

RESOLUTION 15D-20

RESOLUTION APPROVING THE REMOVAL OF A PARCEL FROM TAX
INCREMENT FINANCING DISTRICT NO. 13 WITHIN
DEVELOPMENT DISTRICT NO. 17 OF THE CITY OF DULUTH

WHEREAS, on July 12, 1993, the City of Duluth (the "City") created its Tax Increment Financing District No. 13 (the "TIF District") within its Development District No. 17 by approval of a tax increment financing plan (the "TIF Plan") for the TIF District; and

WHEREAS, the Duluth Economic Development Authority (the "DEDA") is the administrative authority for the TIF District; and

WHEREAS, the following property, by property identification number, is included in the TIF District:

010-1913-00070

WHEREAS, the DEDA desires by this resolution to amend the TIF Plan to remove the above-described parcel from the TIF District, thereby reducing the size thereof; and

WHEREAS, the total current net tax capacity of the parcel to be eliminated from the TIF District equals or exceeds the net tax capacity of that parcel in the District's original net tax capacity and, therefore this amendment to the TIF Plan is accomplished pursuant to *Minnesota Statutes, Section 469.175, Subdivision 4, clause (e)(2)(a)*.

NOW THEREFORE, BE IT RESOLVED by the DEDA that, subject to any required consents, the TIF Plan for the TIF District is hereby amended to remove the described parcel and the Executive Director is authorized and directed to notify the St. Louis County Auditor thereof pursuant to *Minnesota Statutes, Section 469.175, Subdivision 4, clause (e)(2)(a)*.

Approved by the Duluth Economic Development Authority this 27th day of May, 2015.

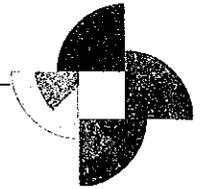
ATTEST:

Executive Director



STATEMENT OF PURPOSE: The purpose of this resolution is to amend the Plan for TIF District #13 by eliminating tax parcel #010-1913-00070 of land from the TIF Plan. The tax

parcel to be eliminated from TIF District #13 will enable the Duluth HRA to move forward with the establishment of the new Point of Rocks Tax Increment Financing Housing District. By State Statute, a tax parcel cannot be in two separate TIF Districts. The newly established Housing TIF District is being created by the Duluth HRA to facilitate the construction of 114 units of multi-family rental housing in the City.



Tax Increment Financing District Overview

City of Duluth

Point of Rocks Tax Increment Financing District

The following summary contains an overview of the basic elements of the Tax Increment Financing Plan for the Point of Rocks Tax Increment Financing District. More detailed information on each of these topics can be found in the complete Tax Increment Financing Plan.

Proposed action:	<ul style="list-style-type: none">➤ Establishment of the Point of Rocks Tax Increment Financing District (District) and the adoption of a Tax Increment Financing Plan (TIF Plan).➤ Elimination of a parcel from Tax Increment Financing District No. 13.➤ Modification to the Redevelopment Plan for Project Area No. 1 includes the establishment of the Point of Rocks Tax Increment Financing District, which represents a continuation of the goals and objectives set forth in the Redevelopment Plan for Project Area No. 1.
Type of TIF District:	A housing district
Parcel Numbers:	010-1913-00070 * This parcel is being removed from Tax Increment Financing District No. 13 to be included in the District.
Proposed Development:	The District is being created to facilitate the construction of 114 units of multi-family rental housing in the City. Please see Appendix A of the TIF Plan for a more detailed project description.
Maximum duration:	The duration of the District will be 25 years from the date of receipt of the first increment (26 years of increment). The City elects to receive the first tax increment in 2017. It is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after December 31, 2042. It is anticipated, however, the assistance provided to the developer will be limited to approximately 16 years.
Estimated annual tax increment:	Up to \$334,429

Authorized uses:	The TIF Plan contains a budget that authorizes the maximum amount that may be expended: Land/Building Acquisition..... \$100,000 Site Improvements/Preparation \$800,000 Public Utilities..... \$400,000 Affordable Housing..... \$2,000,000 Other Qualifying Improvements \$159,557 Administrative Costs (up to 10%)..... \$602,818 PROJECT COSTS TOTAL \$4,062,375 Interest..... \$2,568,622 PROJECT COSTS TOTAL <u>\$6,630,997</u>
	See Subsection 2-10, on page 2-6 of the TIF Plan for the full budget authorization.
Form of financing:	The project is proposed to be financed by a pay-as-you-go note/interfund loan.
Administrative fee:	Up to 10% of annual increment, if costs are justified.
Interfund Loan Requirement:	If the City wants to pay for administrative expenditures from a tax increment fund, it is recommended that a resolution authorizing a loan from another fund be passed <i>PRIOR</i> to the issuance of the check.
4 Year Activity Rule (§ 469.176 Subd. 6)	After four years from the date of certification of the District one of the following activities must have been commenced on each parcel in the District: <ul style="list-style-type: none"> • Demolition • Rehabilitation • Renovation • Other site preparation (not including utility services such as sewer and water) If the activity has not been started by approximately April 2013, no additional tax increment may be taken from that parcel until the commencement of a qualifying activity.

The reasons and facts supporting the findings for the adoption of the TIF Plan for the District, as required pursuant to *M.S., Section 469.175, Subd. 3*, are included in Exhibit A of the City resolution.



County Land Explorer

St. Louis County, Minnesota



Source: Esri, DigitalGlobe, GeoEye, IGN, GeoEye, AEX, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, Esri, Swire, and other contributors.

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Remove from TIF District #13



County Land Explorer
St. Louis County www.stlouiscountymn.gov/CountyLandExplorer Minnesota

Disclaimer
This is a compilation of records as they appear in the Saint Louis County Offices affecting the area shown. This drawing is to be used only for reference purposes and the County is not responsible for any inaccuracies herein.