



Hi-Lake Triangle Apartments
Tax Increment Financing Plan

Draft for Public Review
July 27, 2012

Hi-Lake Triangle Apartments Tax Increment Financing Plan

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Hi-Lake Triangle Apartments Tax Increment Financing Plan

I. Introduction

Three plan documents have been prepared to facilitate the development of 64 units of affordable senior rental housing and approximately 5,125 square feet of retail space in a new six-story building on a vacant site at the northwest corner of East Lake Street and Hiawatha Avenue in south Minneapolis:

- The Hi-Lake Triangle Apartments Tax Increment Financing (TIF) Plan establishes a new housing TIF District within the existing Hiawatha and Lake Redevelopment Project to help finance public project costs and to establish a budget for the use of tax increment revenue generated by the new TIF District.
- Modification No. 23 to the Model City Urban Renewal Plan changes the project boundary to remove the Hi-Lake Triangle Apartments parcel from the Model City Urban Renewal Area. The parcel will remain within the Hiawatha and Lake Redevelopment Project Area.
- Modification No. 122 to the Common Development and Redevelopment Plan and Common Tax Increment Financing Plan changes the Common Project boundary to remove the Hi-Lake Triangle Apartments parcel from the Common Project Area.

II. TIF District Boundary

The Hi-Lake Triangle Apartments TIF District is located at the northwest corner of the intersection of East Lake Street and Hiawatha Avenue within the East Phillips neighborhood and Ward 9 of south Minneapolis. The TIF District consists of a portion of one tax parcel identified below.

Property Identification Number	Property Address
---------------------------------------	-------------------------

Part of: 36-029-24-34-0156	2230 East Lake Street
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The parcel is in the process of being divided. The portion of the parcel to be included in the TIF District is legally described as follows:

Tract A: Lot 16, Block 2, Harvester Addition, according to the plat thereof on record in the office of the County Recorder in and for Hennepin County, Minnesota.

Tract B: That part of Lots 7, 8, 9, 10, 11, 12, 13, 14 and 15, Block 2 said Harvester Addition, lying southwesterly of the following described line:

Commencing at the right-of-way boundary corner B303 as designated on Minnesota Department of Transportation Right of Way Plat No. 27-110 as on file as Doc. No. 3050528 in the office of the Office of Registrar for Hennepin County Minnesota and Minnesota Department of Transportation Right of Way Plat No. 27-62 as on file as Doc. No. 6774062 in the office of the Office of County Recorder for Hennepin County Minnesota; thence on an assumed bearing of South 89 degrees 25 minutes 19 seconds West 179.22 feet to the point of

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beginning for said line. Said point of beginning being on a line between Right-of-Way Boundary Corners B303 and B304 as shown on said plats; thence North 25 degrees 22 minutes 52 seconds West 387.86 feet; thence North 26 degrees 48 minutes 00 seconds West 35.81 feet to the northerly line of said Lot 7 and there terminating.

Tract C: That part of Lot 14, Block 1, Lakeland Addition to Minneapolis, according to the plat thereof on record in the office of the County Recorder, Hennepin County, Minnesota, lying southeasterly of the following described line:

Commencing at the southwest corner of Lot 14, Block 1, Lakeland Addition; thence northeasterly to a point on the westerly line of Lot 16, Block 2, Harvester Addition to Minneapolis, according to the plat thereof on record in the office of County Recorder in and for Hennepin County, Minnesota, distant 60 feet north of the southwest corner of said Lot 16, Block 2, and there terminating.

The portion of the parcel to be included in the TIF District is shown on the TIF District Boundary Map, which is attached as Exhibit 1. A map showing the boundary of the Hiawatha and Lake Redevelopment Project, within which the TIF District is located, is also included in Exhibit 1.

III. Type of TIF District

The Hi-Lake Triangle Apartments TIF District is a "housing district" as defined in the Minnesota Tax Increment Financing Act (the "TIF Act", M.S. Sections 469.174-469.1799):

M.S. Section 469.174, Subd. 11 "Housing district" means a type of tax increment financing district which consists of a project, or a portion of a project, intended for occupancy, in part, by persons or families of low and moderate income, as defined in chapter 462A, Title II of the National Housing Act of 1934, the National Housing Act of 1959, the United States Housing Act of 1937, as amended, Title V of the Housing Act of 1949, as amended, any other similar present or future federal, state, or municipal legislation, or the regulations promulgated under any of those acts and that satisfies the requirements of section 469.1761. Housing project means a project, or a portion of a project, that meets all of the qualifications of a housing district under this subdivision, whether or not actually established as a housing district.

M.S. Section 469.1761, Subd. 1. (a) In order for a tax increment financing district to qualify as a housing district: (1) the income limitations provided in this section must be satisfied; and (2) no more than 20 percent of the square footage of buildings that receive assistance from tax increments may consist of commercial, retail, or other nonresidential uses. (b) The requirements imposed by this section apply to property receiving assistance financed with tax increments, including interest reduction, land transfers at less than the authority's cost of acquisition, utility service or connections, roads, parking facilities, or other subsidies. The provisions of this section do not

apply to districts located in a targeted area as defined in M.S. Section 462C.02, Subd. 9, clause (e).

M.S. Section 469.1761, Subd. 3. For residential rental property, the property must satisfy the income requirements for a qualified residential rental project as defined in section 142(d) of the Internal Revenue Code. The requirements of this subdivision apply for the duration of the tax increment financing district.

Additional information about the District's eligibility as a housing TIF District is provided in Exhibit 2.

IV. Maximum Duration of the TIF District

The maximum duration of the Hi-Lake Triangle Apartments TIF District is that which is prescribed by the TIF Act for a housing 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 (the "City") seeks to achieve the following objectives through this TIF Plan:

- Increase the number of housing units and choices within the city.
- Increase housing density.
- Provide affordable housing units.
- Eliminate blighting influences.
- Support strong and diverse neighborhoods where people choose to live.
- Promote transit-oriented and sustainable development.
- Increase the property tax base.

VI. Proposed Development Activity

A. Description of Proposed Development Activity

Wellington Management Inc. proposes to develop 64 units of affordable senior rental housing in a new six-story building with 5,125 square feet of ground-floor commercial space on a .85-acre site at the northwest corner of the intersection of Hiawatha Avenue and East Lake Street.

The triangular-shaped development site is located between the Lake Street/Midtown LRT Station and the Hi-Lake Shopping Center. Wellington Management Inc. acquired the site from the Metropolitan Council in 2009. The project will be owned by Hi-Lake Triangle Limited Partnership, to be formed when the project is syndicated.

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The project will include 53 one-bedroom units and 11 two-bedroom units with approximately 650 and 950 square feet, respectively. All units will be affordable to individuals and families earning 60 percent or less of the Area Median Income.

It is anticipated that two to three retail tenants will occupy the ground-floor commercial space.

B. Property That May Be Acquired

The City does not currently intend to acquire any property within the TIF District.

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 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 \$10,500,000. The maximum amount of project costs that can be paid utilizing tax increment revenues generated from within the Hi-Lake Triangle 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.

Sources

Tax Increment	<u>\$ 1,709,000</u>
Total Sources	\$1,709,000

Uses

Affordable Housing Construction	\$ 772,100
Pay-As-You-Go Note Interest	766,000
City Administration Costs	<u>170,900</u>
Total Uses	\$1,709,000

B. Maximum Bonds to be Issued

It is not anticipated that the City will issue any tax increment bonds for the Hi-Lake Triangle Apartments project. It is anticipated that the City will issue to the developer a pay-as-you-go TIF note in an amount not to exceed \$772,100. The City will semi-annually distribute net tax increment to the developer under the terms of the TIF note which will be used, along with operating revenue generated by the housing project itself, to pay semi-annual debt service on one or more series of housing revenue bonds that the City will issue to help construct the project.

C. Other Sources of Funding

In addition to the housing revenue bonds described in Section VII B, other sources of funding to construct the project may include developer land equity, tax credit syndication proceeds, deferred developer fees, Metropolitan Council Livable Community Development Account grant funds, and Hennepin County Transit-Oriented Development grant funds.

D. Original Net Tax Capacity

It is projected that upon project completion and property reclassification the Original Net Tax Capacity of the TIF District will be \$4,663.

E. Original Tax Capacity Rate

The Original Tax Capacity Rate of the TIF District will be 153.011%, which is the total tax capacity rate for all applicable taxing jurisdictions for taxes payable in 2012. For tax increment projection purposes (see Section VII G), a total tax capacity rate of 146.000% was used.

F. Fiscal Disparities Election

For the purpose of calculating tax increment, the City of Minneapolis elects that the fiscal disparity contribution that is 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

It is projected that upon project completion the total EMV of the property in the TIF District will be \$5,900,000 and the total net tax capacity (NTC) will be \$51,625. The captured net tax capacity of the TIF District at completion is therefore projected to be \$46,962 (for taxes payable in 2015).

Hi-Lake Triangle Apartments Tax Increment Financing Plan

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 (2014 to 2039).

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 2012 Tax Capacity Rate	Property Taxes Resulting From \$46,962 in Captured Net Tax Capacity
City of Minneapolis	72.510%	\$34,052
Hennepin County	47.564	22,337
Special School District #1	24.213	11,371
Other	<u>8.724</u>	<u>4,097</u>
Total	153.011%	\$71,857

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 \$1,708,843.

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 15.8 percent of the total tax rate, would equal approximately \$269,997.

Hi-Lake Triangle Apartments Tax Increment Financing Plan

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 31.1 percent of the total tax rate, would equal approximately \$531,450.

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 Hi-Lake Triangle 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.

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 64 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 Hi-Lake Triangle Apartment development site's East Lake Street location is in close proximity to jobs at the Hi-Lake Shopping Center, the Midtown YWCA, Rainbow Foods, and numerous other Lake Street businesses. Several Metro Transit bus lines run alongside or near the site. The site is

Hi-Lake Triangle Apartments Tax Increment Financing Plan

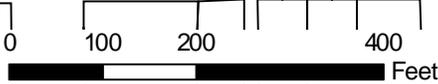
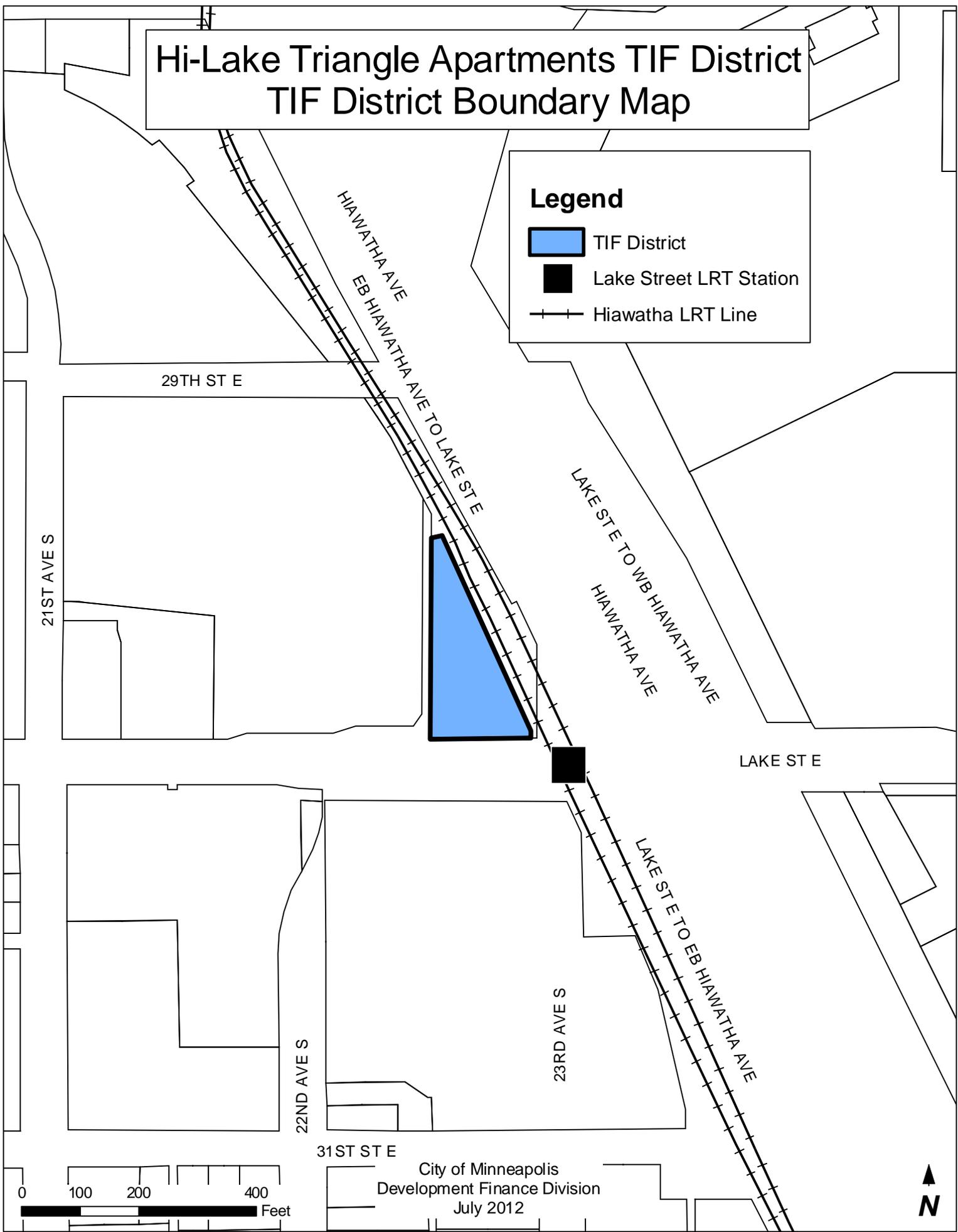
adjacent to the Hiawatha LRT Corridor's Lake Street/Midtown Station and is in close proximity to the Midtown Greenway and Hiawatha LRT bicycle and walking trails.

Most types of tax increment financing districts 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)). Although this requirement does not apply to housing TIF districts, Exhibit 5 contains the calculations necessary to demonstrate that this test has been satisfied.

Hi-Lake Triangle Apartments TIF District TIF District Boundary Map

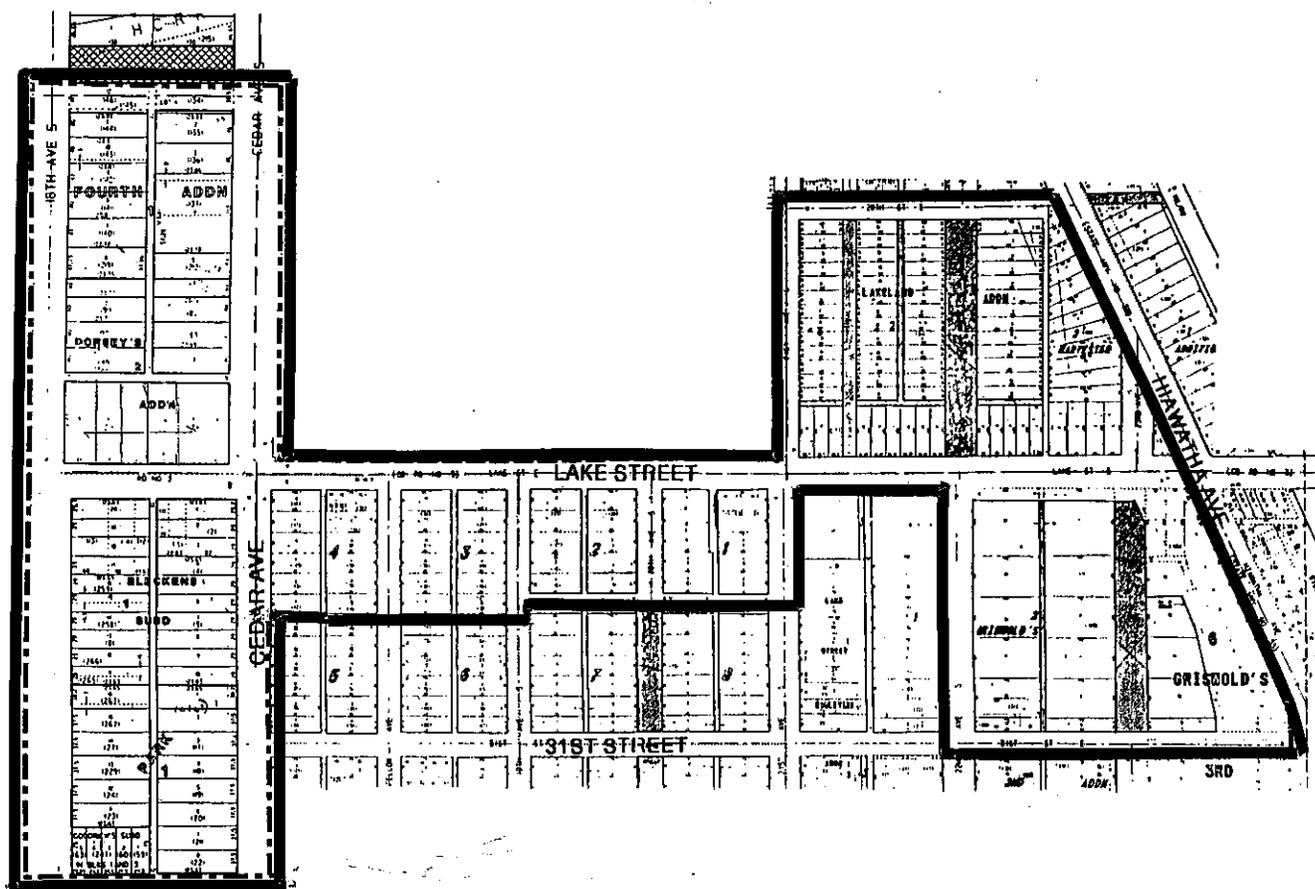
Legend

-  TIF District
-  Lake Street LRT Station
-  Hiawatha LRT Line



City of Minneapolis
Development Finance Division
July 2012





Area to be added to
The existing
Project Area



**Hiawatha and Lake Redevelopment
Plan Boundary Map
June 13, 2002**



New Boundary

Documentation of Eligibility

The purpose of this exhibit is to describe the conditions that qualify the Hi-Lake Triangle Apartments Tax Increment Financing (TIF) District as a housing district as defined in Minnesota Statutes Section 469.174, Subd. 11:

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

and Section 469.1761, Subd. 1:

(a) In order for a tax increment financing district to qualify as a housing district: (1) the income limitations provided in this section must be satisfied; and (2) no more than 20 percent of the square footage of buildings that receive assistance from tax increments may consist of commercial, retail, or other nonresidential uses. (b) The requirements imposed by this section apply to property receiving assistance financed with tax increments, including interest reduction, land transfers at less than the authority's cost of acquisition, utility service or connections, roads, parking facilities, or other subsidies. The provisions of this section do not apply to districts located in a targeted area as defined in M.S. Section 462C.02, Subd. 9, clause (e).

and Section 469.1761, Subd. 3:

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

Compliance with Income Restrictions

The income requirements for a qualified residential rental project as defined in section 142(d) of the Internal Revenue Code are such that one of two tests must be met:

- a. **20-50 Test** Twenty percent or more of the residential units in the project are occupied by individuals whose income is 50 percent or less of area median gross income.

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- b. **40-60 Test** Forty percent or more of the residential units in the project are occupied by individuals whose income is 60 percent or less of area median gross income.

All 64 units in the Spirit on Lake development will be occupied by individuals whose income is 60 percent or less of the Area Median Income, and thus the project meets the second test.

Compliance with Requirements for Non-Residential Uses

M.S. Section 469.1761, Subd. 1(a) provides that no more than 20 percent of the square footage of buildings that receive tax increment assistance may consist of commercial, retail or other non-residential uses. The Hi-Lake Triangle Apartments development will include approximately 9,325 square feet of non-residential uses (commercial and administration/programmatic space), or 13.8 percent of the total 67,685-square foot development.

Exhibit 3

Assumptions Schedule

Hi-Lake Triangle TIF Plan

As-developed EMV: \$5,900,000 (64 Rental Apartments, 5,125 s.f. Retail)
EMV based on approximately \$127/s.f. for Commercial, \$82,031/unit for Housing

Type of Tax Increment Financing District	Housing
Maximum Duration of TIF District	26 Years of Tax Increment Collection
Certification Request Date	11/01/12
Decertification Date	12/31/39 (Years of Increment = 26)

Construction Year =	2011	2012	2013	2014
Assessment Year =	2012	2013	2014	2015
Taxes Payable Year =	2013	2014	2015	2016

Housing Property

EMV Upon Completion		\$5,250,000	\$5,250,000	\$5,250,000
Percent Complete		7%	100%	100%
Total Estimated Market Value	\$373,000	\$367,500	\$5,250,000	\$5,250,000
Percent of Housing Property - Class 4a	100%	100%	0%	0%
Percent of Housing Property - Class 4d	0%	0%	100%	100%
Class Rate - 4a	1.25%	1.25%	1.25%	1.25%
Class Rate - 4d	0.75%	0.75%	0.75%	0.75%
Net Tax Capacity (NTC)	\$4,663	\$4,594	\$39,375	\$39,375

Commercial/Industrial Property

EMV Upon Completion		\$650,000	\$650,000	\$650,000
Percent Complete		7%	100%	100%
Total Estimated Market Value	\$0	\$45,500	\$650,000	\$650,000
Times: First	\$150,000	1.50%	0	683
Excess		2.00%	0	0
Net Tax Capacity (NTC)		\$0	\$683	\$12,250

Total Net Tax Capacity (NTC)		\$4,663	\$5,277	\$51,625	\$51,625
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Assessment Year =	2011	2012	2013	2014	2015
Taxes Payable Year =	2012	2013	2014	2015	2016
Original EMV		\$373,000	\$373,000	\$373,000	\$373,000
Times: Class Rate		1.25%	1.25%	1.25%	1.25%
Original Net Tax Capacity	NA	\$4,663	\$4,663	\$4,663	\$4,663

Pay-As-You-Go Note

Interest Start Date	02/01/13	Total Tax Capacity Rate (1)	146.000%
Annual Interest Rate	5.20%	City Administrative Fee	10.00%

Notes

1. Tax Capacity Rate of 146.000% used for projection purposes.

Exhibit 4

Projected Tax Increment Schedule

Hi-Lake Triangle

TIF Plan

As-developed EMV: \$5,900,000 (64 Rental Apartments, 5,125 s.f. Retail)

EMV based on approximately \$127/s.f. for Commercial, \$82,031/unit for Housing

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% (10)	<u>Less:</u> Pooling for Housing @ 0.00% (11)	<u>Equals:</u> Net Tax Increment (12)
12/31/12	NA	NA	0	0	146.000%	0	0	0	0	0	0
12/31/13	4,663	4,663	0	0	146.000%	0	0	0	0	0	0
12/31/14	5,277	4,663	0	614	146.000%	896	3	893	89	0	804
12/31/15	51,625	4,663	0	46,962	146.000%	68,565	247	68,318	6,832	0	61,486
12/31/16	51,625	4,663	0	46,962	146.000%	68,565	247	68,318	6,832	0	61,486
12/31/17	51,625	4,663	0	46,962	146.000%	68,565	247	68,318	6,832	0	61,486
12/31/18	51,625	4,663	0	46,962	146.000%	68,565	247	68,318	6,832	0	61,486
12/31/19	51,625	4,663	0	46,962	146.000%	68,565	247	68,318	6,832	0	61,486
12/31/20	51,625	4,663	0	46,962	146.000%	68,565	247	68,318	6,832	0	61,486
12/31/21	51,625	4,663	0	46,962	146.000%	68,565	247	68,318	6,832	0	61,486
12/31/22	51,625	4,663	0	46,962	146.000%	68,565	247	68,318	6,832	0	61,486
12/31/23	51,625	4,663	0	46,962	146.000%	68,565	247	68,318	6,832	0	61,486
12/31/24	51,625	4,663	0	46,962	146.000%	68,565	247	68,318	6,832	0	61,486
12/31/25	51,625	4,663	0	46,962	146.000%	68,565	247	68,318	6,832	0	61,486
12/31/26	51,625	4,663	0	46,962	146.000%	68,565	247	68,318	6,832	0	61,486
12/31/27	51,625	4,663	0	46,962	146.000%	68,565	247	68,318	6,832	0	61,486
12/31/28	51,625	4,663	0	46,962	146.000%	68,565	247	68,318	6,832	0	61,486
12/31/29	51,625	4,663	0	46,962	146.000%	68,565	247	68,318	6,832	0	61,486
12/31/30	51,625	4,663	0	46,962	146.000%	68,565	247	68,318	6,832	0	61,486
12/31/31	51,625	4,663	0	46,962	146.000%	68,565	247	68,318	6,832	0	61,486
12/31/32	51,625	4,663	0	46,962	146.000%	68,565	247	68,318	6,832	0	61,486
12/31/33	51,625	4,663	0	46,962	146.000%	68,565	247	68,318	6,832	0	61,486
12/31/34	51,625	4,663	0	46,962	146.000%	68,565	247	68,318	6,832	0	61,486
12/31/35	51,625	4,663	0	46,962	146.000%	68,565	247	68,318	6,832	0	61,486
12/31/36	51,625	4,663	0	46,962	146.000%	68,565	247	68,318	6,832	0	61,486
12/31/37	51,625	4,663	0	46,962	146.000%	68,565	247	68,318	6,832	0	61,486
12/31/38	51,625	4,663	0	46,962	146.000%	68,565	247	68,318	6,832	0	61,486
12/31/39	51,625	4,663	0	46,962	146.000%	68,565	247	68,318	6,832	0	61,486
12/31/40	51,625	51,625	0	0	146.000%	0	0	0	0	0	0
						\$1,715,021	\$6,178	\$1,708,843	\$170,889	\$0	\$1,537,954

Exhibit 5 Market Value Test Schedule

Valuation and Tax Increment Assumptions				
Payable Year --->	2013	2014	2015	2016
Total Estimated Market Value (EMV)	\$373,000	\$413,000	\$5,900,000	\$5,900,000
Less: Original EMV	373,000	373,000	373,000	373,000
Captured EMV	\$0	\$40,000	\$5,527,000	\$5,527,000
Total Net Tax Capacity (NTC)	\$4,663	\$5,277	\$51,625	\$51,625
Less: Original NTC	4,663	4,663	4,663	4,663
Captured NTC	\$0	\$614	\$46,962	\$46,962
Times: Projected Total Tax Rate	146.000%	146.000%	146.000%	146.000%
Gross Tax Increment	\$0	\$896	\$68,565	\$68,565
Less: State Auditor's Fee (.36%)	0	3	247	247
Tax Increment Distributed to City	\$0	\$893	\$68,318	\$68,318

26 Years of TI Collection		
Years of TIF Collection	Payable Year	Tax Increment Distributed To City
-	2013	\$0
1	2014	893
2	2015	68,318
3	2016	68,318
4	2017	68,318
5	2018	68,318
6	2019	68,318
7	2020	68,318
8	2021	68,318
9	2022	68,318
10	2023	68,318
11	2024	68,318
12	2025	68,318
13	2026	68,318
14	2027	68,318
15	2028	68,318
16	2029	68,318
17	2030	68,318
18	2031	68,318
19	2032	68,318
20	2033	68,318
21	2034	68,318
22	2035	68,318
23	2036	68,318
24	2037	68,318
25	2038	68,318
26	2039	68,318
27	2040	0
		\$1,708,843
P.V. @	5.00%	\$917,870

Market Value Test	
<u>Analysis Required by M.S. Section 469.175, Subd. 3 (2)</u>	
(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	\$373,000
(b) Original estimated market value	373,000
(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.	\$5,527,000
(e) Present value of the projected tax increment for the maximum duration of the district	917,870
(f) Difference = (d) - (e)	\$4,609,130
(3) Since (c) is less than (f), the proposed development or redevelopment passes the test.	



1 SITE PLAN
Scale: 1/16" = 1'-0"



HI-LAKE TRIANGLE
MINNEAPOLIS, MINNESOTA

DATE: 1-26-12

I HEREBY CERTIFY THAT THIS PLAN SPECIFICATION OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED ARCHITECT UNDER THE LAWS OF THE STATE OF MINNESOTA.

PETER KEELY
REGISTRATION NO: 23570

Collage | architects
Architect
Pete Keely
651-472-0050
821 Raymond Ave, Suite 400
St. Paul, Minnesota 55114

DATE: 02.06.2012

PRELIMINARY PRICING SET

MARK	DATE	DESCRIPTION
▲	XX-XX-20XX	XXX

PROJECT NO: 12-001
CAD DWG FILE: PK/JJ
DRAWN BY: PK/JJ
CHK'D BY: PK
COPYRIGHT:

SHEET TITLE

SITE PLAN

A - 001





Modification No. 23 to the
Model City Urban Renewal Plan

Draft for Public Review
July 27, 2012

Modification No. 23 to the Model City Urban Renewal Plan

Original Plan	September 11, 1969; Rev. November 26, 1969 & March 5, 1970
Modification No. 1	March 18, 1971
Modification No. 2	May 1, 1972
Modification No. 3	May 17, 1984; Revised September 14, 1984
Modification No. 4	February 1, 1985
Modification No. 5	October 30, 1986
Modification No. 6	March 19, 1987
Modification No. 7	June 17, 1988
Modification No. 8	October 5, 1989
Modification No. 9	May 3, 1990
Modification No. 10	February 22, 1991
Modification No. 11	February 7, 1992
Modification No. 12	April 20, 1992
Modification No. 13	July 2, 1992
Modification No. 14	November 4, 1992
Modification No. 15	January 14, 1994
Modification No. 16	March 18, 1994
Modification No. 17	July 30, 1997
Modification No. 18	March 27, 1998
Modification No. 19	October 10, 2003
Modification No. 20	July 7, 2006; Revised August 7, 2006
Modification No. 21	December 2, 2008
Modification No. 22	July 20, 2012

A. Table of Contents	
B. Description of Project	
1. Narrative Description of Boundary	Changed
2. Project Boundary Map	Changed
C. Development Objectives	
1. Urban Renewal Plan Objectives	No Change
2. Model Neighborhood General Land Use Objectives	No Change
D. General Land Use Plan	
1. Land Use Map	No Change
2. Description of Predominant Land Use Categories	No Change
3. Planning Criteria or Standards	No Change
E. Urban Renewal Techniques to be Used to Achieve Plan Objectives	
1. Rehabilitation	No Change
2. Acquisition and Clearance	No Change
a. Property Acquisition Map	No Change
b. Description of Conditions Under Which Property Will be Acquired	No Change
3. Architectural Preservation	No Change
F. Land Disposition	No Change
G. Relocation	No Change
H. Official Actions to Carry Out the Plan	No Change
I. Procedures for Changes in Approved Plan	No Change
J. Extent and Duration of Controls	No Change
K. Redevelopment Plan	No Change
Exhibit 1 – Project Boundary Map	Changed

Modification No. 23 to the Model City Urban Renewal Plan

Introduction

Three plan documents have been prepared to facilitate the development of 64 units of affordable senior rental housing and approximately 5,125 square feet of retail space in a new six-story building on a vacant site at the northwest corner of East Lake Street and Hiawatha Avenue in south Minneapolis:

- The Hi-Lake Triangle Apartments Tax Increment Financing (TIF) Plan establishes a new housing TIF District within the existing Hiawatha and Lake Redevelopment Project to help finance public project costs and to establish a budget for the use of tax increment revenue generated by the new TIF District.
- Modification No. 23 to the Model City Urban Renewal Plan changes the project boundary to remove the Hi-Lake Triangle Apartments parcel from the Model City Urban Renewal Area. The parcel will remain within the Hiawatha and Lake Redevelopment Project Area.
- Modification No. 122 to the Common Development and Redevelopment Plan and Common Tax Increment Financing Plan changes the Common Project boundary to remove the Hi-Lake Triangle Apartments parcel from the Common Project Area.

Only those portions of the Model City Urban Renewal Plan that are being modified appear in this document.

Modification No. 23

The following language is added to Section B of the Model City Urban Renewal Plan:

B. Description of Project

1. Narrative Description of Boundary

The following property is removed from the Model City Urban Renewal Area:

Property Identification Number	Property Address
Part of: 36-029-24-34-0156	2230 East Lake Street

The parcel is in the process of being divided. The portion of the parcel to be removed from the Model City Urban Renewal Area is legally described as follows:

Tract A: Lot 16, Block 2, Harvester Addition, according to the plat thereof on record in the office of the County Recorder in and for Hennepin County, Minnesota.

Tract B: That part of Lots 7, 8, 9, 10, 11, 12, 13, 14 and 15, Block 2 said Harvester Addition, lying southwesterly of the following described line:

Commencing at the right-of-way boundary corner B303 as designated on Minnesota Department of Transportation Right of Way Plat No. 27-110 as on file as Doc. No. 3050528 in the office of the Office of Registrar for Hennepin County Minnesota and Minnesota Department of Transportation Right of Way Plat No. 27-62 as on file as Doc. No. 6774062 in the office of the Office of County Recorder for Hennepin County Minnesota; thence on an assumed bearing of South 89 degrees 25 minutes 19 seconds West 179.22 feet to the point of beginning for said line. Said point of beginning being on a line between Right-of-Way Boundary Corners B303 and B304 as shown on said plats; thence North 25 degrees 22 minutes 52 seconds West 387.86 feet; thence North 26 degrees 48 minutes 00 seconds West 35.81 feet to the northerly line of said Lot 7 and there terminating.

Tract C: That part of Lot 14, Block 1, Lakeland Addition to Minneapolis, according to the plat thereof on record in the office of the County Recorder, Hennepin County, Minnesota, lying southeasterly of the following described line:

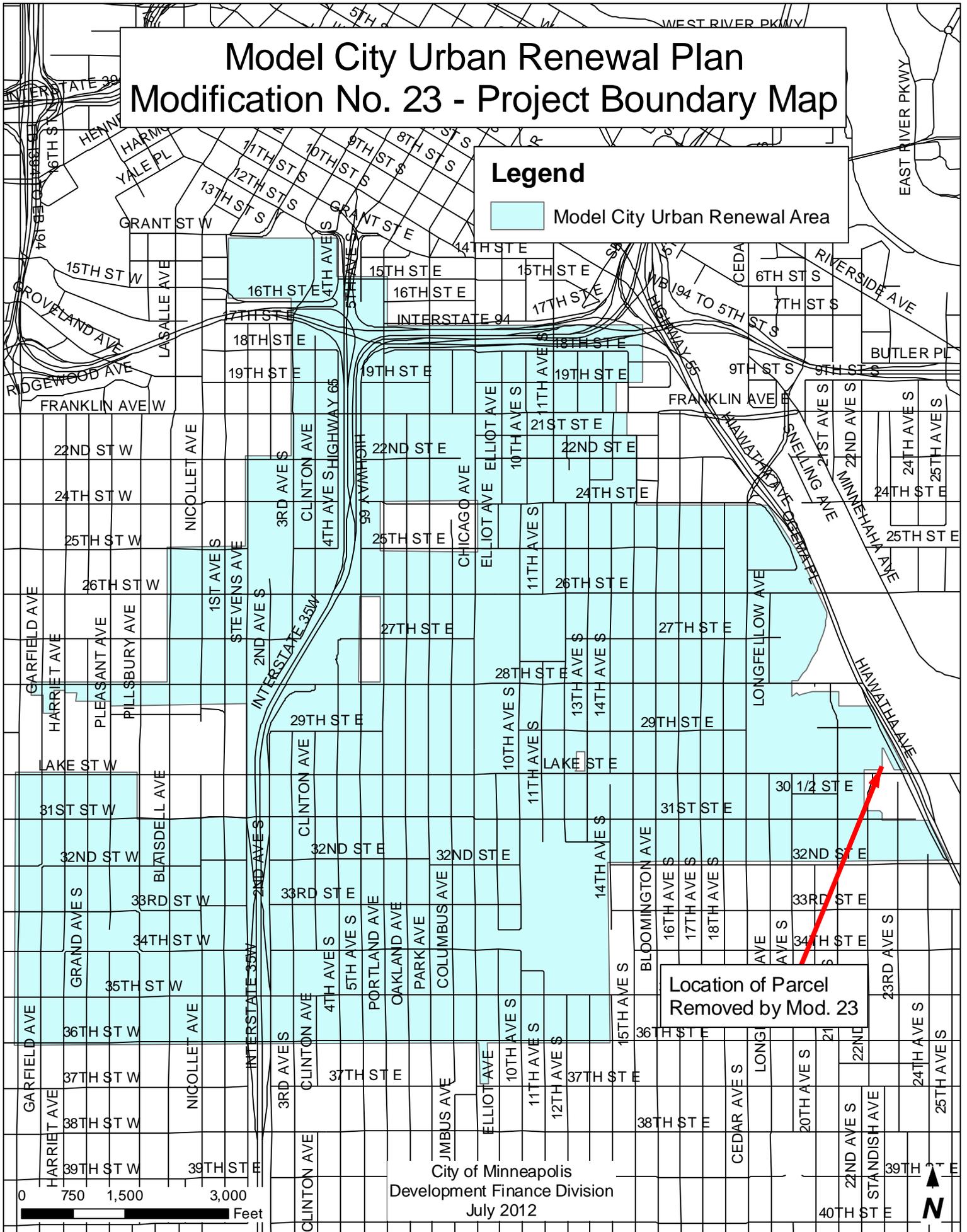
Commencing at the southwest corner of Lot 14, Block 1, Lakeland Addition; thence northeasterly to a point on the westerly line of Lot 16, Block 2, Harvester Addition to Minneapolis, according to the plat thereof on record in the office of County Recorder in and for Hennepin County, Minnesota, distant 60 feet north of the southwest corner of said Lot 16, Block 2, and there terminating.

2. The Project Boundary Map dated March 2012 is replaced by the attached Project Boundary Map dated July 2012 (Exhibit 1).

Model City Urban Renewal Plan Modification No. 23 - Project Boundary Map

Legend

 Model City Urban Renewal Area



Location of Parcel
Removed by Mod. 23





Modification No. 122 to the
Common Development and Redevelopment Plan
and Common Tax Increment Financing Plan

Draft for Public Review
July 27, 2012

**Modification No. 122 to the
Common Development and Redevelopment Plan
and
Common Tax Increment Financing Plan**

TABLE OF CONTENTS

(This Table of Contents is not part of Modification No. 122 to the Common Development and Redevelopment Plan and Common Tax Increment Financing Plan, and is only for convenience of reference.)

SECTION A. COMMON DEVELOPMENT AND REDEVELOPMENT PLAN

		<u>Impact of Mod. 122</u>
Subsection A.1.	Mission Statement	No Change
Subsection A.2.	Definitions	No Change
Subsection A.3.	Description of Public Purpose	No Change
Subsection A.4.	Objectives of Common Project	No Change
Subsection A.5.	Structuring of Common Project	No Change
Subsection A.6.	History of Establishment and Modifications of Projects and TIF Districts Included in Common Project Area	Changed
Subsection A.7.	Estimated Public Improvement Costs	No Change
Subsection A.8.	Boundaries of the Common Project Area	Changed
Subsection A.9.	Development Program Requirements	No Change
Subsection A.10.	Modifications to Common Development and Redevelopment Plan	No Change
Subsection A.11.	Neighborhood Revitalization Program	No Change

SECTION B. COMMON TAX INCREMENT FINANCING PLAN

Subsection B.1.	Summaries of Participating Tax Increment Financing Districts	No Change
Subsection B.2.	Boundaries of Participating Tax Increment Financing Districts	No Change
Subsection B.3.	Statement of Objectives and Development Program, Including Property That May Be Acquired	No Change

Subsection B.4.	Properties to be Deleted from Participating Tax Increment Financing Districts	No Change
Subsection B.5.	Development Activity in Common Project for Which Contracts Have Been Signed and Other Specific Development Expected to Occur	No Change
Subsection B.6.	Description of Financing	No Change
Subsection B.7.	Estimated Impact on Other Taxing Jurisdictions	No Change
Subsection B.8.	Modifications to Common Tax Increment Financing Plan	No Change
Subsection B.9.	Neighborhood Revitalization Program	No Change
Subsection B.10.	Hazardous Substance Subdistrict Plan	No Change
Exhibit 1	Boundary Map – Area to be Removed from the Common Project	New

Introduction

Three plan documents have been prepared to facilitate the development of 64 units of affordable senior rental housing and approximately 5,125 square feet of retail space in a new six-story building on a vacant site at the northwest corner of East Lake Street and Hiawatha Avenue in south Minneapolis:

- The Hi-Lake Triangle Apartments Tax Increment Financing (TIF) Plan establishes a new housing TIF District within the existing Hiawatha and Lake Redevelopment Project to help finance public project costs and to establish a budget for the use of tax increment revenue generated by the new TIF District.
- Modification No. 23 to the Model City Urban Renewal Plan changes the project boundary to remove the Hi-Lake Triangle Apartments parcel from the Model City Urban Renewal Area. The parcel will remain within the Hiawatha and Lake Redevelopment Project Area.
- Modification No. 122 to the Common Development and Redevelopment Plan and Common Tax Increment Financing Plan changes the Common Project boundary to remove the Hi-Lake Triangle Apartments parcel from the Common Project Area.

Only those portions of the Common Plan that are being modified appear in this document. Sections that are identified as having no change retain the language adopted in the original Common Plan or previous modifications to the Common Plan.

By reference, Modification No. 122 to the Common Plan is incorporated into the Incorporated Project Documents, and in itself is designated an Incorporated Document.

SECTION A. Modification No. 122 to the Common Development and Redevelopment Plan

- Subsection A.1. Mission Statement (No Change)
- Subsection A.2. Definitions (No Change)
- Subsection A.3. Description of Public Purpose (No Change)
- Subsection A.4. Objectives of Common Project (No Change)
- Subsection A.5. Structuring of Common Project (No Change)
- Subsection A.6. History of Establishment and Modification of Underlying Project Areas and Tax Increment Financing Districts Included in Common Project Area **(Changed)**

The following language is added to Subsection A.6.:

Modification No. 122 to the Common Plan

Project/District	Plan Modification	Anticipated City Council Approval Date	Resolution Number
Common Project	Modification No. 122	September 21, 2012	2012R-

Subsection A.7. Estimated Public Improvement Costs (No Change)

Subsection A. 8. Boundaries of the Common Project Area **(Changed)**

The following language is added to Subsection A.8.:

Modification No. 122 changes the Common Project boundaries to remove the property listed below from the Common Project Area:

The following property is removed from the Model City Urban Renewal Area:

Property Identification Number	Property Address
Part of: 36-029-24-34-0156	2230 East Lake Street

The parcel is in the process of being divided. The portion of the parcel to be removed from the Common Project Area is legally described as follows:

Tract A: Lot 16, Block 2, Harvester Addition, according to the plat thereof on record in the office of the County Recorder in and for Hennepin County, Minnesota.

Tract B: That part of Lots 7, 8, 9, 10, 11, 12, 13, 14 and 15, Block 2 said Harvester Addition, lying southwesterly of the following described line:

Commencing at the right-of-way boundary corner B303 as designated on Minnesota Department of Transportation Right of Way Plat No. 27-110 as on file as Doc. No. 3050528 in the office of the Office of Registrar for Hennepin County Minnesota and Minnesota Department of Transportation Right of Way Plat No. 27-62 as on file as Doc. No. 6774062 in the office of the Office of County Recorder for Hennepin County Minnesota; thence on an assumed bearing of South 89 degrees 25 minutes 19 seconds West 179.22 feet to the point of beginning for said line. Said point of beginning being on a line between Right-of-Way Boundary Corners B303 and B304 as shown on said plats; thence North 25 degrees 22 minutes 52 seconds West 387.86 feet; thence North 26 degrees 48 minutes 00 seconds West 35.81 feet to the northerly line of said Lot 7 and there terminating.

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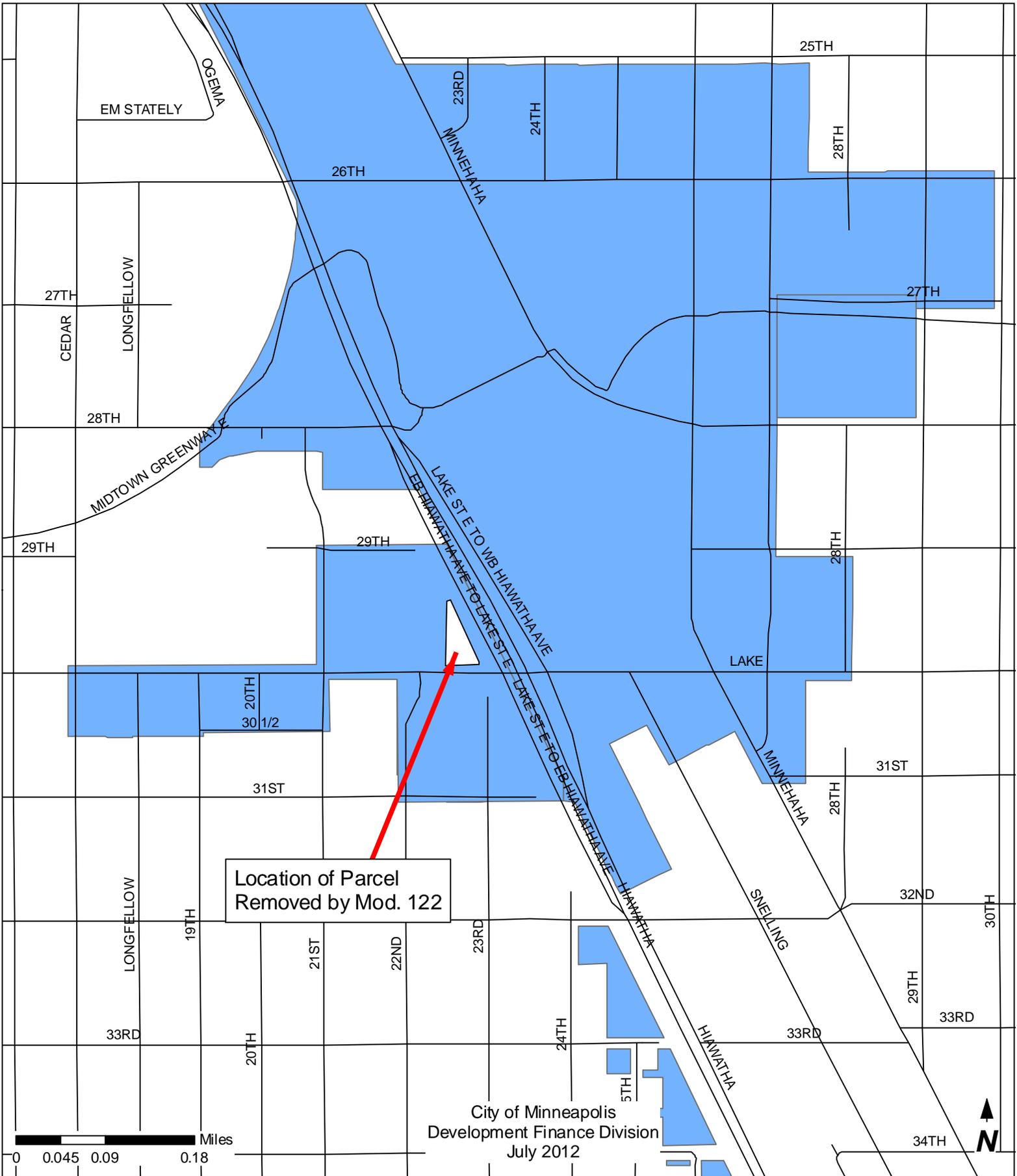
Commencing at the southwest corner of Lot 14, Block 1, Lakeland Addition; thence northeasterly to a point on the westerly line of Lot 16, Block 2, Harvester Addition to Minneapolis, according to the plat thereof on record in the office of County Recorder in and for Hennepin County, Minnesota, distant 60 feet north of the southwest corner of said Lot 16, Block 2, and there terminating.

Exhibit 1 shows the area to be removed from the Common Project Area.

- Subsection A.9. Development Program Requirements (No Change)
- Subsection A.10. Modifications to Common Development and Redevelopment Plan (No Change)
- Subsection A.11. Neighborhood Revitalization Program (No Change)

SECTION B. Common Tax Increment Financing Plan

- Subsection B.1. Summaries of Participating Tax Increment Financing Districts (No Change)
- Subsection B.2. Boundaries of Participating Tax Increment Financing Districts (No Change)
- Subsection B.3. Statement of Objectives and Development Program, Including Property to be Acquired (No Change)
- Subsection B.4. Properties to be deleted from Participating Tax Increment Financing Districts (No Change)
- Subsection B.5. Development Activity in the Common Project for Which Contracts Have Been Signed and Other Specific Development Expected to Occur (No Change)
- Subsection B.6. Description of Financing (No Change)
- Subsection B.7. Estimated Impact on Other Taxing Jurisdictions (No Change)
- Subsection B.8. Modifications to Common Tax Increment Financing Plan (No Change)
- Subsection B.9. Neighborhood Revitalization Program (No Change)
- Subsection B.10. Hazardous Substance Subdistrict Plan (No Change)



City of Minneapolis
 Development Finance Division
 July 2012

Legend

Area Within the Common Project Boundary (Partial)

Modification No. 122 to the Common Development and Redevelopment Plan & Common Tax Increment Financing Plan