



**Dunwoody Apartments  
Tax Increment Financing Plan**

Draft for Public Review  
December 16, 2011

# Dunwoody Apartments Tax Increment Financing Plan

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# Dunwoody Apartments Tax Increment Financing Plan

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## I. Introduction

The Dunwoody Apartments Tax Increment Financing (TIF) Plan has been prepared to facilitate the redevelopment of the vacant, historic Abbott Hospital complex at 110 18<sup>th</sup> Street East in south Minneapolis. Gateway Commons, LLC proposes to convert the original Dunwoody building, constructed in 1910, and four additions constructed up through the 1950s, to 123 rental apartments with 40 underground and 64 surface parking spaces. Twenty-five units will be affordable to households at or below 50 percent of the Area Median Income.

The proposed development will remove blight, preserve a historic building, create affordable and market-rate rental housing units, increase the City's tax base and promote transit usage.

The Dunwoody Apartments TIF Plan establishes a new redevelopment TIF district within the Dunwoody Apartments Redevelopment Project area to help finance various public project costs and to establish a TIF budget for the use of TIF revenue generated by the new TIF district.

## II. TIF District Boundary

The Dunwoody Apartments TIF District consists of one tax parcel identified below. The TIF District is located within the Stevens Square-Loring Heights neighborhood and Ward 6 of south Minneapolis, and within the Dunwoody Apartments Redevelopment Project.

<b>Property Identification Number</b>	<b>Property Address</b>
27-029-24-43-0001	110 18 <sup>th</sup> Street East

The TIF District Boundary Map is attached as Exhibit 1.

## III. Type of TIF District

The Dunwoody Apartments TIF District is a "redevelopment district" as defined in M.S. Section 469.174, Subd. 10.

"Redevelopment district" means a type of tax increment financing district consisting of a project, or portions of a project, within which the authority finds by resolution that one or more of the following conditions, reasonably distributed throughout the district, exists: (1) Parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance.

"Structurally substandard" shall mean buildings containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or

## Dunwoody Apartments Tax Increment Financing Plan

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similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance.

A building is not structurally substandard if it is in compliance with the building code applicable to new buildings or could be modified to satisfy the building code at a cost of less than 15 percent of the cost of constructing a new structure of the same square footage and type on the site.

Additional information about the district's eligibility as a redevelopment TIF district is provided in the Documentation of Eligibility (Exhibit 2).

#### **IV. Maximum Duration of the TIF District**

The maximum duration of the Dunwoody Apartments TIF District is that which is prescribed by the Tax Increment Financing Act (the "TIF Act", M.S. Sections 469.174-469.1799) for a redevelopment district. At the time this document was prepared, the TIF Act allowed for a maximum of 26 years of tax increment collection.

#### **V. Statement of Objectives**

The City of Minneapolis seeks to achieve the following objectives through this TIF plan:

- Eliminate blighting influences by rehabilitating a vacant and deteriorated building.
- Preserve a historic structure.
- Increase the number of housing units and choices within the city.
- Increase housing density.
- Remedy the shortage of housing for low and moderate income residents.
- Support strong and diverse neighborhoods where people choose to live.
- Promote transit-oriented and sustainable development.
- Clean a contaminated property.
- Increase the property tax base.

#### **VI. Proposed Development Activity**

##### **A. Description of Proposed Development Activity**

Gateway Commons, LLC acquired the original Abbott Hospital site in 2005. The site consists of the original Dunwoody building, constructed in 1910, and four additions constructed up through the 1950s. The approximately 1.7-acre L-shaped site occupies most of the block bounded by 17<sup>th</sup> and 18<sup>th</sup> Streets East, and Stevens and 1<sup>st</sup> Avenues South, just south of Interstate 94 and east of Nicollet Avenue.

Gateway Commons, LLC plans to convert the vacant building to 123 rental apartments, including 25 units affordable to households at or below 50 percent of the Area Median Income, with 40 underground and 64 surface parking spaces.

## Dunwoody Apartments Tax Increment Financing Plan

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The 1910 building is on the National Register of Historic Places. Historic elements to be preserved include some of the existing windows, interior finishes where possible, ceiling heights and other detailing.

The proposed unit mix is nine studios, 90 one-bedroom units and 24 two-bedroom units. The building will also include a leasing/management office, community room for use by residents, indoor bicycle storage and tenant storage lockers.

The estimated total development cost is approximately \$19,555,556.

A site plan and rendering are included as Exhibit 6.

### **B. Property That May Be Acquired**

The City of Minneapolis does not currently intend to acquire any property within the project area. The developer, Gateway Commons, LLC, purchased the property in 2005.

### **C. Other Expected Development Activity**

No additional development activity is anticipated within the TIF district.

## **VII. Description of Financing**

The figures, sources, and methods of financing identified in this TIF Plan are based on the best estimates and projections available at the time this plan was prepared. Slight changes can be expected. However, if significant changes occur that affect the structure or financial feasibility of the project, or increase the project costs to be paid with tax increment or bonded indebtedness to be incurred beyond the amounts listed in this TIF Plan, then a formal modification to this plan may become necessary. Such a modification would require the same review and approval process as the original approval of this TIF Plan.

### **A. Costs to be Paid with Tax Increment**

The total cost of the project is currently estimated to be approximately \$19,555,556. The maximum amount of project costs that can be paid utilizing tax increment revenues generated from within the Dunwoody Apartments TIF District is shown below.

The City reserves the right to administratively adjust the amount of any of the line items listed, or to incorporate additional eligible line items, provided that the total use figures listed below are not exceeded.

## Dunwoody Apartments Tax Increment Financing Plan

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### Sources

Tax Increment	<u>\$3,067,689</u>
Total Sources	\$3,067,689

### Uses

Qualifying Improvements (Building Rehabilitation)	\$1,258,200
Pay-As-You-Go Note Interest	1,502,720
Administrative Costs	<u>306,769</u>
Total Uses	\$3,067,689

### **B. Maximum Bonds to be Issued**

The City does not currently anticipate issuing any tax increment bonds for the Dunwoody Apartments project. It is anticipated that the City will issue the developer a pay-as-you-go TIF note in an amount not to exceed \$1,258,200. The City will semi-annually distribute net tax increment to the developer under the terms of the TIF note.

### **C. Other Sources of Funding**

The project has numerous sources of private and public funding. It is anticipated that private debt will be secured through HUD's 221(d)(4) program, and that equity will be invested in the project through Federal and State Historic Tax Credit programs. Public funding will be provided by the City of Minneapolis, Hennepin County, and the State of Minnesota. A complete and up-to-date listing of all the anticipated sources of funding for the project will be included in the report presented to the City Council when it considers approval of this TIF Plan.

### **D. Original Net Tax Capacity**

The property in the TIF district has an estimated market value (EMV) of \$1,775,000 (as assessed in 2011 for taxes payable in 2012). Upon project completion, it is projected that the original net tax capacity (ONTC) of the TIF district will be approximately \$22,118.

### **E. Original Tax Capacity Rate**

The original tax capacity rate for the TIF district will be 145.933%, the total local tax capacity rate for all applicable taxing jurisdictions for taxes payable in 2011. For the purpose of calculating the hypothetical impact on other taxing jurisdictions (see Section VIII), the total tax capacity rate for taxes payable in 2011 was used. For tax increment projection purposes, the same total tax capacity rate of 145.933% was assumed (see Section VIII).

## Dunwoody Apartments Tax Increment Financing Plan

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### F. Fiscal Disparities Election

For the purpose of calculating tax increment, the City of Minneapolis elects that the fiscal disparity contribution required for all commercial/industrial property located within the TIF district will be made from “outside” the TIF district (M.S. Section 469.177, Subd. 3, Paragraph (a)).

### G. Projected Captured Net Tax Capacity and Tax Increment

Upon project completion, it is projected that the total EMV of the property in the TIF district will be \$9,500,000, and the total net tax capacity (NTC) will be \$109,250. The captured net tax capacity of the TIF district at completion is therefore projected to be \$87,062.

The Assumptions Schedule (Exhibit 3) shows the various assumptions used in projecting net tax increment from the TIF district.

The Projected Tax Increment Schedule (Exhibit 4) shows how tax increment was projected over a 26-year period (2013 to 2038).

### VIII. Estimated Impact on Other Taxing Jurisdictions

It is the position of the City of Minneapolis that the development of the property included in this TIF district would not occur as proposed without tax increment financing assistance.

Nevertheless, if it is assumed for the purpose of analysis that the proposed development would occur without tax increment financing assistance, and that the estimated captured net tax capacity at project completion would be immediately available, then the estimated annual impact to the applicable taxing jurisdictions would be as follows:

Taxing Jurisdiction	Pay 2011 Tax <u>Capacity Rate</u>	Property Taxes Resulting From \$87,062 in Captured Net <u>Tax Capacity</u>
City of Minneapolis	69.502%	\$60,510
Hennepin County	45.084	39,251
Special School District #1	23.068	20,083
Other	<u>8.339</u>	<u>7,260</u>
Total	145.993%	\$127,104

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### Fiscal and Economic Implications of the TIF District

The estimated amount of total tax increment that would be generated over the maximum duration of the TIF district is \$3,067,689.

The probable impact of the TIF district on City-provided services such as police and fire protection, public infrastructure, and borrowing costs attributable to the TIF district is projected to be very minor due to the small size of the project in comparison to the size of the City budget and tax base.

The estimated amount of tax increment generated over the life of the TIF district that would be attributable to the School District, assuming the School District's tax rate remains at approximately 16 percent of the total tax rate, would equal approximately \$485,000.

The estimated amount of tax increment generated over the life of the TIF district that would be attributable to the County, assuming the County's tax rate remains at approximately 31 percent of the total tax rate, would equal approximately \$950,000.

As of the date this plan was prepared, neither the County nor School District have requested any additional information which could assist them in determining additional costs that may accrue due to the development in the TIF district.

### **IX. Basis for Finding That Development Would Not Occur Without TIF Assistance**

M.S. Section 469.175, Subd. 3 provides that, prior to the approval of a TIF plan, the City Council must find that the proposed development or redevelopment would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future, and therefore the use of tax increment financing is deemed necessary.

It is the position of the City of Minneapolis that the private development to be constructed in the Dunwoody Apartments TIF district would not occur without public participation and financial assistance. This conclusion and finding is based upon the factors and circumstances described below.

The developer has stated that "but-for" the use of tax increment financing the development will not proceed. A financial analysis conducted by the City indicated that projected development costs exceed available funding sources and that a funding gap exists. In order to close this funding gap, tax increment financing assistance is deemed necessary and appropriate.

The project is consistent with development objectives set forth in the Minneapolis Tax Increment Policy in that it will 1) provide housing choices that meet the needs of current residents and attract new residents to the city, 2) provide affordable housing, 3) develop an underutilized site and 4) eliminate blighting influences.

## Dunwoody Apartments Tax Increment Financing Plan

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The amount of tax increment financing requested is reasonable when compared to the overall cost of developing the project, and the developer has explored other options to secure private and public funding for these costs prior to requesting tax increment financing assistance from the City.

The funding gap is in part due to the inclusion of 25 affordable rental units within the project, in compliance with the City's Unified Housing Policy. The Unified Housing Policy recognizes the serious shortage of affordable housing in Minneapolis and seeks to "grow the population and to have no net loss of housing across all income levels".

The Unified Housing Policy also states that the City will focus on linking incentives to housing opportunities in proximity to jobs and transit. The Dunwoody Apartments project will convert a vacant hospital building to residential use, introducing new housing units and activity to a site that is within one block of Nicollet Avenue, a designated Commercial Corridor and Hi-Frequency bus route, and within walking distance of several other bus routes.

A tax increment financing district site must also pass a "market value test" in order to support the finding that the development could not occur without tax increment assistance (M.S. Section 469.175, Subd. 3(b)(2)(ii)). Exhibit 5 contains the calculations necessary to demonstrate that this test has been satisfied.

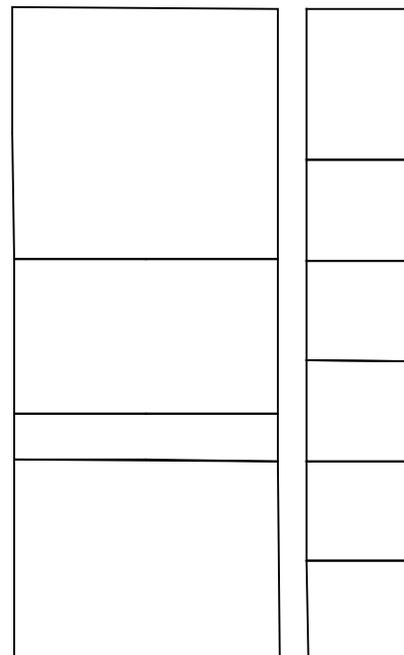
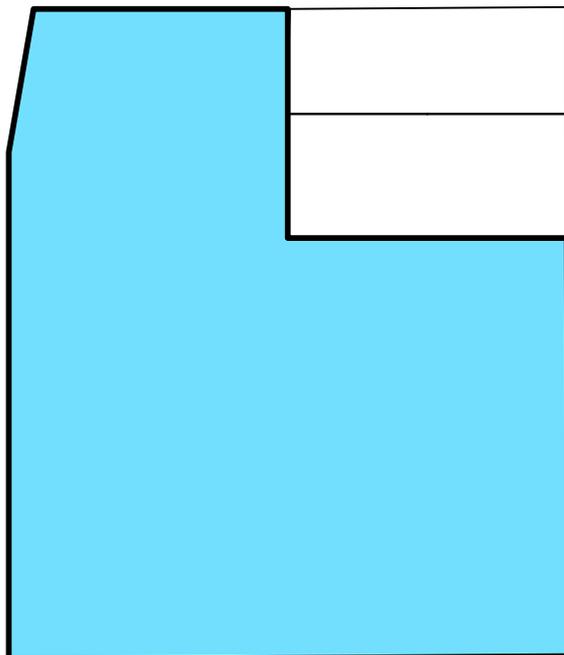
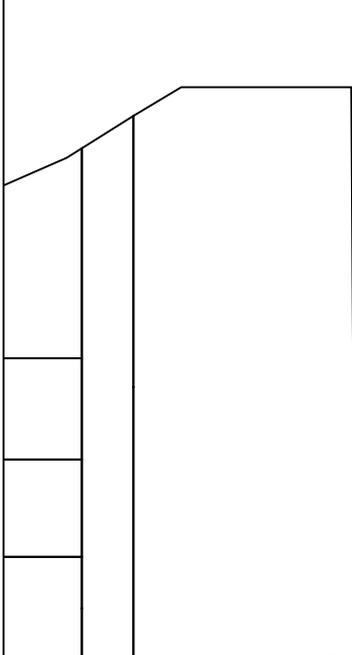
# Dunwoody Apartments Tax Increment Financing District Boundary Map

INTERSTATE 94

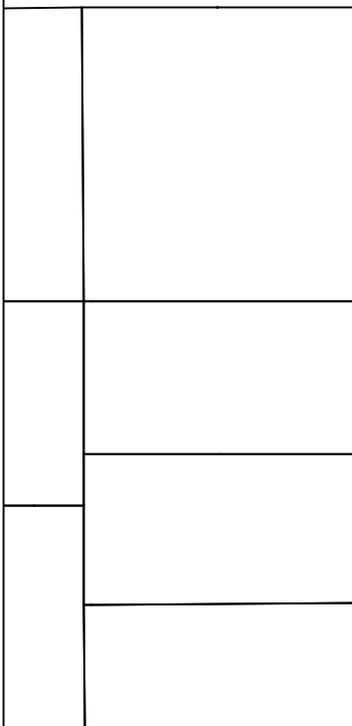
17TH ST E

## Legend

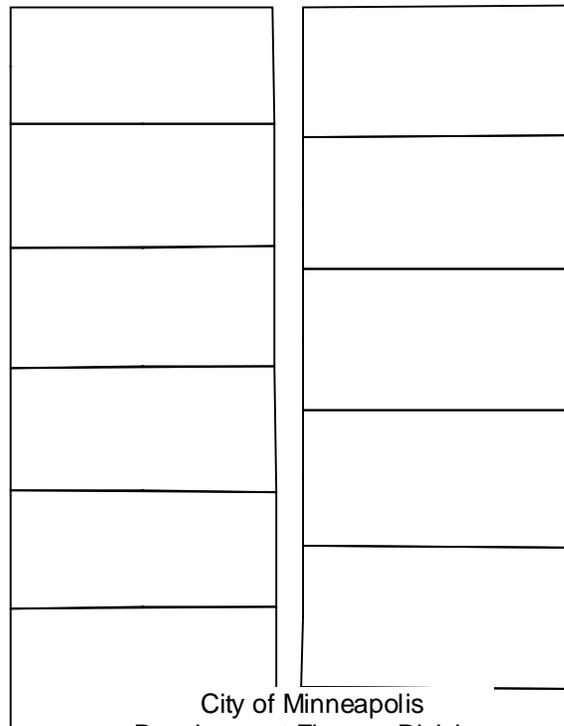
 TIF District Boundary



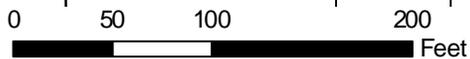
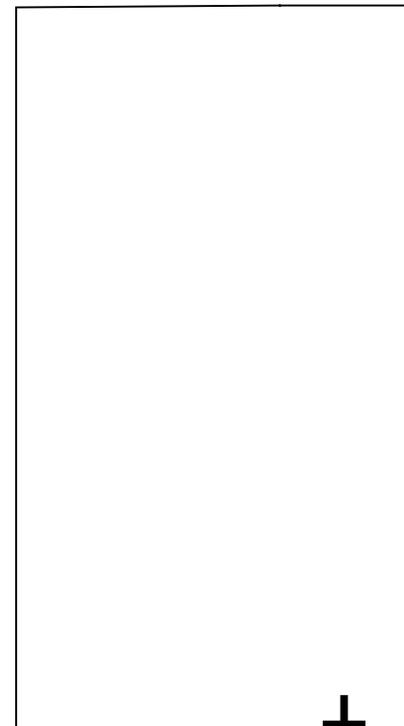
18TH ST E



1ST AVE S



STEVENS AVE



City of Minneapolis  
Development Finance Division  
December 2011



Dunwoody Apartments Tax Increment Financing Plan

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Documentation of Eligibility

The purpose of this exhibit is to describe the conditions that qualify the proposed Dunwoody Apartments Tax Increment Financing (TIF) District as a redevelopment TIF district.

**Statutory Definition**

Minnesota Statutes Section 469.174, Subdivision 10 provides a definition of a redevelopment TIF district. The provisions applicable to the proposed Dunwoody Apartments TIF District are the following:

- Parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance... [469.174, Subd. 10 (a)(1)]
- ..."structurally substandard" shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance. [469.174, Subd. 10 (b)]
- A building is not structurally substandard if it is in compliance with the building code applicable to new buildings or could be modified to satisfy the building code at a cost of less than 15 percent of the cost of constructing a new structure of the same square footage and type on the site. [469.174, Subd. 10 (c)]
- For purposes of this subdivision, a parcel is not occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures unless 15 percent of the area of the parcel contains buildings, streets, utilities, paved or gravel parking lots, or other similar structures. [469.174, Subd. 10 (e)]

**Description of Property within the TIF District**

The proposed Dunwoody Apartments TIF district consists of one tax parcel identified below and shown on the TIF District Boundary Map (Exhibit 1).

<u>Property Identification Number</u>	<u>Property Address</u>
27-029-24-43-0001	110 18 <sup>th</sup> Street East

The approximately 1.7-acre L-shaped site occupies most of the block bounded by 17<sup>th</sup> and 18<sup>th</sup> Streets East, and Stevens and 1<sup>st</sup> Avenues South. The property is zoned OR3 – Institutional Office Residence. The remainder of the block is occupied by two apartment buildings.

The City's comprehensive plan identifies the site as being within a mixed-use area. The property is within one block of Nicollet Avenue, which is designated a Commercial Corridor at this location.

The property within the proposed TIF District is the site of the former Abbott Hospital complex. The original hospital building, known as the Dunwoody building, was constructed in 1910, with connected additions completed in 1919-1920, 1938, 1954 and 1957. The Dunwoody building is contributing to the Stevens Square Historic District and is on the National Register of Historic Places.

The building, including the additions, has a gross area of 147,045 square feet, with a footprint of 36,990 square feet.

Community Planning and Economic Development (CPED) Construction Management staff conducted exterior and interior inspections of the building complex in May 2011. Numerous violations of the International Building Code, the State Energy Code, the Minnesota State Plumbing Code, the National Electric Code, and the Americans with Disabilities Act (ADA) standards were observed in the vacant and boarded building.

Other observations include:

- The building interior is contaminated with lead-based paint and asbestos-containing material.
- The building HVAC system is not in operation, which has led to high humidity causing poor indoor air quality and mold growth.
- The elevator system does not meet current code.
- There is no fire suppression system in service.
- Vandalism and graffiti are evident.

City records indicate there have been 82 code violations or issues on the property since 2001, including rubbish, weeds, brush and branches, broken glass, graffiti, trespassing and storage issues.

The most recent permit activity for plumbing, elevator, mechanical or electrical repair or remodeling was in 2004, with the exception of some masonry repair in 2008.

There have been over 100 police incidents on the property since 2005, including trespassing, burglaries, damage to property, suspicious persons, intoxicated persons and other disturbances.

## **Eligibility**

Staff has determined that the property within the proposed Dunwoody Apartments TIF District meets the definition of a redevelopment TIF district, based on the following conditions:

- More than 15 percent of the area of the sole parcel in the TIF District contains buildings, streets, utilities, paved or gravel parking lots, or other similar structures, and it is therefore an "occupied parcel".
- The sole building in the TIF District is structurally substandard to a degree requiring substantial renovation or clearance.

- The sole building in the TIF District is not in compliance with the building code applicable to new buildings and could not be modified to satisfy the building code at a cost of less than 15 percent of the cost of constructing a new structure of the same square footage and type on the site.

The proposed development of the Dunwoody Apartments will remove the blight and facilitate the implementation of City land use policies and redevelopment objectives.

Documentation supporting these findings is on file in the office of the City of Minneapolis Development Finance Division, Crown Roller Mill, Suite 575, 105 5<sup>th</sup> Avenue South, Minneapolis, Minnesota 55401.

<b>Assumptions Schedule</b>
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**Dunwoody Apartments  
Projections for TIF Plan**

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Type of Tax Increment Financing (TIF) District	Redevelopment
Maximum Duration of TIF District	26 Years of Tax Increment Collection
Certification Request Date	03/01/12
Decertification Date	12/31/38 (Years of Increment = 26)

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Construction Year =	2011	2012	2013	2014
Assessment Year =	2012	2013	2014	2015
Taxes Payable Year =	2013	2014	2015	2016
EMV Upon Completion		\$9,500,000	\$9,500,000	\$9,500,000
Percent Complete		35%	100%	100%
Total Estimated Market Value	\$1,775,100	\$3,325,000	\$9,500,000	\$9,500,000
20% at Class 4d	0.75%	0	14,250	14,250
80% at Class 4a	1.25%	22,189	41,563	95,000
Total Net Tax Capacity (NTC)		\$22,189	\$41,563	\$109,250

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Assessment Year =	2011
Taxes Payable Year =	2012
Original Estimated Market Value (EMV)	\$1,775,000
Times: Adjusted Class Rate	1.25%
Original Net Tax Capacity (ONTC)	\$22,188

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Total Tax Capacity Rate	145.993% (Pay 2011)
City Administrative Fee	10.00%

Pay-As-You-Go Note

Note Date	07/01/12
Annual Rate	6.00%

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**Projected Tax Increment Schedule**

**Dunwoody Apartments  
Projections for TIF Plan**

Year Ending (1)	Total Net Tax Capacity (2)	<u>Less:</u> Original Net Tax Capacity (3)	<u>Less:</u> Fiscal Disp. @ 0.0000% (4)	<u>Equals:</u> Retained Captured NTC (5)	<u>Times:</u> Total Tax Capacity Rate (6)	<u>Equals:</u> Annual Gross Tax Increment (7)	<u>Less:</u> State Aud. Fee @ 0.36% (8)	<u>Equals:</u> Increment Distributed to City (9)	<u>Less:</u> City Adm. Fee @ 10.00% (9)	<u>Less:</u> Pooling for Housing @ 0.00% (10)	<u>Equals:</u> Net Tax Increment (10)	
12/31/12	22,188	22,188	0	0	145.993%	0	0	0	0	0	0	
12/31/13	22,189	22,188	0	1	145.993%	1	0	1	0	0	1	
12/31/14	41,563	22,188	0	19,375	145.993%	28,286	102	28,184	2,818	0	25,366	
12/31/15	109,250	22,188	0	87,062	145.993%	127,104	458	126,646	12,665	0	113,981	
12/31/16	109,250	22,188	0	87,062	145.993%	127,104	458	126,646	12,665	0	113,981	
12/31/17	109,250	22,188	0	87,062	145.993%	127,104	458	126,646	12,665	0	113,981	
12/31/18	109,250	22,188	0	87,062	145.993%	127,104	458	126,646	12,665	0	113,981	
12/31/19	109,250	22,188	0	87,062	145.993%	127,104	458	126,646	12,665	0	113,981	
12/31/20	109,250	22,188	0	87,062	145.993%	127,104	458	126,646	12,665	0	113,981	
12/31/21	109,250	22,188	0	87,062	145.993%	127,104	458	126,646	12,665	0	113,981	
12/31/22	109,250	22,188	0	87,062	145.993%	127,104	458	126,646	12,665	0	113,981	
12/31/23	109,250	22,188	0	87,062	145.993%	127,104	458	126,646	12,665	0	113,981	
12/31/24	109,250	22,188	0	87,062	145.993%	127,104	458	126,646	12,665	0	113,981	
12/31/25	109,250	22,188	0	87,062	145.993%	127,104	458	126,646	12,665	0	113,981	
12/31/26	109,250	22,188	0	87,062	145.993%	127,104	458	126,646	12,665	0	113,981	
12/31/27	109,250	22,188	0	87,062	145.993%	127,104	458	126,646	12,665	0	113,981	
12/31/28	109,250	22,188	0	87,062	145.993%	127,104	458	126,646	12,665	0	113,981	
12/31/29	109,250	22,188	0	87,062	145.993%	127,104	458	126,646	12,665	0	113,981	
12/31/30	109,250	22,188	0	87,062	145.993%	127,104	458	126,646	12,665	0	113,981	
12/31/31	109,250	22,188	0	87,062	145.993%	127,104	458	126,646	12,665	0	113,981	
12/31/32	109,250	22,188	0	87,062	145.993%	127,104	458	126,646	12,665	0	113,981	
12/31/33	109,250	22,188	0	87,062	145.993%	127,104	458	126,646	12,665	0	113,981	
12/31/34	109,250	22,188	0	87,062	145.993%	127,104	458	126,646	12,665	0	113,981	
12/31/35	109,250	22,188	0	87,062	145.993%	127,104	458	126,646	12,665	0	113,981	
12/31/36	109,250	22,188	0	87,062	145.993%	127,104	458	126,646	12,665	0	113,981	
12/31/37	109,250	22,188	0	87,062	145.993%	127,104	458	126,646	12,665	0	113,981	
12/31/38	109,250	22,188	0	87,062	145.993%	127,104	458	126,646	12,665	0	113,981	
							\$3,078,783	\$11,094	\$3,067,689	\$306,778	\$0	\$2,760,911

## Dunwoody Apartments TIF District

Valuation and Tax Increment Assumptions				
	Pay 2013	Pay 2014	Pay 2015	Pay 2016
Total Estimated Market Value (EMV)	\$1,775,100	\$3,325,000	\$9,500,000	\$9,500,000
Less: Original EMV	1,775,000	1,775,000	1,775,000	1,775,000
Captured EMV	\$100	\$1,550,000	\$7,725,000	\$7,725,000
Total Net Tax Capacity (NTC)	\$22,189	\$41,563	\$109,250	\$109,250
Less: Original NTC	22,188	22,188	22,188	22,188
Captured NTC	\$1	\$19,375	\$87,062	\$87,062
Times: Projected Total Tax Rate	145.993%	145.993%	145.993%	145.993%
Gross Tax Increment	\$1	\$28,286	\$127,104	\$127,104
Less: State Auditor's Fee (.36%)	0	102	458	458
Tax Increment Distributed to City	\$1	\$28,184	\$126,646	\$126,646

26 Years of TI Collection		
Years of TIF Collection	Payable Year	Tax Increment Distributed To City
---	2011	\$0
---	2012	0
1	2013	1
2	2014	28,184
3	2015	126,646
4	2016	126,646
5	2017	126,646
6	2018	126,646
7	2019	126,646
8	2020	126,646
9	2021	126,646
10	2022	126,646
11	2023	126,646
12	2024	126,646
13	2025	126,646
14	2026	126,646
15	2027	126,646
16	2028	126,646
17	2029	126,646
18	2030	126,646
19	2031	126,646
20	2032	126,646
21	2033	126,646
22	2034	126,646
23	2035	126,646
24	2036	126,646
25	2037	126,646
26	2038	126,646
		\$3,067,689
<b>P.V. @</b>	<b>5.00%</b>	<b>\$1,533,940</b>

Market Value Test	
<b><u>Analysis Required by M.S. Section 469.175, Subd. 3 (2)</u></b>	
(1) "... the increased market value of the site that could reasonably be expected to occur without the use of tax increment ...":	
(a) Projected estimated market value without the use of tax increment	\$1,775,000
(b) Original estimated market value	1,775,000
(c) Increased estimated market value without the use of tax increment = (a) - (b)	\$0
(2) "... 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 district permitted by the plan.":	
(d) Increase in the estimated market value of the completed development.	\$7,725,000
(e) Present value of the projected tax increment for the maximum duration of the district	1,533,940
(f) Difference = (d) - (e)	\$6,191,060
<b>(3) Since (c) is less than (f), the proposed development or redevelopment passes the test.</b>	





*Robertson*