

**Redevelopment Plan for Downtown  
Moorhead Development Project**

**and**

**Tax Increment Financing Plan**

**for**

**Tax Increment Financing  
(Redevelopment) District No. 31**

**(Downtown Moorhead Development Project)**

**City of Moorhead, Minnesota**

Prepared by

Baker Tilly Municipal Advisors, LLC

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SECTION I – REDEVELOPMENT PLAN  
FOR DOWNTOWN MOORHEAD DEVELOPMENT PROJECT

**Section A Definitions**

The terms defined in this section have the meanings given herein, unless the context in which they are used indicates a different meaning:

"Authority" means the Moorhead Economic Development Authority (EDA), established pursuant to the Enabling Act and City Resolution No. 86-677, as amended.

"City" means the City of Moorhead, Minnesota; also referred to as a "Municipality".

"City Council" means the City Council of the City; also referred to as the "Governing Body".

"County" means Clay County, Minnesota.

"Enabling Act" means (1) Laws of Minnesota for 1986, Chapter 341 (2) the Minnesota Municipal Housing and Redevelopment Act, as previously codified in Minnesota Statutes, Sections 462.411 et seq., and as now codified in Minnesota Statutes, Sections 469.001 through 469.047, (3) the Minnesota Port Authorities Law, as previously codified in Minnesota Statutes, Chapter 458, and as now codified in Minnesota Statutes, Sections 469.048 through 469.068, and (4) the home rule charter of the City, as ass they may be amended or supplemented.

"Effective Date" means [], 2024.

"Land Use Regulations" means all federal, state and local laws, rules, regulations, ordinances and plans relating to or governing the use or development of land in the Project Area, including but not limited to environmental, platting, zoning and building code laws, regulations and ordinances.

"Project Area" means the geographic area of the Redevelopment Project.

"Public Costs" means the costs of land acquisition, public improvements and site improvements, repayment of debt service on tax increment bonds, and other eligible costs as set forth in the Redevelopment Plan and TIF Plan(s).

"Redevelopment Plan" means the Redevelopment Plan for the Redevelopment Project.

"Redevelopment Project" means the Redevelopment Project which is described in the Redevelopment Plan (this document).

"School District" means Independent School District No. 152.

"State" means the State of Minnesota.

"TIF Act" means Minnesota Statutes sections 469.174 through 469.1794, inclusive, as amended.

"TIF District" means Tax Increment Financing (Redevelopment) District No. 31, a Redevelopment district.

"TIF Plan" means the tax increment financing plan for the TIF District (this document).

## **Section B Statutory Authorization**

Pursuant to the Enabling Act, the City was granted the same powers as a port authority under Minnesota Statutes, Chapter 458, as well as the powers of a municipal housing and redevelopment authority established under Minnesota Statutes, Chapter 462, and the powers granted to a governmental subdivision under Minnesota Statutes, Chapter 472.

Under the Enabling Act, the Authority will undertake activities in furtherance of the Redevelopment Project and the redevelopment of the Project Area.

It is the intention of the Authority, notwithstanding the enumeration of specific goals and objectives in the Redevelopment Plan, that the Authority shall have and enjoy with respect to the Redevelopment Project the full range of powers and duties conferred upon the Authority pursuant to the Enabling Act, the Tax Increment Act, port authority laws, municipal housing and redevelopment authority laws, and such other legal authority as the Authority may have or enjoy from time to time.

## **Section C Statement of Need and Public Purpose**

The Authority finds that there is a need for development within the City and the Project Area in order to provide employment and housing opportunities, to improve the local tax base, and to improve the general economy of the City and the State. The economic security of the people in the City depends upon proper development of property that meets any one of a number of conditions, including properties whose values are too low to pay for the public services required or rendered and properties whose lack of use or improper use has resulted in stagnant or unproductive land that could otherwise contribute to the public health, safety, and welfare.

The Authority finds that in many cases such property cannot be developed without public participation and assistance in various forms including property acquisition and/or write-down, proper planning, the financing of development costs associated with clearance, grading and soils correction, and the making of various other public and private improvements necessary for development. In cases where the development of property cannot be done by private enterprise alone, the Authority believes it to be in the public interest to consider the exercise of its powers, to advance and spend public money, and to provide the means and impetus for such development.

The Authority finds that in certain cases property within the Project Area would or may not be available for development without the specific financial aid to be sought, that the Redevelopment Plan will afford maximum opportunity, consistent with the needs of the City as a whole, for the development of the Project Area by private enterprise, and that the Redevelopment Plan conforms to the general plan for the development of the City as a whole.

## **Section D Statement of Objectives**

The Authority seeks to achieve one or more of the following objectives with respect to the Project Area, as the Authority may deem appropriate and necessary.

- (1) To promote and secure the prompt development of property within the Project Area, such property which is not now in its most productive use, in a manner consistent with the Comprehensive Plan, thus realizing Comprehensive Plan, land use, and tax base goals.

- (2) To assist development in the Project Area through the acquisition or write-down of certain interests in property which is not now in productive use or in its highest and best use, to make or defray the cost of site improvements on said property, and to construct or reimburse for the construction of public improvements and other facilities on or for the benefit of said property, thereby promoting and securing the development of other land within the Project Area.
- (3) To secure the increase and availability of rental and ownership housing opportunities for individuals and families with various income levels within the Project Area.
- (4) To promote and secure additional employment opportunities within the City and to prevent the loss of existing employment opportunities, thereby preventing the loss of valuable human resources.
- (6) To provide funding for an ongoing development strategy and to prioritize the use of available resources.
- (7) To implement and revise from time to time, as may be deemed necessary or desirable, a consolidated and unified Redevelopment Plan and to finance the associated development costs on an area-wide basis.
- (8) To employ any of the powers of the Authority for the benefit of the Project Area in such cases and upon such terms as the Authority may deem appropriate.

**Section E      Boundaries of the Project Area**

The property within the City which constitutes the Project Area includes the property as illustrated on the map attached as Exhibit I and described as follows:

<b>Parcel Number *</b>	<b>Property Addresses</b>
58.520.4010	10 4TH ST N A
58.520.4020	16 4TH ST N B
58.520.4030	22 4TH ST N C
58.520.4040	28 4TH ST N D
58.520.4050	34 4TH ST N E
58.520.4100	400 CENTER AVE
58.520.4110	500 CENTER AVE
58.575.0130	411 CENTER AVE
58.575.0140	417 CENTER AVE
58.575.0150	403 CENTER AVE
58.575.0160	403 CENTER AVE
58.575.0170	403 CENTER AVE
58.575.0180	403 CENTER AVE
58.575.0190	403 CENTER AVE
58.575.0200	403 CENTER AVE
58.575.0210	403 CENTER AVE
58.575.1000	524 CENTER AVE
58.575.1070	512 CENTER AVE
58.575.1125	102 3RD ST N

58.575.1130	402 CENTER AVE 7
58.575.1140	420 CENTER AVE 8
58.575.1150	420 CENTER AVE 10
58.575.1151	420 CENTER AVE 11
58.575.1160	420 CENTER AVE 12
58.575.1170	420 CENTER AVE 13
58.575.1180	420 CENTER AVE 14
58.575.1190	420 CENTER AVE 16
58.575.1191	420 CENTER AVE 15
58.575.1200	420 CENTER AVE 20
58.575.1210	420 CENTER AVE 21
58.575.1220	420 CENTER AVE 22
58.575.1230	0 CENTER AVE
58.575.1231	420 CENTER AVE 23
58.575.1240	420 CENTER AVE 26
58.575.1241	0 CENTER AVE
58.575.1250	420 CENTER AVE 17
58.575.1260	420 CENTER AVE 19
58.575.1270	420 CENTER AVE 27
58.575.1280	420 CENTER AVE 29
58.575.1290	420 CENTER AVE 48
58.575.1300	420 CENTER AVE 49
58.575.1310	420 CENTER AVE 50
58.575.1320	420 CENTER AVE 51
58.575.1330	420 CENTER AVE 45
58.575.1340	420 CENTER AVE 42
58.575.1341	0 CENTER AVE
58.575.1350	420 CENTER AVE 41
58.575.1360	420 CENTER AVE 40
58.575.1370	420 CENTER AVE 37
58.575.1380	420 CENTER AVE 38
58.575.1390	420 CENTER AVE 1C
58.575.1400	420 CENTER AVE 1B
58.575.1410	420 CENTER AVE 1A
58.575.1420	420 CENTER AVE 1
58.575.1430	420 CENTER AVE 32
58.575.1440	420 CENTER AVE 1E
58.575.1441	420 CENTER AVE 1D
58.575.1442	420 CENTER AVE 2
58.575.1443	420 CENTER AVE 35
58.575.1444	420 CENTER AVE 5
58.575.1445	420 CENTER AVE 54A
58.575.1446	420 CENTER AVE
58.575.1448	420 CENTER AVE 35A
58.950.0441	2 4TH ST S

*\* it is expected that most of the properties identified by the existing parcel ids and addresses listed above will be replatted as the new phased developments occur, resulting in new parcel ids and legal descriptions.*

The area encompassed by the Project Area shall also include all street or utility right-of-ways located upon or adjacent to the property described above, as illustrated in the boundary map included in Exhibit I.

The City and the Authority reserve the right to expand the boundaries of the Project Area in the future.

#### **Section F Property Acquisition**

The City and Authority anticipate they will acquire certain property, or appropriate interest therein, within the Project Area as it deems necessary or desirable to assist in the implementation of the Redevelopment Plan including demolition and other site improvements, installation of public infrastructure and other related improvements.

#### **Section G Payment of Public Costs**

It is anticipated that the Public Costs of the Project Area will be paid primarily from tax increments or proceeds of tax increment bonds. Such costs are identified in the TIF Plan(s) for the corresponding TIF District(s) located within the Project Area. The Authority reserves the right to use other sources of revenue legally available to pay for such Public Costs including, but not limited to, special assessments, federal or state funds, grants, and investment income.

#### **Section H Environmental Controls; Land Use Regulations**

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

#### **Section I Park and Open Space to be Created**

Any park and open space created within the Project Area will be done so in accordance with the zoning and platting ordinances of the City.

#### **Section J Property Acquisition and Proposed Reuse**

The City and Authority may acquire and sell any or all of the property located within the TIF District. The City and Authority anticipate acquiring certain such property within the District to facilitate redevelopment of the project. Prior to formal consideration of acquisition of any property, the City Council and/or Authority Board of Commissioners will require the execution of a binding development agreement with respect thereto and evidence that tax increments or other funds will be available to repay the Public Costs associated with the proposed acquisition. Appropriate restrictions regarding the reuse and redevelopment of property shall be incorporated into any development agreement to which the Authority is a party.



**Section K Administration and Maintenance**

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

The EDA Executive Director will administer the Redevelopment Plan pursuant to the provisions of the HRA Act; provided, however, that such powers may only be exercised at the direction of the City Council. No action taken by the EDA Executive Director pursuant to the above-mentioned powers shall be effective without authorization by the EDA Board of Commissioners.

**Section L Relocation**

Any person or business that is displaced after the Effective Date and as a result of the Redevelopment Plan will be relocated in accordance with the provisions of the HRA Act and other applicable state and federal law.

**Section M Amendments**

The Authority reserves the right to alter and amend the Redevelopment Plan subject to the provisions of state law regulating such action.

SECTION II –

TAX INCREMENT FINANCING PLAN FOR TAX INCREMENT FINANCING  
(REDEVELOPMENT) DISTRICT NO. 31  
(MOORHEAD DOWNTOWN DEVELOPMENT PROJECT)

**Introduction**

The following text represents the Tax Increment Financing Plan for Tax Increment Financing (Redevelopment) District No. 31.

**Section A Definitions**

See Section A of Redevelopment Plan for Downtown Moorhead Development Project Plan.

**Section B Overview**

The Authority will adopt the Redevelopment Plan. The purpose of the Plan is to establish a framework and implementation plan for redevelopment of the area comprising the Project Area.

The establishment of the TIF District as set forth in this TIF Plan is for the purpose of the implementation of the objectives set forth in the Redevelopment Plan.

**Section C Statutory Authorization**

See Section C of Redevelopment Plan for Downtown Moorhead Development Project Plan.

**Section D Statement of Need and Public Purpose**

See Section D of Redevelopment Plan for Downtown Moorhead Development Project Plan.

**Section E Statement of Objectives**

See Section E of Redevelopment Plan for Downtown Moorhead Development Project Plan.

**Section F Designation of Tax Increment Financing District as a Redevelopment District**

Redevelopment districts are a type of tax increment financing district in which one or more of the following conditions exists and is reasonably distributed throughout the district:

- (1) parcels comprising at least 70% 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% of the buildings, not including outbuildings, are structurally substandard requiring substantial renovation or clearance. A parcel is deemed "occupied" if at least 15% of the area of the parcel contains buildings, streets, utilities, paved or gravel parking lots, or other similar structures.
- (2) the property consists of vacant, unused, underused, inappropriately used, or infrequently used railyards, rail storage facilities, or excessive or vacated railroad right-of-ways; or
- (3) tank facilities, or property whose immediately previous use was for tank facilities, as defined in section 115C.02, subdivision 15, if the tank facilities:
  - (i) have or had a capacity of more than 1,000,000 gallons;
  - (ii) are located adjacent to rail facilities; and
  - (iii) have been removed or are unused, underused, inappropriately used, or infrequently used.

For districts consisting of two more noncontiguous areas, each area must individually qualify under the provisions listed above, as well as the entire area must also qualify as a whole.

The TIF District qualifies as a redevelopment district in that it meets all of the criteria listed in (1) above. The supporting facts and documentation for this determination will be retained by the Authority for the life of the TIF District and are available to the public upon request. An analysis was completed by Braun Intertec Corporation to make this determination.

"Structurally substandard" is defined as buildings containing defects or deficiencies in structural elements, essential utilities and facilities, light and ventilation, fire protection (including egress), layout and condition of interior partitions, or similar factors. Generally, a building is not structurally substandard if it is in compliance with the building code applicable to a new building or could be modified to satisfy the existing code at a cost of less than 15% of the cost of constructing a new structure of the same size and type.

A city may not find that a building is structurally substandard without an interior inspection, unless it cannot gain access to the property and there exists evidence which supports the structurally substandard finding. Such evidence includes recent fire or police inspections, on-site property tax appraisals or housing inspections, exterior evidence of deterioration, or other similar reliable

evidence. Written documentation of the findings and reasons why an interior inspection was not conducted must be made and retained. A parcel is deemed to be occupied by a structurally substandard building if the following conditions are met:

- (1) the parcel was occupied by a substandard building within three years of the filing of the request for certification of the parcel as part of the district;
- (2) the demolition or removal of the substandard building was performed or financed by the Authority, or was performed by a developer under a development agreement with the Authority;
- (3) the Authority found by resolution before such demolition or removal occurred that the building was structurally substandard and that the Authority intended to include the parcel in the TIF district, and
- (4) the Authority notifies the county auditor that the original tax capacity of the parcel must be adjusted upon filing the request for certification of the tax capacity of the parcel as part of a district.

In the case of (4) above, the County Auditor shall certify the original net tax capacity of the parcel to be the greater of (a) the current tax capacity of the parcel, or (b) a computed tax capacity of the parcel using the estimated market value of the parcel for the year in which the demolition or removal occurred, and the appropriate classification rate(s) for the current year.

At least 90 percent of the tax increment from a redevelopment district must be used to finance the cost of correcting conditions that allow designation as a redevelopment district. These costs include, but are not limited to, acquiring properties containing structurally substandard buildings or improvements or hazardous substances, pollution, or contaminants, acquiring adjacent parcels necessary to provide a site of sufficient size to permit development, demolition and rehabilitation of structures, clearing of land, removal of hazardous substances or remediation necessary to develop the land, and installation of utilities, roads, sidewalks, and parking facilities for the site. The allocated administrative expenses of the Authority may be included in the qualifying costs.

### **Section G Duration of the TIF District**

Redevelopment districts may remain in existence twenty-five (25) years from the date of receipt by the Authority of the first tax increment. Modifications of this plan (see Section Z) shall not extend these limitations.

Pursuant to Minnesota Statutes, Section 469.175, subd. 1(b), the Authority specifies 2027 as the first year in which it elects to receive tax increment from the TIF District, which is no later than four years following the year of approval of the TIF District. Thus, the Authority may collect increment from the district through December 31, 2052, but anticipates that the TIF District could be decertified early (see Section P). All tax increments from taxes payable in the year the TIF District is decertified shall be paid to the Authority.

### **Section H Property to be Included in the TIF District**

The TIF District comprises of approximately 19.5 acres of property comprising of multiple parcels and 5 substandard buildings. A map showing the location of the TIF District is shown in Exhibit I. The boundaries and area encompassed by the TIF District are described below:

<b>Parcel Number *</b>	<b>Property Addresses</b>
58.520.4010	10 4TH ST N A

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58.575.1280	420 CENTER AVE 29
58.575.1290	420 CENTER AVE 48
58.575.1300	420 CENTER AVE 49
58.575.1310	420 CENTER AVE 50
58.575.1320	420 CENTER AVE 51
58.575.1330	420 CENTER AVE 45
58.575.1340	420 CENTER AVE 42
58.575.1341	0 CENTER AVE

58.575.1350	420 CENTER AVE 41
58.575.1360	420 CENTER AVE 40
58.575.1370	420 CENTER AVE 37
58.575.1380	420 CENTER AVE 38
58.575.1390	420 CENTER AVE 1C
58.575.1400	420 CENTER AVE 1B
58.575.1410	420 CENTER AVE 1A
58.575.1420	420 CENTER AVE 1
58.575.1430	420 CENTER AVE 32
58.575.1440	420 CENTER AVE 1E
58.575.1441	420 CENTER AVE 1D
58.575.1442	420 CENTER AVE 2
58.575.1443	420 CENTER AVE 35
58.575.1444	420 CENTER AVE 5
58.575.1445	420 CENTER AVE 54A
58.575.1446	420 CENTER AVE
58.575.1448	420 CENTER AVE 35A
58.950.0441	2 4TH ST S

*\* it is expected that most of the properties identified by the existing parcel ids and addresses listed above will be replatted as the new phased developments occur, resulting in new parcel ids and legal descriptions.*

The area encompassed by the TIF District shall also include all street or utility right-of-ways located upon or adjacent to the property described above, as illustrated in the boundary map included in Exhibit I.

**Section I Property to be Acquired in the TIF District**

The City and Authority may acquire and sell any or all of the property located within the TIF District. The City and Authority anticipate acquiring certain such property within the District to facilitate redevelopment of the project area.

**Section J Specific Development Expected to Occur Within the TIF District**

The Downtown Moorhead Development project covers 19.5 acres which will span nine city blocks. The development will transform the current site of the Moorhead Center Mall, built in the 1960’s, into a redeveloped downtown area providing year-round amenities for residents and visitors to work, live, relax, learn, and be entertained. By creating an area featuring mixed-use housing and retail, recreational facilities, restaurants, the arts, convenient parking, and more the site will re-establish key streets and strengthen the connection to the river. Growth in this area will provide tremendous tax benefits for the City of Moorhead, state of Minnesota and the community.

The project area qualifies for inclusion within a redevelopment tax increment financing district with at least 50% of the buildings considered ‘substandard’ and at least 70% of the area within the proposed district ‘occupied’ by buildings, streets, sidewalks, parking lots, and similar structures, etc. The City anticipates using tax increment revenues to finance eligible extraordinary costs

associated with redevelopment of the project site including acquisition, site development and eligible redevelopment costs as well as related administrative expenses.

Demolition and subsequent construction of the new development on the project site is projected to start in summer 2024 and continue construction through 2030. The project is expected to be fully constructed by December 31, 2030, and be 100% assessed and on the tax rolls as of January 2, 2031, for taxes payable 2032.

## **Section K Findings and Need for Tax Increment Financing**

In establishing the TIF District, the Authority makes the following findings:

- (1) The TIF District qualifies as a redevelopment district;

The Authority worked with Braun Intertec Corporation to inspect and evaluate the property within the proposed Tax Increment Financing (Redevelopment) District No. 31 to be established by the Authority. The purpose of the evaluation was to determine if the proposed district met the statutory requirements for coverage and if the buildings met the qualifications required for a Redevelopment District.

A final report has been prepared for the Authority to retain on file in City offices. The report contains the details of the findings summarized below regarding the substandard qualifications:

- The TIF District consists of many parcels due to condominium structure of existing mall plus adjacent properties that are occupied with 100 percent of the area of the proposed TIF District occupied (exceeding the 70 percent coverage test);
  - 100 percent (5 of 5) of the buildings in the proposed District contain code deficiencies exceeding the 15 percent threshold;
  - 100 percent of the buildings (5 of 5, which is greater than 50%) are structurally substandard to a degree requiring substantial renovation or clearance, because of 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, exceeding the more than 50 percent substandard test; and
  - The foregoing conditions are reasonably distributed throughout the geographic area of the proposed TIF District.
- (2) The proposed redevelopment, in the opinion of the Authority, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the district permitted by the TIF Plan.

### **Factual basis:**

*Proposed development not expected to occur:*

The proposed project consists of the redevelopment of property within the City that consists of blighted property found to be substandard and will be demolished following establishment of the district. The Authority has identified significant and extraordinary costs including acquisition, site development/preparation, demolition, parking, infrastructure and other public improvements and other redevelopment costs associated with redevelopment of the project site in conjunction with new development. The estimated total redevelopment costs for this property make the total cost of this effort significantly higher than costs reasonably incurred for similar developments on a clean site. The Authority's finding that the proposed redevelopment would be unlikely to occur solely through private investment within the reasonably foreseeable future is based on an analysis of the proforma and other materials submitted by the developer.

*No higher market value expected:*

If the proposed redevelopment did not go forward, for the same reasons described above, no significant alternative redevelopment of the proposed TIF area would occur. The existing buildings are currently substandard, and it is highly unlikely that improvements would be made on the property site without tax increment financing. In short, there is no basis for expectation that the area would redevelop or be renovated in any significant way purely by private action without public subsidy.

To summarize the basis for the Authority's findings regarding alternative market value, in accordance with Minnesota Statutes, Section 469.175, Subd. 3(d), the Authority makes the following determinations:

- a. The Authority's estimate of the amount by which the market value of the site will increase without the use of tax increment financing is anywhere from \$0 to some modest amount based on small scale renovation or redevelopment that could be possible without assistance; any estimated values would be too speculative to ascertain.
  - b. If the proposed development to be assisted with tax increment occurs in the District, the total increase in market value would be approximately \$499,658,111, including the value of the buildings (See Exhibit V).
  - c. The present value of tax increments from the District for the maximum duration of the district permitted by the TIF Plan is estimated to be \$68,325,674 (See Exhibit V).
  - d. Even if some development other than the proposed development were to occur, the Council finds that no alternative would occur that would produce a market value increase greater than \$431,332,437 (the amount in clause b less the amount in clause c) without tax increment assistance.
- (5) The TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for development of the Project Area by private enterprise.

**Factual basis:**

The anticipated redevelopment of the project site and any subsequent demolition, reconstruction, or renovation related to the project will remain consistent with the City's design goals. The Development proposed to occur within the TIF District will afford maximum

opportunity for the development of the applicable parcel consistent with the needs of the City and the removal of substandard buildings. The Development will increase the taxable market valuation of the City and provide additional housing options in the City.

(6) The TIF Plan conforms to general plans for development of the City as a whole.

**Factual basis:** The City has determined that the development proposed in the TIF Plan conforms to the City comprehensive plan.

## Section L Estimated Public Costs

The estimated public costs of the TIF District are listed below. Such costs are eligible for reimbursement from tax increments of the TIF District.

Project Costs	Amount
Land/building acquisition	\$18,300,000
Site improvements/preparation costs	\$23,500,000
Utilities/Roads	\$15,000,000
Other public improvements	\$79,487,528
Construction of affordable housing	
Administrative expenses	\$15,087,505
Subtotal	\$151,375,033
Interest	\$0
<b>Total</b>	<b>\$151,375,033</b>

The Authority anticipates using tax increment to the extent available to finance redevelopment costs of the project including primarily acquisition, site improvement/preparation costs (demolition), public improvements, related administrative expenses, and other TIF-eligible expenditures as deemed necessary and related to redevelopment of the project site.

The Authority reserves the right to administratively adjust the amount of any of the items listed above or to incorporate additional eligible items, so long as the total estimated public cost (\$151,375,033) is not increased. The Authority also reserves the right to fund any of the identified costs with any other legally available revenues but anticipates that such costs will be primarily financed with tax increments.

## Section M Estimated Sources of Revenue

Sources of Revenue	Amount
Tax Increment revenue	\$150,875,033
Interest on invested funds	\$500,000
Other	
<b>Total</b>	<b>\$151,375,033</b>

The Authority anticipates capturing the tax increments from the project for financing of the identified redevelopment costs and reimbursing the developer for a portion of those costs. As tax increments are collected from the TIF District in future years, a portion of these taxes will be used by the Authority to reimburse itself and the developer for public costs incurred (see Section K).



The Authority also anticipates retaining any remaining increment to finance eligible administrative or other expenses related to the project.

The Authority reserves the right to finance any or all public costs of the TIF District using pay-as-you-go assistance, internal funding, general obligation or revenue debt, or any other financing mechanism authorized by law. The Authority also reserves the right to use other sources of revenue legally applicable to the Project Area to pay for such costs including, but not limited to, special assessments, utility revenues, federal or state funds, and investment income.

#### **Section N Estimated Amount of Bonded Indebtedness**

The maximum principal amount of bonds (as defined in the TIF Act) secured in whole or part with tax increment from the TIF District is \$151,375,033. The Authority currently plans to finance the site improvements and redevelopment costs through the issuance of bonds, anticipated initially to be as temporary financing, with potential for future pay-as-you-go notes for specific development opportunities. The Authority and City reserve the right to issue bonds in any form, including without limitation any interfund loan with interest not to exceed the maximum permitted under Section 469.178, subd. 7 of the TIF Act.

#### **Section O Original Net Tax Capacity**

The County Auditor shall certify the original net tax capacity of the TIF District. This value will be equal to the total net tax capacity of all property in the TIF District as certified by the State Commissioner of Revenue. For districts certified between January 1 and June 30, inclusive, this value is based on the previous assessment year. For districts certified between July 1 and December 31, inclusive, this value is based on the current assessment year.

The Estimated Taxable Value of all property within the TIF District as of January 2, 2024, for taxes payable in 2025, is \$25,321,100. Upon establishment of the district and reclassification of the property as a portion residential rental, commercial-industrial and tax-exempt, the estimated original net tax capacity of the TIF District is estimated to be \$280,947. This value is also assumed to be the value of the property, including land and building, as of the date the substandard buildings occupied the parcels.

Each year the County Auditor shall certify the amount that the original net tax capacity has increased or decreased as a result of:

- (1) changes in the tax-exempt status of property;
- (2) reductions or enlargements of the geographic area of the TIF District;
- (3) changes due to stipulation agreements or abatements; or
- (4) changes in property classification rates.

#### **Section P Original Local Tax Rate**

The County Auditor shall also certify the original local tax rate of the TIF District. This rate shall be the sum of all local tax rates that apply to property in the TIF District. This rate shall be for the same taxes payable year as the original net tax capacity.

In future years, the amount of tax increment generated by the TIF District will be calculated using the lesser of (a) the sum of the current local tax rates at that time or (b) the original local tax rate of the TIF District.

The County Auditor shall certify the sum of all local tax rates that apply to property in the TIF District for taxes levied in 2024 and payable in 2025 as the original tax capacity rate of the TIF District. Because those rates are not yet available, for purposes of estimating the tax increment generated by the TIF District, the sum of the local tax rates for taxes levied in 2023 and payable in 2024 is 130.401% as shown below.

<u>2023/2024 Taxing Jurisdiction</u>	<u>Local Tax Rate</u>
City of Moorhead	50.492%
Clay County	44.889%
ISD #152	31.315%
Other	<u>3.705%</u>
Total	130.401%

**Section Q Projected Retained Captured Net Tax Capacity and Projected Tax Increment**

The Authority anticipates that the redevelopment will be completed by December 31, 2030, creating a total tax capacity for TIF District No. 31 of \$3,965,516 as of January 2, 2031. The captured tax capacity as of the first full year of increment is projected to be \$3,684,568 in taxes payable 2032 and the total estimated tax increment would be \$4,804,705. A complete schedule of estimated tax increment from the TIF District is shown in Exhibit III.

Each year the County Auditor shall determine the current net tax capacity of all property in the TIF District. To the extent that this total exceeds the original net tax capacity, the difference shall be known as the captured net tax capacity of the TIF District.

The estimates shown in this TIF plan assume that residential rental class rates remain at 1.25% and commercial-industrial class rates remain at 1.5% first \$150,000 of value and 2% value above \$150,000 of the estimated taxable value and assume 3% annual increases in market values.

Each year the County Auditor shall determine the current net tax capacity of all property in the TIF District. To the extent that this total exceeds the original net tax capacity, the difference shall be known as the captured net tax capacity of the TIF District.

The County Auditor shall certify to the Authority the amount of captured net tax capacity each year. The Authority may choose to retain any or all of this amount. It is the Authority's intention to retain 100% of the captured net tax capacity of the TIF District. Such amount shall be known as the retained captured net tax capacity of the TIF District.

Exhibit II gives a listing of the various information and assumptions used in preparing a number of the exhibits contained in this TIF Plan, including Exhibit III which shows the projected tax increment generated over the anticipated life of the TIF District.

**Section R Use of Tax Increment**

Each year the County Treasurer shall deduct 0.36% of the annual tax increment generated by the TIF District and pay such amount to the State's General Fund. Such amounts will be appropriated to the State Auditor for the cost of financial reporting and auditing of tax increment financing information throughout the state. Exhibit III shows the projected deduction for this purpose over the anticipated life of the TIF District.

The Authority has determined that it will use 100% of the remaining tax increment generated by the TIF District for any of the following purposes:

- (1) pay for the estimated public costs of the TIF District (see Section K) and County administrative costs associated with the TIF District (see Section T);
- (2) pay principal and interest on tax increment bonds or other bonds issued to finance the estimated public costs of the TIF District;
- (3) accumulate a reserve securing the payment of tax increment bonds or other bonds issued to finance the estimated public costs of the TIF District;
- (4) pay all or a portion of the county road costs as may be required by the County Board under M.S. Section 469.175, Subdivision 1a; or
- (5) return excess tax increments to the County Auditor for redistribution to the Authority, County and School District.

Tax increments from property located in one county must be expended for the direct and primary benefit of a project located within that county, unless both county boards involved waive this requirement. Tax increments shall not be used to circumvent levy limitations applicable to the Authority.

Tax increment shall not be used to finance the acquisition, construction, renovation, operation, or maintenance of a building to be used primarily and regularly for conducting the business of a municipality, county, school district, or any other local unit of government or the State or federal government, or for a commons area used as a public park, or a facility used for social, recreational, or conference purposes. This prohibition does not apply to the construction or renovation of a parking structure or of a privately-owned facility for conference purposes.

If there exists any type of agreement or arrangement providing for the developer, or other beneficiary of assistance, to repay all or a portion of the assistance that was paid or financed with tax increments, such payments shall be subject to all of the restrictions imposed on the use of tax increments. Assistance includes sale of property at less than the cost of acquisition or fair market value, grants, ground or other leases at less than fair market rent, interest rate subsidies, utility service connections, roads, or other similar assistance that would otherwise be paid for by the developer or beneficiary.

**Section S Excess Tax Increment**

In any year in which the tax increments from the TIF District exceed the amount necessary to pay the estimated public costs authorized by the TIF Plan, the Authority shall use the excess tax increments to:

- (1) prepay any outstanding tax increment bonds;

- (2) discharge the pledge of tax increments thereof;
- (3) pay amounts into an escrow account dedicated to the payment of the tax increment bonds; or
- (4) return excess tax increments to the County Auditor for redistribution to the Authority, County and School District. The County Auditor must report to the Commissioner of Education the amount of any excess tax increment redistributed to the School District within 30 days of such redistribution.

#### **Section T Tax Increment Pooling and the Five-Year Rule**

At least 75% of the tax increments from the TIF District must be expended on activities within the district or to pay for bonds used to finance the estimated public costs of the TIF District (see Section E for additional restrictions). No more than 25% of the tax increments may be spent on costs outside of the TIF District but within the boundaries of the Project Area, except to pay debt service on credit enhanced bonds. All administrative expenses are considered to have been spent outside of the TIF District. Tax increments are considered to have been spent within the TIF District if such amounts are:

- (1) actually paid to a third party for activities performed within the TIF District within five years after certification of the district;
- (2) used to pay bonds that were issued and sold to a third party, the proceeds of which are reasonably expected on the date of issuance to be spent within the later of the five-year period or a reasonable temporary period or are deposited in a reasonably required reserve or replacement fund.
- (3) used to make payments or reimbursements to a third party under binding contracts for activities performed within the TIF District, which were entered into within five years after certification of the district; or
- (4) used to reimburse a party for payment of eligible costs (including interest) incurred within five years from certification of the district.

Beginning with the sixth year following certification of the TIF District, at least 75% of the tax increments must be used to pay outstanding bonds or make contractual payments obligated within the first five years. When outstanding bonds have been defeased and sufficient money has been set aside to pay for such contractual obligations, the TIF District must be decertified.

The Authority anticipates that an allowable portion of tax increments generated by the project may be spent outside the TIF District (including allowable administrative expenses), and such expenditures are expressly authorized in this TIF Plan.

#### **Section U Limitation on Administrative Expenses**

Administrative expenses are defined as all costs of the Authority other than:

- (1) amounts paid for the purchase of land;

- (2) amounts paid for materials and services, including architectural and engineering services directly connected with the physical development of the real property in the project;
- (3) relocation benefits paid to, or services provided for, persons residing or businesses located in the project;
- (4) amounts used to pay principal or interest on, fund a reserve for, or sell at a discount bonds issued pursuant to section 469.178; or
- (5) amounts used to pay other financial obligations to the extent those obligations were used to finance costs described in clause (1) to (3).

Administrative expenses include amounts paid for services provided by bond counsel, fiscal consultants, planning or economic development consultants, and actual costs incurred by the County in administering the TIF District. Tax increments may be used to pay administrative expenses of the TIF District up to the lesser of (a) 10% of the total tax increment expenditures authorized by the TIF Plan or (b) 10% of the total tax increments received by the TIF District.

#### **Section V      Limitation on Property Not Subject to Improvements - Four Year Rule**

If after four years from certification of the TIF District no demolition, rehabilitation, renovation, or qualified improvement of an adjacent street has commenced on a parcel located within the TIF District, then that parcel shall be excluded from the TIF District, and the original net tax capacity shall be adjusted accordingly. Qualified improvements of a street are limited to construction or opening of a new street, relocation of a street, or substantial reconstruction or rebuilding of an existing street. The Authority must submit to the County Auditor, by February 1 of the fifth year, evidence that the required activity has taken place for each parcel in the TIF District.

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

#### **Section W      Estimated Impact on Other Taxing Jurisdictions**

Exhibit IV shows the estimated impact on other taxing jurisdictions if the maximum projected retained captured net tax capacity of the TIF District was hypothetically available to the other taxing jurisdictions. The Authority believes that there will be no adverse impact on other taxing jurisdictions during the life of the TIF District, since the proposed development would not have occurred without the establishment of the TIF District and the provision of public assistance. A positive impact on other taxing jurisdictions will occur when the TIF District is decertified, and the development therein becomes part of the general tax base.

The fiscal and economic implications of the proposed tax increment financing district, as pursuant to Minnesota Statutes, Section 469.175, Subdivision 2, are listed below.

1. The total amount of tax increment that will be generated over the life of the district is estimated to be \$151,420,147.
2. To the extent the project in TIF District No. 31 generates any public cost impacts on city-provided services such as police and fire protection, public infrastructure, and the impact

of any general obligation tax increment bonds attributable to the district upon the ability to issue other debt for general fund purposes, such costs will be levied upon the taxable net tax capacity of the Authority, excluding that portion captured by the District. The City and Authority anticipate issuing general obligation tax increment bonds but reserves the right to the use of internal financing, as necessary, to finance a portion of the project costs attributable to the District.

3. 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 estimated to be \$36,362,230.
4. 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 estimated to be \$52,124,580.
5. No additional information has been requested by the county or school district that would enable it to determine additional costs that will accrue to it due to the development proposed for the district.

### **Section X Prior Planned Improvements**

The Authority shall accompany its request for certification to the County Auditor (or notice of district enlargement), with a listing of all properties within the TIF District for which building permits have been issued during the 18 months immediately preceding approval of the TIF Plan. The County Auditor shall increase the original net tax capacity of the TIF District by the net tax capacity of each improvement for which a building permit was issued.

There have been no building permits issued in the last 18 months in conjunction with any of the properties within the TIF District.

### **Section Y Development Agreements**

If within a project containing a redevelopment district, more than 25% of the acreage of the property to be acquired by the Authority is purchased with tax increment bonds proceeds (to which tax increment from the property is pledged), then prior to such acquisition, the Authority must enter into an agreement for the development of the property. Such agreement must provide recourse for the Authority should the development not be completed.

The Authority anticipates entering into an agreement for development.

### **Section Z Assessment Agreements**

The Authority may, upon entering into a development agreement, also enter into an assessment agreement with the developer, which establishes a minimum market value of the land and improvements for each year during the life of the TIF District.

The assessment agreement shall be presented to the County or City Assessor who shall review the plans and specifications for the improvements to be constructed, review the market value previously assigned to the land, and so long as the minimum market value contained in the assessment agreement appears to be an accurate estimate, shall certify the assessment agreement as reasonable. The assessment agreement shall be filed for record in the office of the County Recorder of each county where the property is located. Any modification or premature termination of this agreement must first be approved by the City, County and School District.

The Authority may consider entering into an assessment agreement.

### **Section AA Modifications of the Tax Increment Financing Plan**

Any reduction or enlargement in the geographic area of the Project Area or the TIF District; a determination to capitalize interest on the debt if that determination was not part of the original TIF Plan, increase in the portion of the captured net tax capacity to be retained by the Authority; increase in the total estimated public costs; or designation of property to be acquired by the Authority shall be approved only after satisfying all the necessary requirements for approval of the original TIF Plan. This paragraph does not apply if:

- (1) the only modification is elimination of parcels from the TIF District; and
- (2) the current net tax capacity of the parcels eliminated equals or exceeds the net tax capacity of those parcels in the TIF District's original net tax capacity, or the Authority agrees that the TIF District's original net tax capacity will be reduced by no more than the current net tax capacity of the parcels eliminated.

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

### **Section AB Administration of the Tax Increment Financing Plan**

Upon adoption of the TIF Plan, the Authority shall submit a copy of such plan to the Minnesota Department of Revenue and the Office of the State Auditor. The Authority shall also request that the County Auditor certify the original net tax capacity and net tax capacity rate of the TIF District. To assist the County Auditor in this process, the Authority shall submit copies of the TIF Plan, the resolution establishing the TIF District and adopting the TIF Plan, and a listing of any prior planned improvements. The Authority shall also send the County Assessor any assessment agreement establishing the minimum market value of land and improvements in the TIF District and shall request that the County Assessor review and certify this assessment agreement as reasonable.

The County shall distribute to the Authority the amount of tax increment as it becomes available. The amount of tax increment in any year represents the applicable property taxes generated by the retained captured net tax capacity of the TIF District. The amount of tax increment may change due to development anticipated by the TIF Plan, other development, inflation of property values, or changes in property classification rates or formulas. In administering and implementing the TIF Plan, the following actions should occur on an annual basis:

- (1) prior to July 1, the Authority shall notify the County Assessor of any new development that has occurred in the TIF District during the past year to ensure that the new value will be recorded in a timely manner.
- (2) if the County Auditor receives the request for certification of a new TIF District, or for modification of an existing TIF District, before July 1, the request shall be recognized in determining local tax rates for the current and subsequent levy years. Requests received on or after July 1 shall be used to determine local tax rates in subsequent years.

- (3) each year the County Auditor shall certify the amount of the original net tax capacity of the TIF District. The amount certified shall reflect any changes that occur as a result of the following:
- (a) the value of property that changes from tax-exempt to taxable shall be added to the original net tax capacity of the TIF District. The reverse shall also apply;
  - (b) the original net tax capacity may be modified by any approved enlargement or reduction of the TIF District;
  - (c) if laws governing the classification of real property cause changes to the percentage of estimated market value to be applied for property tax purposes, then the resulting increase or decrease in net tax capacity shall be applied proportionately to the original net tax capacity and the retained captured net tax capacity of the TIF District.

The County Auditor shall notify the Authority of all changes made to the original net tax capacity of the TIF District.

**Section AC Filing TIF Plan, Financial Reporting and Disclosure Requirements**

The Authority will file the TIF Plan, and any subsequent amendments thereto, with the Commissioner of Revenue and the Office of the State Auditor pursuant to Minnesota Statutes, Section 469.175, subdivision 4A. The Authority will comply with all reporting requirements for the TIF District under Minnesota Statutes, Section 469.175, subdivisions 5 and 6.

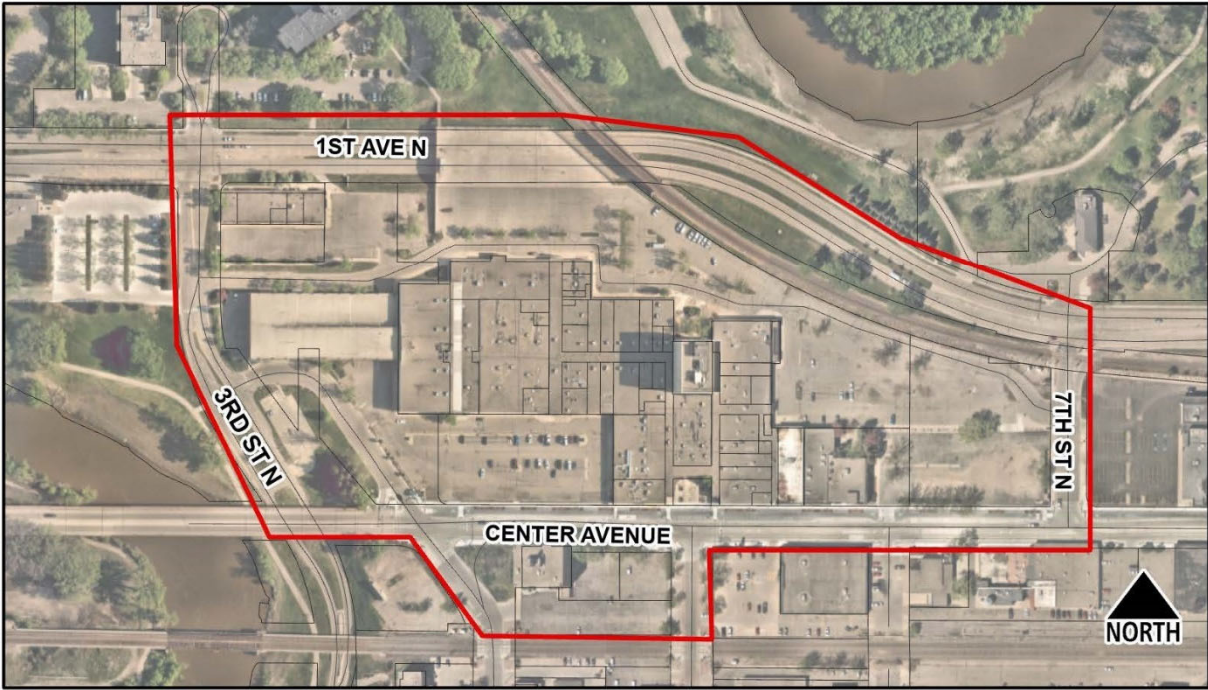


**Map of  
Tax Increment Financing (Redevelopment) District No. 31  
And Downtown Moorhead Development Project**



**GENERAL LOCATION MAP**

MCM REDEVELOPMENT PROJECT  
Proposed TIF District Boundary



CREATED: 4/12/2024

## Assumptions Report

**City of Moorhead, Minnesota  
Tax Increment Financing (Redevelopment) District No. 31  
Moorhead Downtown Project  
Draft TIF Plan Exhibits based on \$269M taxable value**

Type of Tax Increment Financing District	Redevelopment
Maximum Duration of TIF District	25 years from 1st increment
Projected Certification Request Date	06/30/25
Decertification Date	12/31/52 (26 Years of Increment)

	<u>2024/2025</u>
Base Estimated Market Value	\$25,321,100

Original Net Tax Capacity	\$280,947
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	Assessment/Collection Year			
	2025/2026	2026/2027	2027/2028	2028/2029
Base Estimated Market Value	\$25,321,100	\$25,321,100	\$25,321,100	\$25,321,100
Estimated Increase in Value - New Construction	0	16,256,987	70,190,478	122,550,724
Total Estimated Market Value	25,321,100	41,578,087	95,511,578	147,871,824
Total Net Tax Capacity	\$280,947	\$546,107	\$1,299,287	\$2,011,237

City of Moorhead	50.492%
Clay County	44.889%
ISD #152	31.315%
Other	3.705%
Local Tax Capacity Rate	130.401%      2023/2024
Fiscal Disparities Contribution From TIF District	0.00%
Administrative Retainage Percent (maximum = 10%)	10.00%
Pooling Percent	0.00%

<u>Bonds</u>		<u>Note (Pay-As-You-Go)</u>		
Bonds Dated	TBD	Note Dated		TBD
Bond Rate	TBD	Note Rate		TBD
Bond Amount	TBD	Note Amount	TBD	
Present Value Date & Rate	06/30/25      5.00%	PV Amount		\$62,032,077

Notes

Projections assume no future changes to classification rates and current tax rates remain constant.  
 Projections assume construction begins in 2024 with project completed in 2030 for assessment in 2031  
 Projections assume 1,268 rental multifamily housing units and 144,700 SF commercial space

**Projected Tax Increment Report**

**City of Moorhead, Minnesota  
 Tax Increment Financing (Redevelopment) District No. 31  
 Moorhead Downtown Project  
 Draft TIF Plan Exhibits based on \$269M taxable value**

Annual Period Ending (1)	Total Market Value (2)	Total Net Tax Capacity (3)	Less: Original Net Tax Capacity (4)	Retained Captured Net Tax Capacity (5)	Times: Tax Capacity Rate (6)	Annual Gross Tax Increment (7)	Less: State Aud. Deduction 0.360% (8)	Subtotal Net Tax Increment (9)	Less: City Retainage 10.00% (10)	Annual Net Revenue (11)	P.V. Annual Net Rev. To 06/30/25 5.00% (12)
12/31/25	25,321,100	280,947	280,947	0	130.401%	0	0	0	0	0	0
12/31/26	25,321,100	280,947	280,947	0	130.401%	0	0	0	0	0	0
12/31/27	41,578,087	546,107	280,947	265,160	130.401%	345,771	1,245	344,526	34,453	310,073	281,245
12/31/28	95,511,578	1,299,287	280,947	1,018,340	130.401%	1,327,923	4,781	1,323,142	132,314	1,190,828	1,028,682
12/31/29	147,871,824	2,011,237	280,947	1,730,289	130.401%	2,256,311	8,123	2,248,188	224,819	2,023,369	1,664,631
12/31/30	191,237,902	2,612,483	280,947	2,331,536	130.401%	3,040,340	10,945	3,029,395	302,940	2,726,455	2,136,249
12/31/31	235,904,963	3,231,766	280,947	2,950,819	130.401%	3,847,891	13,852	3,834,039	383,404	3,450,635	2,574,917
12/31/32	290,668,261	3,965,516	280,947	3,684,568	130.401%	4,804,705	17,297	4,787,408	478,741	4,308,667	3,062,089
12/31/33	299,388,308	4,084,503	280,947	3,803,556	130.401%	4,959,867	17,856	4,942,011	494,201	4,447,810	3,010,453
12/31/34	308,369,958	4,207,061	280,947	3,926,114	130.401%	5,119,683	18,431	5,101,252	510,125	4,591,127	2,959,481
12/31/35	317,621,056	4,333,295	280,947	4,052,348	130.401%	5,284,293	19,023	5,265,270	526,527	4,738,743	2,909,177
12/31/36	327,149,688	4,463,317	280,947	4,182,370	130.401%	5,453,842	19,634	5,434,208	543,421	4,890,787	2,859,542
12/31/37	336,964,179	4,597,239	280,947	4,316,292	130.401%	5,628,477	20,263	5,608,214	560,821	5,047,393	2,810,577
12/31/38	347,073,104	4,735,178	280,947	4,454,231	130.401%	5,808,352	20,910	5,787,442	578,744	5,208,698	2,762,284
12/31/39	357,485,297	4,877,256	280,947	4,596,309	130.401%	5,993,622	21,577	5,972,045	597,205	5,374,840	2,714,659
12/31/40	368,209,856	5,023,596	280,947	4,742,649	130.401%	6,184,451	22,264	6,162,187	616,219	5,545,968	2,667,705
12/31/41	379,256,152	5,174,327	280,947	4,893,380	130.401%	6,381,005	22,972	6,358,033	635,803	5,722,230	2,621,419
12/31/42	390,633,836	5,329,579	280,947	5,048,632	130.401%	6,583,455	23,700	6,559,755	655,976	5,903,779	2,575,799
12/31/43	402,352,852	5,489,489	280,947	5,208,542	130.401%	6,791,979	24,451	6,767,528	676,753	6,090,775	2,530,843
12/31/44	414,423,437	5,654,196	280,947	5,373,249	130.401%	7,006,758	25,224	6,981,534	698,153	6,283,381	2,486,547
12/31/45	426,856,140	5,823,845	280,947	5,542,897	130.401%	7,227,981	26,021	7,201,960	720,196	6,481,764	2,442,909
12/31/46	439,661,824	5,998,582	280,947	5,717,635	130.401%	7,455,840	26,841	7,428,999	742,900	6,686,099	2,399,924
12/31/47	452,851,679	6,178,562	280,947	5,897,615	130.401%	7,690,536	27,686	7,662,850	766,285	6,896,565	2,357,590
12/31/48	466,437,229	6,363,942	280,947	6,082,995	130.401%	7,932,272	28,556	7,903,716	790,372	7,113,344	2,315,901
12/31/49	480,430,346	6,554,883	280,947	6,273,935	130.401%	8,181,260	29,453	8,151,807	815,181	7,336,626	2,274,852
12/31/50	494,843,257	6,751,552	280,947	6,470,604	130.401%	8,437,718	30,376	8,407,342	840,734	7,566,608	2,234,440
12/31/51	509,688,554	6,954,121	280,947	6,673,173	130.401%	8,701,869	31,327	8,670,542	867,054	7,803,488	2,194,659
12/31/52	524,979,211	7,162,767	280,947	6,881,819	130.401%	8,973,946	32,306	8,941,640	894,164	8,047,476	2,155,503
						<b>\$151,420,147</b>	<b>\$545,114</b>	<b>\$150,875,033</b>	<b>\$15,087,505</b>	<b>\$135,787,528</b>	<b>\$62,032,077</b>

<sup>(1)</sup> Total estimated market value based on information provided by City and Developer  
 Includes 3% annual market value inflator.

<sup>(2)</sup> Total net tax capacity based on mix of residential rental with a class rate of 1.25%, and commercial-industrial class rate of 1.5% first \$150,000 value and 2% value above \$150,000

<sup>(3)</sup> Original net tax capacity based on existing land value for the property to be included in the development for assess 2023/pay 2024

<sup>(4)</sup> Total local tax capacity rate for taxes payable 2024

**Estimated Impact on Other Taxing Jurisdictions Report**

**City of Moorhead, Minnesota  
 Tax Increment Financing (Redevelopment) District No. 31  
 Moorhead Downtown Project  
 Draft TIF Plan Exhibits based on \$269M taxable value**

Taxing Jurisdiction	Without Project or TIF District		With Project and TIF District						Hypothetical Tax Generated by Retained Captured N.T.C. (*)	
	Final 2023/2024 Taxable Net Tax Capacity (1)	2023/2024 Local Tax Rate	2023/2024 Taxable Net Tax Capacity (1)	Projected Retained Captured Net Tax Capacity	+	New Taxable Net Tax Capacity	=	Hypothetical Adjusted Local Tax Rate (*)		Hypothetical Decrease In Local Tax Rate (*)
City of Moorhead	41,823,090	50.492%	41,823,090	\$6,881,819		48,704,909		43.358%	7.134%	2,983,802
Clay County	94,006,559	44.889%	94,006,559	6,881,819		100,888,378		41.827%	3.062%	2,878,454
ISD #152	54,107,243	31.315%	54,107,243	6,881,819		60,989,062		27.781%	3.533%	1,911,850
Other	-	3.705%	-	-		-		3.705%	-	-
<b>Totals</b>		<b>130.401%</b>						<b>116.671%</b>	<b>13.730%</b>	

**\* Statement 1:** If the projected Retained Captured Net Tax Capacity of the TIF District was hypothetically available to each of the taxing jurisdictions above, the result would be a lower local tax rate (see Hypothetical Adjusted Tax Rate above) which would produce the same amount of taxes for each taxing jurisdiction. In such a case, the total local tax rate would decrease by 13.730% (see Hypothetical Decrease in Local Tax Rate above). The hypothetical tax that the Retained Captured Net Tax Capacity of the TIF District would generate is also shown above.

**Statement 2:** Since the projected Retained Captured Net Tax Capacity of the TIF District is not available to the taxing jurisdictions, then there is no impact on taxes levied or local tax rates.

(1) Taxable net tax capacity = total net tax capacity - captured TIF - fiscal disparity contribution, if applicable.

(2) The impact on these taxing jurisdictions is negligible since they represent only 2.84% of the total tax rate.

**Market Value Analysis Report**

**City of Moorhead, Minnesota  
 Tax Increment Financing (Redevelopment) District No. 31  
 Moorhead Downtown Project  
 Draft TIF Plan Exhibits based on \$269M taxable value**

<u>Assumptions</u>				
		Present Value Date		06/30/25
		P.V. Rate - Gross T.I.		5.00%
<hr/>				
		Increase in EMV With TIF District		\$499,658,111
		Less: P.V of Gross Tax Increment		<u>68,325,674</u>
		Subtotal		\$431,332,437
		Less: Increase in EMV Without TIF		<u>0</u>
		Difference		\$431,332,437
<hr/>				
			Annual	Present
			Gross Tax	Value @
		Year	Increment	5.00%
		<hr/>	<hr/>	<hr/>
1		2027	345,771	309,780
2		2028	1,327,923	1,133,049
3		2029	2,256,311	1,833,520
4		2030	3,040,340	2,352,987
5		2031	3,847,891	2,836,160
6		2032	4,804,705	3,372,760
7		2033	4,959,867	3,315,885
8		2034	5,119,683	3,259,742
9		2035	5,284,293	3,204,334
10		2036	5,453,842	3,149,663
11		2037	5,628,477	3,095,730
12		2038	5,808,352	3,042,537
13		2039	5,993,622	2,990,081
14		2040	6,184,451	2,938,363
15		2041	6,381,005	2,887,381
16		2042	6,583,455	2,837,132
17		2043	6,791,979	2,787,615
18		2044	7,006,758	2,738,825
19		2045	7,227,981	2,690,759
20		2046	7,455,840	2,643,414
21		2047	7,690,536	2,596,784
22		2048	7,932,272	2,550,865
23		2049	8,181,260	2,505,652
24		2050	8,437,718	2,461,140
25		2051	8,701,869	2,417,322
26		2052	<u>8,973,946</u>	<u>2,374,194</u>
			\$151,420,147	\$68,325,674

**Report of Inspection Procedures and Results for Determining Qualifications of a Tax  
Increment Financing District as a Redevelopment District**