.

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

The original local tax rate for the District will be the local tax rate for taxes payable 2020, assuming the request for certification is made before June 30, 2020. The ONTC and the Original Local Tax

Rate for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. 4* and *M.S., Section 469.177, Subd. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within Southeast Edina Redevelopment Project Area, upon completion of the project within the District, will annually approximate tax increment revenues as shown in the table below. The HRA and City request 100 percent of the available increase in tax capacity for repayment of its obligations and current expenditures, beginning in the tax year payable 2022. The Project Tax Capacity (PTC) listed is an estimate of values when the project within the District is completed.

Project Tax Capacity		
Estimated Project Tax Capacity (PTC)	\$87,000	
Estimated Original Net Tax Capacity (ONTC)	\$8,212	
<u>Fiscal Disparities</u>	<u>\$0</u>	
Estimated Captured Tax Capacity (CTC)	\$78,788	
Original Local Tax Rate	109.6630%	Pay 2019
Estimated Annual Tax Increment (CTC x Rate)	\$86,401	
Percent Retained by the HRA	100%	

Note: Estimated PTC includes a 1% inflation factor for the duration of the District and is the estimated tax capacity of the District in year 21. The tax capacity of the District in year one is estimated to be \$71,300.

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

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

Sources of Revenue/Bonds to be Issued

The total estimated tax increment revenues for the District are calculated in Appendix B and are summarized in the table below:

SOURCES OF REVENUE	
Tax Increment	1,622,095
<u>Interest</u>	<u>81,105</u>
TOTAL	1,703,200

The costs outlined in the Uses of Funds will be financed primarily through the annual collection of tax increments. The HRA or City reserves the right to incur bonds or other indebtedness to achieve the objectives of the TIF Plan. The HRA or City may issue bonds (as defined in the TIF

Act) secured in whole or in part with tax increments from the District in a maximum principal amount of \$1,153,434. 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. Further information can be found in Appendix B.

As currently proposed, the project within the District will be financed, in part, by pay-as-you-go notes and/or interfund loans to reimburse the Developer or HRA for the funding of qualified affordable housing costs. Any refunding amounts will be deemed a budgeted cost without a formal TIF Plan Modification. This provision does not obligate the HRA or City to incur debt. The HRA or City will issue bonds or incur other debt only upon the determination that such action is in the best interest of the City.

Uses of Funds

Currently under consideration for the District is a proposal to facilitate the development of the property and construction of 62-units of new affordable housing. The HRA and City have determined that it will be necessary to provide assistance to the project for certain District costs, as described.

The HRA has studied the feasibility of the development or redevelopment of property in and around the District. To facilitate the establishment and development or redevelopment of the District, this TIF Plan authorizes the use of tax increment financing to pay for the cost of certain eligible expenses. The estimate of public costs and uses of funds associated with the District is outlined in the table below. These estimates establish the maximum amount permitted to be expended, but the City/HRA is not obligated to expend the full amount.

USES OF FUNDS	
Affordable Housing	991,224
<u>Administrative Costs (up to 10%)</u>	<u>162,210</u>
PROJECT COSTS TOTAL	1,153,434
<u>Interest</u>	<u>549,767</u>
PROJECT AND INTEREST COSTS TOTAL	1,703,200

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

Estimated costs associated with the District are subject to change among categories without a modification to this TIF Plan. The cost of all activities to be considered for tax increment financing will not exceed, without formal modification, the budget above pursuant to the applicable statutory requirements. Pursuant to *M.S. Section 469.1763, Subd. 2*, the HRA may expend funds for qualified housing activities outside of the District boundaries.

Fiscal Disparities Election

Pursuant to *M.S., Section 469.177, Subd. 3*, the HRA or City may elect one of two methods to calculate the fiscal disparities contribution of commercial-industrial net tax capacity from the District.

The HRA will choose to calculate fiscal disparities by *M.S., Section 469.177, Subd. 3, Clause b* (inside the District).

Estimated Impact on Other Taxing Jurisdictions

The estimated impact on other taxing jurisdictions assumes that the redevelopment contemplated by the TIF Plan would occur without the creation of the District. However, the HRA or City has determined that such development or redevelopment would not occur "but for" tax increment financing and therefore the fiscal impact on other taxing jurisdictions is \$0.

The estimated fiscal impact of the District would be as follows if the "but for" test was not met:

Impact on Tax Base if "But/For" Not Met			
Entity	2018/Pay 2019 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) upon completion	Percent of CTC to Entity Total
Hennepin County	2,164,185,106	78,788	0.0036%
City of Edina	151,279,391	78,788	0.0521%
ISD # 273	121,270,345	78,788	0.0650%

Impact on Tax Rates if "But/For" Not Met				
Entity	Pay 2019 Extension Rate	Percent of Total Rate	CTC	Potential Annual Taxes
Hennepin County	41.8610%	38.17%	78,788	32,981
City of Edina	27.4990%	25.08%	78,788	21,666
ISD # 273	30.5890%	27.89%	78,788	24,100
Other	9.7140%	8.86%	78,788	7,653
Total	109.6630%	100.00%		86,401

The estimates listed above display the Captured Tax Capacity when all construction anticipated for the project is completed. The tax rate used for calculations is the Pay 2019 rate as obtained from Hennepin County. The total net capacity for the entities listed above are based on Pay 2019 figures provided by Hennepin County. The District will be certified under the Pay 2020 rates, which were unavailable at the time this TIF Plan was prepared.

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

- (1) Estimate of total tax increment. It is estimated that the total amount of tax increment

that will be generated over the life of the District is \$1,622,095;

- (2) Probable impact of the District on city provided services and ability to issue debt. An impact of the District on the police department is expected but is not anticipated to be significant nor impact police protection services. With any addition of new residents or businesses, police calls for service will be increased. New developments add an increase in traffic and additional overall demands to the call load. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

Based upon input from the Edina Fire Department, the probable impact of the District on fire protection is not expected to be significant. The City anticipates an additional 4-6 responses per year mostly due to EMS calls. Typically, new buildings generate few calls, if any, and are of superior construction meeting life safety building and fire codes representing improvement over the existing conditions. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

Based upon input from the Edina Engineering Department, the impact of the District on public infrastructure is expected to be minimal. The development is not expected to significantly impact any traffic movements requiring new infrastructure in the area. The current infrastructure for sanitary sewer, storm sewer and water will be able to handle the additional volume generated from the proposed development. Based on the development plans, there are no anticipated increases in city operating costs associated with street maintenance, sweeping, plowing, lighting and sidewalks. The development in the District is expected to contribute an estimated \$1,500 per unit in sanitary sewer (SAC) and \$2,450 per unit in water (WAC) connection fees.

It is not anticipated that there will be any general obligation debt issued in relation to this District and therefore 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. *M.S. Section 469.175 Subd. 2(b)* requires the TIF Plan to calculate “the estimated amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district’s share of the total local tax rate for a taxing jurisdiction remained the same.” It is estimated that the amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is \$452,461. The amount is calculated by multiplying the total estimated increment of \$1,622,095 by the percent of the proportionate share of the total tax rate of 27.89%;
- (4) Estimated amount of tax increment attributable to county levies. *M.S. Section 469.175 Subd. 2(b)* requires the TIF Plan to calculate “the estimated amount of tax increments over the life of the District that would be attributable to county levies, assuming the county’s share of the total local tax rate for a taxing jurisdiction remained the same.” It is estimated that the amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same, is \$619,193. The amount is calculated by multiplying the total estimated increment of \$1,622,095 by the percent of the proportionate share of the total tax rate of 38.17%;

- (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 impacts 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.

[At this time, no requests for additional information from the county or school district regarding the proposed development for the 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.

- (1) In making said determination, reliance has been placed upon (1) written representation made by the developer to such effects, (2) review of the developer's proforma; and (3) City staff awareness of the feasibility of developing the project site within the District, which is further outlined in the City Council resolution approving the establishment of the TIF District and Appendix C.

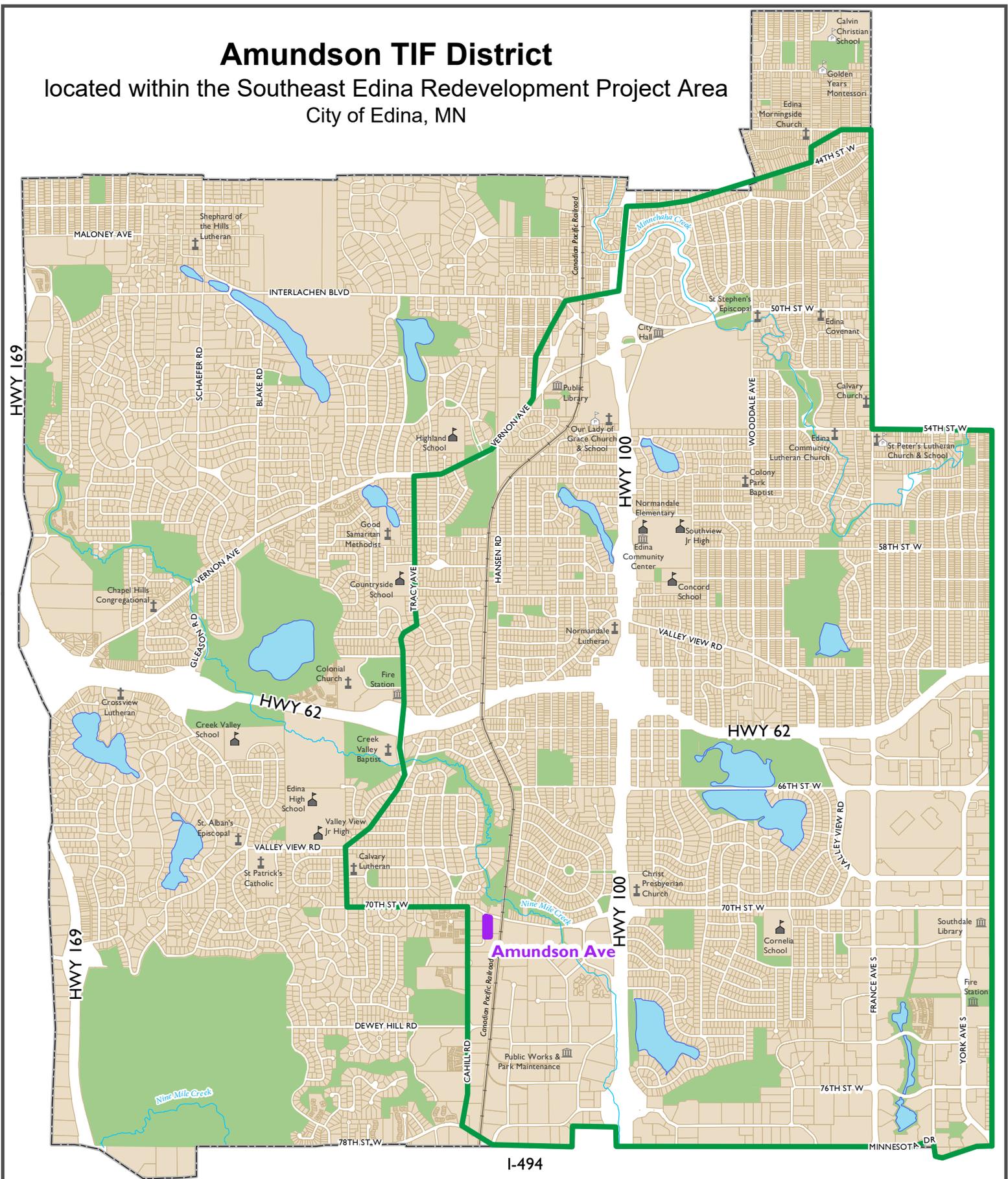
Administration of the District

Administration of the District will be handled by the HRA Executive Director.

Appendix A: Map of Southeast Edina Redevelopment Project Area and the TIF District

Amundson TIF District

located within the Southeast Edina Redevelopment Project Area
City of Edina, MN



Legend

-  Proposed Amundson TIF Boundary
-  Southeast Edina Redevelopment Project Area



October 2019

0 2,000 Feet

Appendix B: Project Description



MWF Properties, LLC, a developer specializing in multifamily workforce housing in the Midwest of the United States, is proposing to sponsor the development of approximately 62 affordable housing units within the city. The development, intended to be named the Amundson Flats, will be located at 7075 Amundson Avenue and is intended to fulfill a portion of the City's identified goal to provide affordable housing options for those who live and work within the City.

MWF Properties, LLC intends to develop the housing on a 1.25-acre property formerly occupied by the one-story Waldorf-Nevens dry cleaning business. The developer's plans are aligned with the 70th and Cahill Small Area Plan. The developer will demolish the existing building and clean up the site for redevelopment into a four-story, 50,000 square foot mixed-income multifamily residential building complete with underground and surface parking as well as 1,500 square feet of community and management space. The site is also envisioned to include first floor patios and pedestrian/trail accessibility. The proposed unit mix includes 8 one-bedroom, 23 two-bedroom, and 31 three-bedroom units, all which will be restricted to households earning at or below 70% of the Area Median Income (AMI). The developer further intends to restrict occupancy and rents across the 30% AMI, 50% AMI, and 60% AMI household income thresholds.

The developer has applied for an allocation of federal low-income housing tax credits from the Minnesota Housing Finance Agency (MHFA) as well as secured supportive housing subsidies. To supplement the MHFA application, the Edina Housing Foundation and Edina Housing and Redevelopment Authority are proposing to partner in writing down \$700,000 in acquisition costs to assist the affordable housing development. Net of HRA funds, the estimated cost of the development is \$16.4 million. Pending award of the tax credits, construction is expected to begin by 2020 with completion and planned occupancy in 2021.

Tax Increment from this TIF District as well as the Southdale 2 TIF District will be utilized to write down a portion of the cost of acquisition and provide financing for affordable housing in the City.

Appendix C: Estimated Cash Flow for the District



Amundson Flats

City of Edina

62-unit Affordable Housing

ASSUMPTIONS AND RATES

DistrictType:	Housing
District Name/Number:	Amundson Avenue
County District #:	TBD
First Year Construction or Inflation on Value	2020
Existing District - Specify No. Years Remaining	20
Inflation Rate - Every Year:	1.00%
Interest Rate:	4.00%
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	2022
Years of Tax Increment	21
Assumes Last Year of Tax Increment	2042
Fiscal Disparities Election [Outside (A), Inside (B), or N/	Inside(B)
Incremental or Total Fiscal Disparities	Incremental
Fiscal Disparities Contribution Ratio	33.3863% Pay 2019
Fiscal Disparities Metro-Wide Tax Rate	143.9920% Pay 2019
Maximum/Frozen Local Tax Rate:	109.663% Pay 2019
Current Local Tax Rate: (Use lesser of Current or Max.)	109.663% Pay 2019
State-wide Tax Rate (Comm./Ind. only used for total tax)	42.4160% Pay 2019
Market Value Tax Rate (Used for total taxes)	0.21038% 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
1	08-116-21-11-0009	Edina Hsg Fnd	7075 Amundson Ave	883,900	1,000	884,900	100%	884,900	Pay 2020	C/I Pref.	16,948	Aff. Rental	6,637	1
2	08-116-21-11-0021	Edina Hsg Fnd	7079 Amundson Ave	210,000	0	210,000	100%	210,000	Pay 2020	Exempt	-	Aff. Rental	1,575	1
				1,093,900	1,000	1,094,900		1,094,900			16,948		8,212	

Note:

1. Base values are for pay 2020 based upon review of County website on 10.15.2019.
2. Located in SD # 273 and WS #1.



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 2020	Percentage Completed 2021	Percentage Completed 2022	Percentage Completed 2023	First Year Full Taxes Payable
1	Apartments	160,000	160,000	62	9,920,000	Aff. Rental	71,300	1,150	100%	100%	100%	100%	2022
TOTAL					9,920,000		71,300						

Note:

1. Market values are based upon preliminary estimates provided by the City Assessor's office on 10.17.2019.

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
Apartments	71,300	0	71,300	78,190	0	0	20,870	99,059	1,597.73
TOTAL	71,300	0	71,300	78,190	0	0	20,870	99,059	

Note:

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

WHAT IS EXCLUDED FROM TIF?	
Total Property Taxes	99,059
less State-wide Taxes	0
less Fiscal Disp. Adj.	0
less Market Value Taxes	(20,870)
less Base Value Taxes	(9,005)
Annual Gross TIF	69,184



Amundson Flats
City of Edina
62-unit Affordable Housing

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 10%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
							-	-	-	-	-			02/01/21
							-	-	-	-	-			08/01/21
							-	-	-	-	-			02/01/22
100%	71,300	(8,212)	-	63,088	109.663%	69,184	34,592	(125)	(3,447)	31,021	28,659	0.5	2022	08/01/22
							34,592	(125)	(3,447)	31,021	56,755	1	2022	02/01/23
100%	72,013	(8,212)	-	63,801	109.663%	69,966	34,983	(126)	(3,486)	31,372	84,612	1.5	2023	08/01/23
							34,983	(126)	(3,486)	31,372	111,923	2	2023	02/01/24
100%	72,733	(8,212)	-	64,521	109.663%	70,756	35,378	(127)	(3,525)	31,726	139,000	2.5	2024	08/01/24
							35,378	(127)	(3,525)	31,726	165,547	3	2024	02/01/25
100%	73,460	(8,212)	-	65,249	109.663%	71,554	35,777	(129)	(3,565)	32,083	191,866	3.5	2025	08/01/25
							35,777	(129)	(3,565)	32,083	217,670	4	2025	02/01/26
100%	74,195	(8,212)	-	65,983	109.663%	72,359	36,180	(130)	(3,605)	32,444	243,252	4.5	2026	08/01/26
							36,180	(130)	(3,605)	32,444	268,333	5	2026	02/01/27
100%	74,937	(8,212)	-	66,725	109.663%	73,173	36,586	(132)	(3,645)	32,809	293,198	5.5	2027	08/01/27
							36,586	(132)	(3,645)	32,809	317,576	6	2027	02/01/28
100%	75,686	(8,212)	-	67,475	109.663%	73,995	36,997	(133)	(3,686)	33,178	341,744	6.5	2028	08/01/28
							36,997	(133)	(3,686)	33,178	365,438	7	2028	02/01/29
100%	76,443	(8,212)	-	68,232	109.663%	74,825	37,412	(135)	(3,728)	33,550	388,929	7.5	2029	08/01/29
							37,412	(135)	(3,728)	33,550	411,958	8	2029	02/01/30
100%	77,208	(8,212)	-	68,996	109.663%	75,663	37,832	(136)	(3,770)	33,926	434,789	8.5	2030	08/01/30
							37,832	(136)	(3,770)	33,926	457,173	9	2030	02/01/31
100%	77,980	(8,212)	-	69,768	109.663%	76,510	38,255	(138)	(3,812)	34,305	479,363	9.5	2031	08/01/31
							38,255	(138)	(3,812)	34,305	501,118	10	2031	02/01/32
100%	78,760	(8,212)	-	70,548	109.663%	77,365	38,682	(139)	(3,854)	34,689	522,685	10.5	2032	08/01/32
							38,682	(139)	(3,854)	34,689	543,829	11	2032	02/01/33
100%	79,547	(8,212)	-	71,335	109.663%	78,229	39,114	(141)	(3,897)	35,076	564,789	11.5	2033	08/01/33
							39,114	(141)	(3,897)	35,076	585,339	12	2033	02/01/34
100%	80,343	(8,212)	-	72,131	109.663%	79,101	39,550	(142)	(3,941)	35,467	605,711	12.5	2034	08/01/34
							39,550	(142)	(3,941)	35,467	625,683	13	2034	02/01/35
100%	81,146	(8,212)	-	72,934	109.663%	79,982	39,991	(144)	(3,985)	35,862	645,481	13.5	2035	08/01/35
							39,991	(144)	(3,985)	35,862	664,891	14	2035	02/01/36
100%	81,958	(8,212)	-	73,746	109.663%	80,872	40,436	(146)	(4,029)	36,261	684,133	14.5	2036	08/01/36
							40,436	(146)	(4,029)	36,261	702,997	15	2036	02/01/37
100%	82,777	(8,212)	-	74,565	109.663%	81,771	40,885	(147)	(4,074)	36,664	721,697	15.5	2037	08/01/37
							40,885	(147)	(4,074)	36,664	740,030	16	2037	02/01/38
100%	83,605	(8,212)	-	75,393	109.663%	82,678	41,339	(149)	(4,119)	37,071	758,203	16.5	2038	08/01/38
							41,339	(149)	(4,119)	37,071	776,020	17	2038	02/01/39
100%	84,441	(8,212)	-	76,229	109.663%	83,595	41,798	(150)	(4,165)	37,482	793,681	17.5	2039	08/01/39
							41,798	(150)	(4,165)	37,482	810,996	18	2039	02/01/40
100%	85,285	(8,212)	-	77,074	109.663%	84,521	42,261	(152)	(4,211)	37,898	828,160	18.5	2040	08/01/40
							42,261	(152)	(4,211)	37,898	844,987	19	2040	02/01/41
100%	86,138	(8,212)	-	77,926	109.663%	85,456	42,728	(154)	(4,257)	38,317	861,666	19.5	2041	08/01/41
							42,728	(154)	(4,257)	38,317	878,019	20	2041	02/01/42
100%	87,000	(8,212)	-	78,788	109.663%	86,401	43,201	(156)	(4,305)	38,741	894,228	20.5	2042	08/01/42
							43,201	(156)	(4,305)	38,741	910,119	21	2042	02/01/43
Total							1,627,956	(5,861)	(162,210)	1,459,886				
Present Value From 08/01/2020							1,014,897	(3,654)	(101,124)	910,119				
Present Value Rate							4.00%							

Appendix D: Findings Including But/For Qualifications

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan for the Amundson Avenue Tax Increment Financing District, as required pursuant to *M.S., Section 469.175, Subdivision 3* are as follows:

1. *Finding that the Amundson Avenue Tax Increment Financing District is a housing district as defined in M.S., Section 469.174, Subd. 11.*

The Amundson Avenue Tax Increment Financing District consists of two parcels within the Southeast Edina Redevelopment Project Area. The development will consist of the construction of 62-units of affordable housing in the City, all or a portion of which will receive tax increment assistance and will meet income restrictions described in *M.S. 469.1761* and *Minnesota Session Laws 2014, Chapter 308, Article 6, Section 8*, inclusive, as amended. At least 20 percent of the units receiving assistance will have incomes at or below 60 percent of area median income.

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 this plan is a housing district that meets the City's objectives for redevelopment and is intended for occupancy by low and moderate-income persons. Due to the high costs of land acquisition and building costs of new housing in the City, this project is feasible only through assistance, in part, from tax increment financing. The developer has provided the city its estimated project budget and financing projections. All of the proposed housing units are intended to be both rent and income restricted, and affordable rental revenues alone are insufficient to make the project economically feasible to provide a sufficient rate of return, pay operating expenses, and service the debt. City staff and the City's advisors have reviewed the information and determined the project demonstrates the need for tax increment assistance. The necessity of public assistance is true for most affordable housing developments in Minnesota.

The affordable project also requires public assistance beyond tax increment. The developer has applied for an allocation of federal low-income housing tax credits from the Minnesota Housing Finance Agency (MHFA). The City and HRA's assistance is necessary in order to leverage the potential federal subsidy.

3. *Finding that the TIF Plan for Amundson Avenue Tax Increment Financing District conforms to the general plan for the development or redevelopment of the municipality as a whole.*

The City of Edina Planning Commission will review the TIF Plan on November 13, 2019 to provide written opinion whether the TIF Plan conforms to the general development plan of the City.

4. *Finding that the TIF Plan for Amundson Avenue Tax Increment Financing District will afford maximum opportunity, consistent with the sound needs of the City as a whole, for*

the development or redevelopment of Southeast Edina Redevelopment Project Area 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 meeting the housing needs of people with a variety of incomes and provide housing alternatives that would otherwise not be available.

Appendix E: Special TIF Housing Legislation

Minnesota Session Laws – 2019, 1st Special Session Chapter 6 – HF No. 5, Article 7

Sec. 3. Laws 2014, chapter 308, article 6, section 8, subdivision 1, as amended by Laws 2017, First Special Session chapter 1, article 6, section 11, is amended to read:

Subdivision 1. Authority to create districts.

- (a) The governing body of the city of Edina or its development authority may establish one or more tax increment financing housing districts in the Southeast Edina Redevelopment Project Area, as the boundaries exist on March 31, 2014.
- (b) The authority to request certification of districts under this section expires on December 31, ~~2019~~ 2021.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Edina and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Minnesota Session Laws – 2017, 1st Special Session Chapter 1 – HF No. 1, Article 6

Sec. 11. Laws 2014, chapter 308, article 6, section 8, subdivision 1, is amended to read:

Subdivision 1. Authority to create districts.

- (a) The governing body of the city of Edina or its development authority may establish one or more tax increment financing housing districts in the Southeast Edina Redevelopment Project Area, as the boundaries exist on March 31, 2014.
- (b) The authority to request certification of districts under this section expires on ~~June 30, 2017~~ December 31, 2019.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Edina and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 16. CITY OF EDINA; APPROVAL OF 2014 SPECIAL LAW.

Notwithstanding the provisions of Minnesota Statutes, section 645.021, subdivision 3, the chief clerical officer of the city of Edina may file with the secretary of state certificate of approval of Laws 2014, chapter 308, article 6, section 8, by December 31, 2016, and, if the certificate is so filed and the requirements of Minnesota Statutes, section 645.021, subdivision 3, are otherwise complied with, the special law is deemed approved, and all actions taken by the city before the effective date of this section in reliance on Laws 2014, chapter 308, article 6, section 8, are deemed consistent with Laws 2014, chapter 308, article 6, section 8, and this act.

EFFECTIVE DATE. This section is effective the day following final enactment.

**Minnesota Session Laws - 2014, Regular Session
Chapter 308--HF No. 3167, Article 6**

Sec. 8. CITY OF EDINA; TAX INCREMENT FINANCING.

Subdivision 1. Authority to create districts.

- (a) The governing body of the city of Edina or its development authority may establish one or more tax increment financing housing districts in the Southeast Edina Redevelopment Project Area, as the boundaries exist on March 31, 2014.
- (b) The authority to request certification of districts under this section expires on June 30, 2017.

Subd. 2. Rules governing districts.

- (a) Housing districts established under this section are subject to the provisions of Minnesota Statutes, sections 469.174 to 469.1794, except as otherwise provided in this subdivision.
- (b) Notwithstanding the provisions of Minnesota Statutes, section 469.176, subdivision 1b, no increment must be paid to the authority after 20 years after receipt by the authority of the first increment from a district established under this section.
- (c) Notwithstanding the provisions of Minnesota Statutes, section 469.1761, subdivision 3, for a residential rental project, the city may elect to substitute "20 percent" for "40 percent" in the 40-60 test under section 142(d)(1)(B) of the Internal Revenue Code in determining the applicable income limits.
- (d) The provisions of Minnesota Statutes, section 469.1761, subdivision 3, apply for a 25-year period beginning on the date of certification of the district.

Subd. 3. Pooling authority.

The city may elect to treat expenditures of increment from the Southdale 2 district for a housing project of a district established under this section as expenditures qualifying under Minnesota Statutes, section 469.1763, subdivision 2, paragraph (d): (1) without regard to whether the housing meets the requirement of a qualified building under section 42 of the Internal Revenue Code; and (2) may increase by an additional 25 percentage points the permitted amount of expenditures for activities located outside the geographic area of the district permitted under that section.

EFFECTIVE DATE. This section is effective upon compliance by the governing body of the city of Edina with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.