EDAP BOARD MEETING
WISH'N WELL CAFÉ
JANUARY 20, 2015
7:00 A.M.

AGENDA

I. CALL TO ORDER

II. CONSENT AGENDA
   A. Minutes (page A)

III. NEW BUSINESS
   A. Election of Officers (page B)
   B. Meeting Schedule (page C)

IV. OLD BUSINESS
   A. Economic Status Of Community – Update
   B. Past Due Loans – Update
   C. Tax Abatement (page D)
      1. Information – Northland Securities (page 1)
      2. Tax Abatement – City of Princeton (page 9)
      3. Tax Abatement – City of Northfield (page 14)

V. INFORMATIONAL
   A. Revolving Loan Report (page 26)

VI. ADJOURN

****** Please call or email Renee at 320-243-3714 ext. 227 or at renee@paynesvillemn.com if you are not able to attend the meeting.******

Members: Don Pietsch, Don Wiese, Bruce Stang, Chris Stanley, Alan Habben, Jean Soine, and Kay McDaniel. Advisory Member: Renee Eckerly.

This agenda has been prepared to provide information regarding an upcoming meeting of the EDAP Board. This document does not claim to be complete and is subject to change.

BARRIER FREE: All EDAP Board meetings are accessible to the handicapped. Attempts will be made to accommodate any other individual need for special services. Please contact City Hall (320) 243-3714 early, so necessary arrangements can be made.

REQUEST FOR COMMITTEE/COUNCIL ACTION

COMMITTEE/COUNCIL NAME: EDAP Board

Committee/Council Meeting Date: January 20, 2015

Agenda Section: Consent Agenda

Originating Department: Administration

Item Number: II - A

ITEM DESCRIPTION: Minutes

Prepared by: Staff

COMMENTS:

The minutes from the October 21 and November 25, 2014 EDAP Board meetings will be emailed out and/or distributed at the meeting.

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to approve the minutes from the October 21 and November 25, 2014 EDAP Board meetings

A

REQUEST FOR COMMITTEE/COUNCIL ACTION

COMMITTEE/COUNCIL NAME: EDAP Board Meeting

Committee/Council Meeting Date: January 20, 2015

Agenda Section: New Business

Originating Department: Administration

Item Number: III - A

ITEM DESCRIPTION: Election of Officers

Prepared by:

COMMENTS:

Nominations for Chairperson
Nominations for Vice Chairperson
Nominations for Secretary

ADMINISTRATOR COMMENTS:

Current Officers:

Chair	Jean Soine
Vice Chair	Chris Stanley
Secretary	Renee Eckerly

COMMITTEE/COUNCIL ACTION:

A motion to elect _____ as Chairperson.
A motion to elect _____ as Vice Chairperson.
A motion to elect _____ as Secretary.

REQUEST FOR COMMITTEE/COUNCIL ACTION

COMMITTEE/COUNCIL NAME: EDAP Board Meeting

Committee/Council Meeting Date: January 20, 2015

Agenda Section: New Business

Originating Department: Administration

Item Number: III - B

ITEM DESCRIPTION: Meeting Schedule

Prepared by: Staff

COMMENTS:

Each year every Board sets their meeting schedule. Currently the EDAP Board meets on the third Tuesday of each month at 7:00 a.m. at the Wish'n Well Café.

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to set the EDAP Board meeting schedule for _____.

C

REQUEST FOR COMMITTEE/COUNCIL ACTION

COMMITTEE/COUNCIL NAME: EDAP Board

Committee/Council Meeting Date: January 20, 2015

Agenda Section: Old Business

Originating Department: Administration

Item Number: IV - C

ITEM DESCRIPTION: Tax Abatement

Prepared by: Staff

COMMENTS:

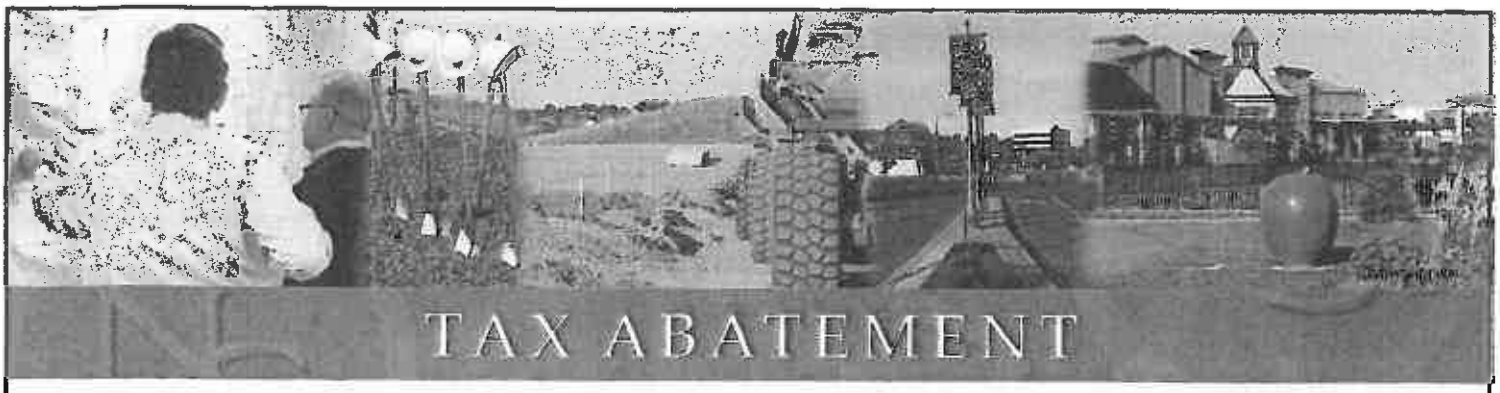
Renee Eckerly will give a verbal report. Please review the attached documents and bring them to the meeting. A draft City of Paynesville Tax Abatement Policy will be distributed at the meeting.

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to _____.

D



TAX ABATEMENT

Tax abatement is a useful and flexible economic development tool. The name "tax abatement" is misleading. The enabling statute (Minnesota Statutes, Sections 469.1812 to 469.1815) does not authorize the actual abatement of taxes. Instead, local governments have the ability to levy a property tax (an abatement levy) that is equivalent to taxes that *could be* abated. The revenue derived from an abatement levy can be used for a variety of economic development, redevelopment and housing purposes.

This profile highlights the key elements of tax abatement. Planning for specific projects should refer to the complete statute and the guidance of qualified advisors. In addition, this profile is based on the statutes governing the use of tax abatement in 2009. These statutes are subject to change by the State Legislature.

Uses

The enabling statute contains relatively few limitations on the use of tax abatement. The statute requires a finding that the use of tax abatement is in the public interest for one of the following reasons:

- Increase or preserve tax base.
- Provide employment opportunities.
- Provide or help acquire or construct public facilities.
- Help redevelop or renew blighted areas.
- Help provide access to services for residents of the political subdivision.
- Finance or provide public infrastructure.
- Phase in a property tax increase on the parcel.

The revenues from the abatement levy can be retained by the political subdivision or conveyed to the property owner. When paid to the property owner, the abatement acts like a tax rebate.

The only other specific use limitations in the statute relates to bond-funded activities. The proceeds of Tax Abatement Bonds can only be used to (1) pay for

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NORTHLANDSTRATEGIES
Special Projects Group

Northland Strategies is the special projects group of Northland Securities. Northland Strategies provides public and private clients with consulting services in the areas of Real Estate Development. Financial Planning, Group Decision Making and Service Studies.

Northland Strategies combines the experience and skills needed to help you understand and make effective use of tax abatement. Our areas of expertise include:

- Identification and evaluation of options for use on economic development, redevelopment and housing projects.
- Analysis of funding capacity.
- Facilitation of approval process, including preparation of abatement resolution.
- Creation and implementation of plans for issuance of abatement bonds.
- Preparation of guidelines for administration of abatement programs.

For more information, contact Tammy Omdal, Director of Northland Strategies, at 612-851-4964 or tomdal@northlandsecurities.com.

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public improvements that benefit the property, (2) acquire and convey land or other property, as provided under this section, (3) reimburse the property owner for the cost of improvements made to the property, or (4) pay the costs of issuance of the bonds.

Calculating the Abatement

The maximum abatement for a parcel is its total net tax capacity value multiplied by the abating political subdivision's local property tax rate. The abatement may be based on the value created by new development, may be a specific amount per year, or may be in any other manner the governing body of the subdivision determines is appropriate.

The statute does not control how political subdivisions determine the parcels that will be subject to tax abatement. Users have the flexibility to target individual parcels, parcels grouped into a common project, or a broader area of improvements.

The methodology for calculating the abatement should be clearly described in the resolution authorizing the abatement.

Key Limitations

Several important limitations apply to the use of tax abatement.

Political Subdivisions

The ability to use tax abatement is given to cities (statutory or home rule charter), towns, school districts, and counties. Each of these political subdivisions has independent authority over the use of tax abatement.

Maximum Amount

The total amount of tax abatements for each political subdivision is capped. The total abated taxes in any year cannot exceed the greater of ten percent (10%) of the net tax capacity of the political subdivision for the taxes payable year to which the abatement applies, or (2) $200,000.

Duration

The general rule is that a political subdivision may grant an abatement for 15 years or less. The maximum duration is 8 years if the authorizing resolution does not specify a duration. The duration may be extended under certain circumstances:

- The maximum abatement period may increase to 20 years if one of the other political subdivisions is requested to participate and declines (pursuant to procedures in M.S. 469.1813, Subd. 6, Paragraph b).
- A political subdivision may grant an abatement for a period of up to 20 years, if the abatement is for a "qualified business" as defined by the statute.

Bonds

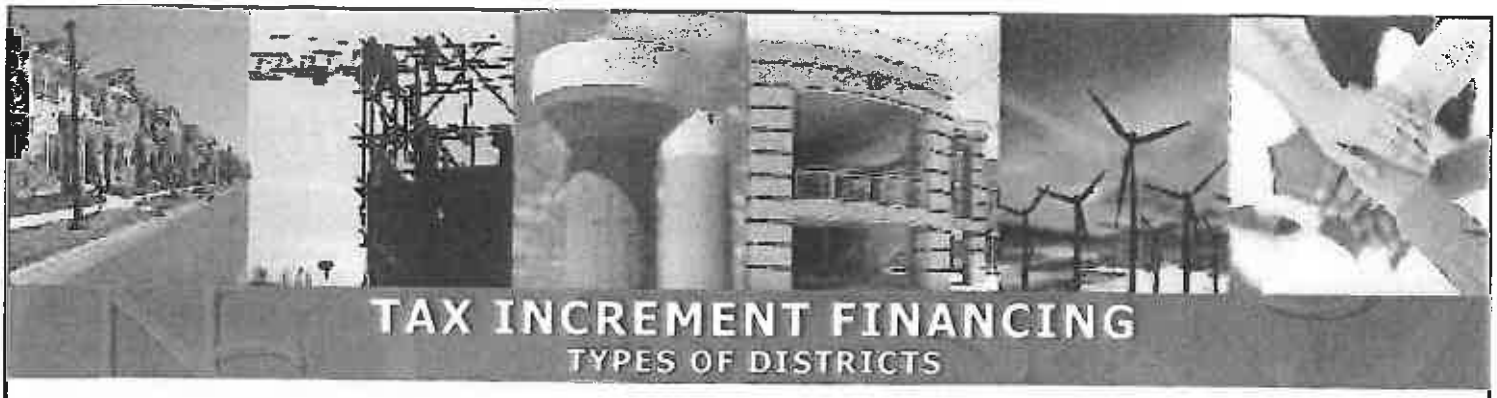
Bonds can be issued to provide funding for certain activities (see "Uses"). The total principal of abatement bonds cannot exceed the sum of estimated abatements for the years granted. If the abatement is not adequate to pay principal and interest, then the political subdivision may use other legally available revenues, including property taxes, to pay interest on the bonds. The general obligation of the political subdivision may be pledged to the bonds. The bonds are not subject to the debt limit and do not require an election.

Process

Compared to tax increment financing, the process for the use of tax abatement is simple. The governing body of the political subdivision must adopt a resolution that defines the parameters for the tax abatement. A public hearing is required before approving the resolution. Notice of the hearing must be published once at least 10 and not more than 30 days prior to the hearing. The statute does not require any other documents or notifications.

An abatement levy is not currently subject to levy limits. An abatement levy must follow the procedures applicable to all other property tax levies.

The information in this profile is based on sources believed to be reliable, but does not purport to be complete and is not warranted by Northland Securities, Inc.



TAX INCREMENT FINANCING

TYPES OF DISTRICTS

Tax increment financing (TIF) is an important and useful tool for assisting development. TIF uses the increased property taxes that a new real estate development generates to finance the cost of development. TIF can be used to help facilitate development that would otherwise not occur. It can be used to pay for private costs or to pay for public improvements that are related to facilitating the development. TIF is governed by Minnesota Sections 469.174 to 469.1794, inclusive, as amended, collectively, the "TIF Act". This is a broad overview of the types of TIF districts within the TIF Act.

The TIF Act allows for several different types of TIF districts. The applicable type of district depends on certain qualifying factors specific to the site. The type of district matters because legal restrictions vary by type of district, including the allowable use of increment, maximum duration of the district, ability to spend increment outside of the boundaries of the district, etc. The most common types of TIF districts are redevelopment, economic development, and housing districts. Other types of districts that may also be applicable for specific projects include renovation and renewal, soils, and other districts that may be established pursuant to special legislation.

REDEVELOPMENT TIF DISTRICT

A redevelopment TIF district provides for the redevelopment of blighted areas. To qualify a project, or portions of a project, must be found to have certain conditions reasonably distributed throughout the district. The finding most common for the establishment of a redevelopment TIF district is that parcels consisting of 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 to a degree requiring substantial renovation or clearance. Redevelopment districts may collect increment for 25 years after the date of receipt of the first increment. At least 90% of the increment must be used to finance the cost of correcting conditions that allow designation of a redevelopment district.

ECONOMIC DEVELOPMENT TIF DISTRICT

To establish an economic development TIF district, the municipality must find that the district will discourage business from moving to another state or municipality; increase employment in the state; or preserve and enhance the tax base of the state. Increment may be collected for 8 years after the date of receipt of the first increment. Increment may not be used to assist developments if more than 15% of the buildings and facilities (on a square footage basis) are used for a purpose other than: (a) manufacturing; (b) warehousing, storage and distribution of tangible personal property (excluding retail sales); (c) research and development related to the aforementioned activities; (d) telemarketing if that activity is the exclusive use of the property; (e) "tourism facilities;" (f) qualified border retail facilities; or (g) space necessary for and related to the above.

HOUSING TIF DISTRICT

To establish a housing TIF district the proposed residential property, whether single-family or multi-family, must be intended for occupancy in part by persons or families of low and

(Continued on Page 2)

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Northland's Public Finance Group specializes in the public finance needs of municipalities and governmental agencies across the Upper Midwest. Our public finance professionals have the depth of experience in the municipal bond industry that serves our clients well, as they navigate through the complexities of the financial markets.

As a diversified financial services firm, we provide financial advisory services and are also a significant underwriter of municipal debt. This provides a distinct advantage to our clients. Not only can they draw upon our experience to develop a sound finance plan, but also our expertise in the credit markets, to get first-hand market information useful in the structuring and timing of their financing.

Our mission is to "provide direction and produce results." Northland Public Finance is committed to developing long-term client relationships by providing sound advice, creative solutions, and the desired results.

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March 2104/RC 14-87

moderate income. Up to 20% of the square footage of buildings that receive assistance may consist of commercial, retail, or other non-residential uses. Increment may be collected for 25 years after the date of receipt of the first increment, subject to the same exception as for redevelopment districts. To maintain qualification as a housing district, residents' income must be limited.

For owner occupied residential property, 95% of the housing units must be initially purchased and occupied by individuals whose family income is less than or equal to the income requirements for qualified mortgage bond projects under Section 143(f) of the Internal Revenue Code. Generally, the initial occupants must have incomes of 100% or less of statewide median income or county median income for families of two or less (whichever is greater), and 115% of statewide median income or county median income for families of three or more (whichever is greater). Owner-occupied income limits apply to each housing unit but only to the first purchaser of the housing.

For residential rental property, the property must impose income requirements on its units. At a minimum, the property must satisfy the income requirements for a qualified residential rental project as defined in Section 142(d) of the Internal Revenue Code. This requires that at least 40% of the units are rented to families with incomes at or below 60% of county median income, or 20% of the units rented to families with incomes at or below 50% of county median income, adjusted for family size. These requirements apply for the life of the District.

OTHER TYPES OF TIF DISTRICTS

Other types of districts include renovation and renewal, soils, and other districts established by special legislation. For a renovation and renewal district, the same parcel and area requirements apply as for a redevelopment district, but only 20% of the buildings need be structurally substandard; another 30% of the buildings must require renovation or clearance to remove certain conditions. Increment may be collected for 15 years after the date of receipt of the first increment. At least 90% of the increment must be used to finance the cost of correcting conditions that allow for designation of the district.

For a soils TIF district, the presence of hazardous substances, pollution, or contaminants requires removal or remedial action for use. The estimated cost of the proposed removal and remedial action must exceed the value of the land before completion of the preparation. This second requirement need not be satisfied if each parcel either satisfied the requirements of that clause, or the estimated costs of the proposed removal or remedial action exceeds $2 per square foot for the area of the parcel. Increment may be collected for 12 years after approval of the TIF Plan.

Special legislation has been enacted to allow exceptions to the TIF Act for individual districts. The most common reasons for enacting special legislation are: (1) extending the five-year deadline for entering into contracts or issuing bonds; (2) extending the duration limits of a TIF district; (3) creating an exception to requirements or findings needed to create a TIF district; and (4) creating an exception to the limitations on the use of tax increment.

FEASIBILITY ANALYSIS

There is rarely a single way to use TIF on any given project. Most projects require a period of exploration to determine the options and implications for the use of TIF. Some important questions to explore an initial feasibility analysis include:

- Does the proposed use qualify for the establishment of a new TIF district?
- Do any existing TIF districts have potential application?
- How much annual tax increment revenue is estimated to be generated by new development?
- What elements of the proposed project are TIF eligible?
- How do the limitations of the type of district influence its use?

Northland's goal at the outset of each project to provide accurate and understandable information that can be used to evaluate the use of TIF and to determine appropriate next steps.

OTHER CONSIDERATIONS

There are many other considerations that exist with establishment and on-going management of TIF districts that are not covered in this overview. Other considerations include time restrictions (other than duration), pooling of tax increment derived from property, use of tax increment not derived from property, process for adopting a TIF plan and future modification of an adopted plan. These are just a few examples of other considerations.

For more information about the services available from Northland Strategies, please contact:

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TAX INCREMENT FINANCING SERVICES

Tax increment financing (TIF) is the most powerful tool available to Minnesota cities to provide financial assistance to economic development, redevelopment and housing projects. The use of TIF is governed by a complex set of statutes. The staff of Northland Securities has the experience and the technical skills to help you make effective use of TIF. We have worked on tax increment projects in a wide range of settings - small cities and suburbs, rural and urban, single projects and area redevelopment. Northland combines a thorough understanding of the statutes governing TIF with substantial real-world experience. Our services are designed to meet the unique needs of each community and each project.

FEASIBILITY ANALYSIS

There is rarely a single way to use TIF on any given project. Most projects require a period of exploration to determine the options and implications for the use of TIF. Some important questions to explore an initial feasibility analysis include:

- Does the proposed use qualify for the establishment of a new TIF district?
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- How much annual tax increment revenue is estimated to be generated by new development?
- What elements of the proposed project are TIF eligible?
- How do the unique limitations of the type of TIF district influence its use?

Northland's goal at the outset of each project to provide accurate and understandable information that can be used to evaluate the use of TIF and to determine appropriate next steps.

DEVELOPMENT PROPOSAL EVALUATION

In many cases, the TIF process begins with a request for financial assistance on a specific development project. Northland provides the support needed to evaluate the request and to provide information needed to support negotiations for assistance. In addition to answering the initial feasibility analysis questions, the evaluation of development proposals involves:

- Understanding the proposed development and the role of TIF.
- Evaluating the project pro-forma and need for TIF.
- Analyzing the ability of the proposed development to generate sufficient revenue to provide the requested assistance.
- Determine if the requested assistance is a "business subsidy".
- Explain the implications of complying with State Law related to the proposed use of TIF.

Northland's experience allows us to effectively evaluate each proposal and to communicate key issues clearly to the city and the developer.

(Continued on Page 2)

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August 2013/RC 13-431

TIF Services

TIF DISTRICT ESTABLISHMENT

Northland prepares tax increment financing plans (and plan amendments) and coordinates the approval process. We believe that TIF plans not only need to be in compliance with State Law, but also need to provide an understandable guide for the ongoing administration of the district.

- Coordinate with other parties to provide information for the TIF plan, including documentation required for statutory findings.
- Create calendar of events for approval process.
- Prepare draft TIF plan for review by staff and legal counsel.
- Provide all notifications required by State Law.
- Prepare approving resolution or assist city legal counsel with preparation of the resolution.
- Prepare review packets (draft plan, approving resolution and background memorandum) to facilitate review by Planning Commission, City Council and EDA/HRA.
- Facilitate discussion at public hearing.
- Submit TIF plan for certification of original tax rate and original tax capacity value.
- Prepare final plan and file with State.

Northland provides the city with a complete document summary for each TIF district. The summary is organized to provide convenient access to key documents needed for the ongoing administration of the district.

DEVELOPMENT AGREEMENTS

The development agreement may be the most important piece of the TIF puzzle. While the TIF plan authorizes the use, the development agreement contains the terms with the actual use of the tax increments. The development agreement must be more than a valid legal contract. It must serve as a practical guide for the ongoing use of tax increment. Northland "tests" key provisions of the agreement to ensure they are understandable and function as intended. Our goal is to facilitate agreements that accurately reflect the intent of the parties in a way that makes as much sense in the future as it does today.

ANNUAL REPORTS

Northland helps cities prepare and file the annual reports required by State Law. Our experience allows us to resolve issues and prepare reports in and efficient and cost-effective manner.

TIF MANAGEMENT PLANS

Northland provides strategic financial planning assistance that helps cities make most effective use of TIF districts. These services are designed around the unique needs of each community. Some common questions to explore in a TIF management planning process include:

- Has the use of funds complied with the TIF plan and development agreement?
- Have all parcels met "knock down" requirements? What are the implications of knocking out parcels?
- What is the projected future financial condition of the TIF district?
- Does the pooling capacity of the district allow for other use of district funds?
- What are the implications of decertification, including impact on tax base and redistribution of excess tax increment?

TIF BONDS

Although used infrequently, tax increment bonds remain an important part of the financial assistance toolbox. Northland helps cities to understand the use and implications of issuing bonds secured by tax increment revenues. Some important questions to ask about TIF bonds included:

- How do projected revenues match with estimated debt service?
- What factors could cause tax increments to be less than projected amounts?
- What additional security can/should be provided by the developer?
- Does this additional security have any effect on the tax-exempt status of the bonds?
- Should the bonds have any impact on the city's bond rating?
- If the city determines bonding is needed and establishes a viable finance plan, Northland will assist with issuing the bonds. Northland has the capacity to serve as financial advisor and conduct a competitive sale, serve as underwriter and directly purchase the bonds, or serve placement agent for the direct placement of the bonds with one or more banks. This breadth of capacity helps cities undertake the issuance process best suited to each project.

For more information about TIF and the services available from Northland Strategies, please contact.

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TIF POOLING

It goes without saying that the rules governing the use of tax increment financing (TIF) are complicated. We often create basic principles to ensure that TIF is used correctly. While usually a safe strategy, this approach may result in overlooking important and useful TIF powers. A good example is the "five year rule". A basic approach to this rule is that TIF district revenues can only be spent on obligations incurred within five years of certification and on administrative expense. However, a closer look at the statutes governing the use of TIF finds substantial funding capacity after the initial five-year period.

- TIF district revenues that are NOT "tax increments paid by the properties" are not subject to five-year or pooling restrictions.
- The amount of "pooling" expenditures increases for certain housing projects.

As with all aspects of TIF, the devil is in the details. This profile highlights the key elements of this statutory authority. Northland can help you more thoroughly evaluate potential applications and devise a plan of action.

TAX INCREMENT NOT DERIVED FROM PROPERTY

All tax increment is not the "same". Revenues that are derived from tax increments paid by the properties in the TIF district are not the same as other revenues within the TIF district. The authority has discretion as to timing of the use of these other dollars and geographically where these dollars are spent. Revenues not derived from property include investment earnings/interest income on or from tax increment derived from properties, proceeds from the sale or lease of property purchased with tax increments, principal and interest received on loans or advances made with tax increments, repayments to an authority, and market value credit paid to the authority. The use of these other revenues must be for tax increment eligible purposes but can be spent without regard to the five-year rule or pooling restrictions.

HOUSING TIF DISTRICTS

For housing TIF districts, tax increments can be spent on other projects that meet the criteria for establishing a housing district (% of units occupied by persons with qualifying incomes). The practical application of this authority includes:

- This use of tax increment is <u>not</u> limited by pooling restrictions or the five-year rule.
- The tax increment can be spent on activities <u>outside of the TIF district</u>, but within the project area/development district.
- This authority does not extend the maximum statutory duration of a TIF district.
- As with a housing TIF district, a portion of the assistance may go to persons with incomes above the qualifying limits. Using this authority to provide such assistance requires careful definition of the "housing project".

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- The tax increment must be used solely to finance the cost of the "housing project" as defined by the statute and no more than 20% of the sq footage of buildings that receive assistance may consist of commercial, retail, or other nonresidential uses.

Potential applications of this authority include:

- Avoid the need to create a new TIF district for an individual housing project.
- Supplement the revenues of another housing TIF district.
- Provide assistance for renovation of existing housing.
- Provide assistance for foreclosed housing.
- Acquire land for housing.
- Provide assistance to make public improvements more affordable.

NON-HOUSING TIF DISTRICTS

For all other types of TIF district, the amount of expenditure is limited to an additional 10% in the regular pooling limitations. The qualified uses are different from housing districts. To qualify for the 10% pooling increase, the expenditure must:

1. Be used exclusively to assist housing that meets the requirement for a qualified low-income building, as that term is defined in Internal Revenue Code (IRC).
2. Not exceed the qualified basis of the housing, as defined under IRC, less the amount of any credit allowed under IRC.
3. Be used to acquire and prepare the site of the housing; acquire, construct, or rehabilitate the housing; or make public improvements directly related to the housing.
4. Be used to develop housing if the market value of the housing does not exceed the lesser of: 150% of the average market value of single-family homes in that municipality; or $200,000 for municipalities located in the metropolitan area, as defined in the TIF Act, or $125,000 for all other municipalities; and if the expenditures are used to pay the cost of site acquisition, relocation, demolition of existing structures, site preparation, and pollution abatement on one or more parcels, if the parcel contains a residence containing 1 to 4 family dwelling units that has been vacant for 6 or more months and is in foreclosure as defined Statutes, but without regard to whether the residence is the owner's principal residence, and only after the redemption period stated in the notice provided under Statute has expired.

Not only may the expenditures be made for activities outside of the TIF district, they may also occur outside of the project area/development district. Since this authority is an expansion of existing pooling authority, the determination of the funding capacity requires analysis of the other expenditures subject to pooling limitations. A critical limitation is the requirement to use the tax increments solely for expenditures related to qualifying housing for low/moderate income persons.

FORECLOSED HOUSING

The 2011 Amendments to the TIF Act expanded authority related to foreclosed housing. The expanded poling authority may be used to develop housing under the following criteria:

1. The parcel contains a residence containing 1 to 4 family dwelling units that has been vacant for 6 or more months and is in foreclosure (as defined in MN Statues, Section 325N.10, Subdivision 7), but without regard to whether the residence is the owner's principal residence, and only after the redemption period stated in the notice provided under MN Statues, Section 580.06 has expired.
2. The market value of the housing does not exceed the lesser of: 150% of the average market value of single-family homes in that municipality or $200,000 for municipalities located in the metropolitan area (as defined in MN Statues, Section 473.121) or $125,000 for all other municipalities.
3. The tax increments are used to pay the cost of site acquisition, relocation, demolition of existing structures, site preparation, and pollution abatement on one or more parcels.

This authority expires on December 31, 2016. Increments may continue to be expended under this authority after that date, if they are used to pay bonds or qualifying binding contracts.

For more information about the services available from Northland Strategies, please contact

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www.northlandsecurities.com/public_finance/services_strategies

The information in this summary is based on sources believed to be reliable, but does not purport to be complete and is not warranted by Northland Securities, Inc. (ASL 12-308)

TAX ABATEMENT POLICY

City of Princeton
Community Development Department
705 Second Street North
Princeton, MN 55371

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I. POLICY PURPOSE

For the Purpose of this document, the term "City" shall include the Princeton City Council, Economic Development Authority, and Community Development Department.

The purpose of this policy is to establish the City of Princeton's position relating to the use of tax abatement for private development above and beyond the requirements and limitations set forth by State Law. This policy shall be used as a guide in the processing and review of applications requesting tax abatement assistance. The fundamental purpose of providing tax abatement in Princeton is to encourage desirable development or redevelopment that would not otherwise occur *but-for* the assistance provided through the tax abatement.

The City of Princeton is granted the power to utilize tax abatement by Minnesota Statutes, Section 469.1812 to 469.1815 (the "Minnesota Tax Abatement Act"), as amended. It is the intent of the City to provide the minimum amount of tax abatement, as well as other incentives, at the shortest term required for the project to proceed. The City reserves the right to approve or reject projects on a case by case basis, taking into consideration established policies, project criteria, and demand on city services in relation to the potential benefits from the project. Meeting all or a majority of the policy criteria does not guarantee the award of tax abatement to the project. Approval or denial of one project is not intended to set precedent for approval or denial of another project.

II. OBJECTIVES OF TAX ABATEMENT

As a matter of adopted policy, the City will consider using tax abatement to assist private development projects to achieve one or more of the following objectives:

A. To retain local jobs and/or increase the number and diversity of jobs that offer stable employment and/or attractive wages and benefits as defined by the City.

B. To enhance and diversify the City of Princeton's economic base.

C. To encourage additional unsubsidized private development in the area, either directly or indirectly through "spin-off" development.

D. To facilitate the development process and to achieve development on sites which would not otherwise be developed without tax abatement.

E. To offset increased costs of development/redevelopment of specific properties when the unique physical characteristics of the site may otherwise deter or prevent private investment. (i.e. contaminated site cleanup, etc.)

F. To remove blight and/or encourage redevelopment of commercial and industrial areas in the city that result in high quality redevelopment and private reinvestment.

G. To contribute to the implementation of other public policies, as adopted by the City from time to time, such as the promotion of quality urban or architectural design, energy conservation, and decreasing capital and/or operating costs of local government.

H. To significantly increase the City of Princeton's tax base.

III. POLICIES FOR THE USE OF TAX ABATEMENT

All new projects approved by the City should meet the following minimum criteria.

A. Tax abatement shall be provided within applicable State legislative restrictions, State Auditor interpretation, debt limit guidelines, and other appropriate financial requirements and policies.

B. Tax abatement will not be used in circumstances where land and/or property price is in excess of fair market value.

C. Developer shall be able to demonstrate a market demand for a proposed project.

D. Tax abatement will not be utilized in cases where it would create an unfair and significant competitive financial advantage over other projects in the area.

E. Tax abatement shall not be use for projects that would place extraordinary demands on city services or for projects that would generate significant environmental impacts.

F. The developer must provide adequate financial guarantees to ensure completion of the project, including but not limited to: minimum assessment agreements, letters of credit, personal guaranties, etc.

G. The developer shall adequately demonstrate, to the City's sole satisfaction, an ability to complete the proposed project based on past development experience, general reputation, and credit history, among other factors, including the size and scope of the proposed project.

H. For the purpose of underwriting the proposal, the developer shall be responsible for the cost of any requested market, financial, environmental, construction plans or other data requested by the City or its consultants.

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I. Tax abatement proposals shall not be used to support speculative office projects. Speculative projects are defined as those projects which have preleasing agreements or letters or intent for less than 50% of the available space.

J. All tax abatement proposals shall optimize the private development potential of a site.

It should not be presumed that a project meeting these criteria would automatically be approved. Meeting these criteria creates no contractual rights on the part of any potential developer or the City.

IV. PROJECT QUALIFICATIONS

All tax abatement projects considered by the City of Princeton must meet each of the following requirements:

A. The project shall meet at least one of the objectives set forth in Section II of this document.

B. The tax abatement will be limited to:
   a. Industrial development, expansion, redevelopment, or rehabilitation; or
   b. Commercial redevelopment or rehabilitation; or
   c. Research and development facilities that satisfy Business Park zoning requirements; or
   d. Office facilities
   e. Retail development, expansion, redevelopment or rehabilitation

C. The developer shall demonstrate that the project shall provide quality job creation and quality facility construction.

D. The developer shall demonstrate that the project is not financially feasible without the use of tax abatement.

E. The City will consider the use of tax abatement assistance for projects that may not meet the *without tax abatement* and job creation criteria, but rather would be considered as a "location incentive". These projects may result in other public benefits such as a significant tax base increase, the creation of higher paying jobs that meet or exceed the area median wage, and is likely to assist in the marketing and attraction of additional desired developments.

F. The project shall comply with all provisions set forth in the Minnesota Tax Abatement Law, State Statutes 469.1812 to 469.1815, as amended.

G. The project shall serve at least two of the following public purposes:

a. Job creation or job retention
b. Significantly increase the tax base
c. Enhancement or diversification of the city's economic base.
d. Development or redevelopment that will spur additional private investment in the area.
e. Fulfillment of defined city objectives, such as those identified in the City's Comprehensive Plan
f. Removal of blight or the rehabilitation of a high profile or priority site.

V. SUBSIDY AGREEMENT & REPORTING REQUIREMENTS

All developers/businesses receiving tax abatement assistance from the City of Princeton shall be subject to the provisions and requirements set for by the City and Minnesota State Statute 116J.993 (the "Minnesota Business Subsidy Law").

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Tax Abatement Finance Policy

City of Northfield

Adopted: _____

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I. POLICY PURPOSE

The purpose of this policy is to establish the City of Northfield's, hereafter referred to as the City, guide for the processing and review of applications requesting tax abatement. The fundamental purpose of tax abatement in Northfield is to encourage desirable development, redevelopment, or public improvements which clearly demonstrate a need for assistance and a public benefit. The City is granted the power to utilize tax abatement financing by the Minnesota Tax Abatement Act (*Minnesota Statutes, Section 469.1812 to 469.1815, as amended).* Tax abatement in this context is a rebate of taxes, rather than an exemption from paying property taxes. It is the intent of the City to provide the minimum tax abatement, as well as other incentives, at the shortest term required for the project on a case by case basis, taking into consideration established policies, project criteria, and demand on city services in relation to the potential benefits from the project. Meeting policy criteria does not guarantee the award of tax abatement to the project. Approval or denial of one project is not intended to set precedent for approval or denial of another project.

II. OBJECTIVES FOR USE OF TAX ABATEMENTS

As a matter of adopted policy, the City will consider using tax abatement financing to assist private development projects and public improvements to achieve one or more of the following objectives:

1. To enhance and diversify the City of Northfield's economic base.

2. To encourage additional unsubsidized private development in the area, either directly or indirectly through "spin off" development.

3. To facilitate the development process and to achieve development on sites which would not be developed without assistance or would not be developed at a level of quality acceptable to the Council and the Community.

4. To encourage redevelopment of commercial and industrial areas in the city that result in high quality redevelopment and private reinvestment.

5. To encourage the removal of blight or the rehabilitation of a high profile or priority site.

6. To offset increased costs of redevelopment (i.e. contaminated site clean-up, demolition expenses etc.) over and above the costs normally incurred in development.

7. To increase the tax base.

8. To create affordable housing opportunities.

9. To retain local jobs or increase the number and diversity of jobs that offer stable employment and/or attractive wages and benefits.

10. To finance the costs associated with public infrastructure and public facilities.

11. To contribute to the implementation of other public policies as adopted by the City , such as the promotion of quality architectural design, enhanced recreational opportunities, and decreasing capital and/or operating costs of local government.

III. EVALUATION CRITERIA

The project shall comply with all provisions set forth in Minnesota's Tax Abatement Law, (Minnesota Statutes 469.1812 to 469.1815) as amended. The term of any tax abatement may not exceed 15 years if all three taxing jurisdictions participate or 20 years if one or two jurisdictions participate. Priority will be given to tax abatement proposals that secure another taxing jurisdiction's participation. The applicant is responsible for requesting tax abatement from either the County or the School District.

When abatement is being utilized to finance public facility and infrastructure projects, as opposed to those benefitting private business and development objectives, the EDA and/or HRA will recommend the preliminary use of tax abatement financing for a particular facility/infrastructure project. A formal application, deposit agreement, and application worksheet will not be required. The decision to use tax abatement for a project will be based on the following criteria:

A. The project shall meet at least one objective set forth to further the public interest, as defined in Section II of this document.

B. The use of tax abatement will be limited to:

- Industrial development, expansion, redevelopment, or rehabilitation;
- Commercial redevelopment or rehabilitation;
- Office or research facilities;
- Housing and infrastructure; or
- Public infrastructure

C. The demonstration, to be provided by the developer, of the project's benefits and that the project is not financially feasible without the tax abatement financing provided.

D. The project must be consistent with the City's Comprehensive Plan and Zoning Ordinances.

E. Tax abatement assistance will be provided to private developers upon receipt of taxes by the City, otherwise referred to as the *pay-as-you-go* method. Requests for up front financing will be considered but are generally discouraged.

F. The demonstration of market demand for the proposed project, to be provided by the developer.

G. The adequacy of the developer's financial guarantees to ensure completion of the project including, but not limited to: assessment agreements, letters of credit, personal guaranties, or additional documentation as necessary.

H. The Demonstration, to the City's sole satisfaction, of the developer's ability to complete the proposed project based on past development experience, general reputation, and credit history, among other factors, including experience with the size and scope of the proposed project.

I. In an effort to support local business, extra consideration will be given to existing businesses seeking to expand and grow within the City.

J. Priority will be given to services not already provided in the City.

K. Additional consideration will be given based upon the level of private financial investment into the project.

L. In any given calendar year, the total amount of property taxes abated by the City may not exceed ten percent of the net tax capacity of the City or other applicable limitations existing in current law.

M. Tax abatement cannot be granted for any period while the property is located in a tax increment financing district.

IV. APPLICATION

A written application from a private business or developer, available from the Economic Development Authority (the "EDA") or the Housing and Redevelopment Authority (the "HRA") of the City, shall be submitted for all projects seeking tax abatement from the City.

Applications must include:

A. A letter formally requesting tax abatement from the City.

B. A completed application for tax abatement with all supporting material attached.

C. A non-refundable application fee of $250

D. A refundable processing fee of 1.0 percent of the requested amount of abatement. Refunding will be prorated to corresponding staff time if the application is denied by the City or removed by the applicant. The actual cost of searches, credit reports, filing fees, and legal fees will be paid directly by the applicant. Fees will be waived if the City serves as developer.

E. Financial projections. An independent financial analysis may be requested.

For the purposes of underwriting the proposal, the developer shall provide any requested market, financial, environmental, or other data requested by the City or its consultants.

V. APPROVAL PROCESS

The approval process for a private or public proposal may take anywhere from three weeks to three months, including any required public hearings.

A. City staff reviews the application.

B. Proposals are submitted to the EDA or the HRA, as applicable, for preliminary approval or denial.

C. The EDA/HRA must determine that the proposed use of funds meets the appropriate test(s) for eligibility

D. The EDA/HRA will determine if the financing gap exists between project funding sources and uses.

E. The EDA/HRA will recommend a specific amount of abatement, if any, to the City Council.

F. The City Council will hold a public hearing. The City Council will act on a resolution that identifies conditions upon which an application is approved or findings upon which an application is denied. The City Council will grant final approval or denial of the project.

VI. SUBSIDY AGREEMENT & ANNUAL REPORTING REQUIREMENTS

All projects granted tax abatement that meet the requirements of Minnesota Statutes, Section 116J (Business Subsidy Statute) will be required to enter into a subsidy agreement and be subject to annual reporting requirements.

A. The subsidy agreement with the City shall clearly identify: the reason for the subsidy, the public purpose served by the subsidy, and the goals for the subsidy, as well as other criteria set forth by the Business Subsidy Statute.

B. The developer/business shall file a report annually for two years after the date the benefit is received or until all goals set forth in the application and business subsidy agreement have been met, whichever is later. Reports shall be completed using the format drafted by the State of Minnesota and shall be filed with the City of Northfield no later than March 1 of each year for the previous calendar year. Businesses fulfilling job creation requirements must file a report to that effect with the city within 30 calendar days of meeting the requirements.

C. The developer/business owner shall maintain and operate its facility at the site where the tax abatement and/or other assistance is used for a period of five years after the benefit is received.

D. In addition to attaining or exceeding the jobs and wages goals set forth in the subsidy agreement, the borrower shall achieve at least one of the objectives furthering the public interest as set forth in Section II of this document.

E. Developers/Businesses failing to comply with the above provisions will be subject to fines and

repayment requirements, as well as deemed ineligible by the State to receive any loans or grants from public entities for a period of five years. See the City's Business Subsidy Policy for additional information.

VII. RECAPTURE OF ABATEMENT

Imposition of any recapture is at the sole discretion of the City and shall be considered on a case-by-case basis.

Recapture considerations may include but are not limited to the:

A. Sale, refinance or closure of the facility and departure of the company from the jurisdiction.

B. Significant change in the use of the facility and/or the business activities of the company.

C. Significant employment reductions not reflective of the company's (normal) business cycle and/or local and national economic conditions.

D. Failure to achieve the minimum number of net new jobs and wage levels as specified in the abatement policy, application, and City Business Subsidy Policy.

E. Failure to comply with annual reporting requirements.

City Of Northfield

Economic Development Authority

CITY OF NORTHFIELD, MINNESOTA

Business Assistance Financing Application – Tax Abatement

APPLICANT INFORMATION:

Business Name: _____ Date: _____

Business Address: _____ City: _____

State: _____ Zip Code: _____

Business Type: _____Corporation _____Sole Proprietorship _____Partnership

Please select: _____New Business _____Existing Business # of Years in Business _____

Contact Person / Authorized Representative: _____ Title:_____

PROJECT INFORMATION:

Please attach a description of the proposed project (including building size, building type, site plan and sketches).
Please attach a description of why the assistance is needed, be specific.
Please attach a legal description of the property.

Location of Proposed Project: _____

Parcel #'s: _____ _____ _____

Present ownership of site: _____

Current Property Taxes: City _____ County _____ Total _____

Amount of Business Assistance Requested: _____

Number of existing jobs: _____
Number of permanent jobs created as a result of the project: # FTE Jobs _____

Average FTE Wages: $_____

Current Year Sales: $_____

Market value of project following completion: _____

Anticipated project start date: _____ Completion Date: _____

LENDER INFORMATION:

Name of Bank: _____ Contact Name: _____

Address: _____ Phone Number: _____

LEGAL COUNSEL:

Name: _____ Address: _____

Phone Number: _____ Fax: _____

FINANCIAL INFORMATION:

Estimated Project Related Costs:

1. Land Acquisition $ _____
2. Site Development $ _____
3. Building Cost $ _____
4. Equipment $ _____
5. Architectural/Engineering Fees $ _____
6. Legal Fees $ _____
7. Off-Site Development Costs $ _____
8. Other (please explain) $ _____
9. **TOTAL PROJECT COST** $ _____

Sources of Financing

1. Private Financing Institution $ _____
2. Tax Abatement Funds (Total Request) $ _____

   Number of Years: _____

   City Portion: $_____ County Portion: $_____

   Annual Amount: $ _____ Annual Amount: $_____
3. Other Public Funds $ _____
4. Developer Equity $ _____
5. **TOTAL SOURCES** $ _____

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FINANCIAL INFORMATION – continued:

Has the business, owners or parent company ever declared bankruptcy? No _____ Yes _____

Has the business, owners or parent company ever defaulted on any loan commitment? No _____ Yes ____

Has your business or parent company received a business subsidy, for this or any other project, from another Minnesota unit of government during the past 5 years?

No _____ Yes _____, please describe: _____

PUBLIC PURPOSE:

What benefits will the County and its residents gain if assistance is provided?

_____ Job Creation _____ Job Retention _____ Job Training _____ Land Clean Up

_____ Tax Base _____ Removal of Blight _____ Redevelopment _____ Other(please list)

Please explain: _____

AUTHORIZED SIGNATURE OF APPLICANT

Depending upon the type of assistance requested, you may also be required to provide the County with a deposit to cover administration and consulting expenses associated with your project. Unused funds will be returned upon completion of this process. The applicant agrees to provide additional information if requested by the County.

_____ _____ _____

Applicant Title Date

By signing – applicant agrees to job creation requirements
If abatement request is approved – an abatement agreement is required

When complete – please return to:

City of Northfield Community Development Department
801 Washington Street
Northfield MN 55057
Fax: 507.645.3055
Michele.merxbauer@ci.northfield.mn.us

PLEASE INCLUDE WITH COMPLETED APPLICATION:

_____ Preliminary financial commitment from bank (commitment letter)
_____ Background material of company
_____ Pro Forma Analysis – including 3 years of projections
_____ 3 years of Financial Statements/History
_____ All other materials as outlined in application
_____ Businesses Articles of Incorporation or Partnership Agreement

TENNESSEN WARNING: DATA PRIVACY STATEMENT

IN ACCORDANCE WITH THE MINNESOTA GOVERNMENT DATA PRACTICES ACT, THE CITY OF NORTHFIELD COMMUNITY DEVELOPMENT DEPARTMENT IS REQUIRED TO INFORM YOU OF YOUR RIGHTS AS THEY PERTAIN TO PRIVATE INFORMATION COLLECTED FROM YOU. PRIVATE DATA IS THAT INFORMATION WHICH IS AVAILABLE TO YOU FROM THE CITY OF NORTHFIELD COMMUNITY DEVELOPMENT DEPARTMENT BUT IS NOT AVAILABLE TO THE PUBLIC. THE PERSONAL INFORMATION THE CITY OF NORTHFIELD COMMUNITY DEVELOPMENT DEPARMENT COLLECTS ABOUT YOU IS GENERALLY CONSIDERED PRIVATE.

THE INFORMATION COLLECTED FROM YOU, AS PART OF THE ATTACHED APPLICATION WILL BE USED TO DETERMINE YOUR ELIGIBILITY FOR PUBLIC FINANCIAL ASSISTANCE. YOU ARE NOT REQUIRED TO PROVIDE THIS INFORMATION, BUT IF YOU DO NOT, THE CITY OF NORTHFIELD COMMUNITY DEVELOPMENT DEPARMENT WILL NOT BE ABLE TO DETERMINE YOUR ELIGIBILITY FOR ASSISTANCE.

THE PRIVATE DATA WE COLLECT WILL BE DISSEMINATED AND USED ONLY WHEN IT IS REQUIRED FOR ADMINISTRATION AND MANAGEMENT OF THE PROGRAM. PERSONS OR AGENCIES WITH WHOM THIS INFORMATION MAY BE SHARED INCLUDE:

1. MEMBERS OF THE CITY STAFF WHO REVIEW APPLICATIONS.
2. STAFF PERSONS INVOLVED IN ADMINISTRATION OF THE ASSISTANCE PROGRAM.
3. AUDITORS WHO PERFORM REQUIRED AUDITS OF CITY PROGRAMS.
4. AUTHORIZED PERSONNEL FROM THE MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT AND THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OR OTHER STATE AND FEDERAL AGENCIES PROVIDING FUNDING ASSISTANCE TO YOU.
5. PERSONNEL FROM THE CITY'S FINANCIAL ADVISOR TO ASSIST IN THE REVIEW OF THE APPLICATION.
6. THOSE PERSONS WHOM YOU AUTHORIZE TO SEE THE DATA.
7. LAW ENFORCEMENT PERSONNEL IN THE CASE OF SUSPECTED FRAUD.

UNLESS OTHERWISE AUTHORIZED BY STATE STATUTE OR FEDERAL LAW, OTHER GOVERNMENT AGENCIES USING THE PRIVATE DATA MUST ALSO TREAT IT AS PRIVATE.

YOU MAY WISH TO EXERCISE YOUR RIGHTS AS CONTAINED IN THE MINNESOTA GOVERNMENT DATA PRACTICES ACT. THOSE RIGHTS INCLUDE:

1. THE RIGHT TO SEE AND OBTAIN COPIES OF THE DATA MAINTAINED ON YOU,
2. THE RIGHT TO BE TOLD THE CONTENTS AND MEANING OF THE DATA, AND
3. THE RIGHT TO CONTEST THE ACCURACY AND COMPLETENESS OF THE DATA.

TO EXERCISE THESE RIGHTS, CONTACT MICHELE MERXBAUER, COMMUNITY DEVELOPMENT COORDINATOR, CITY OF NORTHFIELD, 801 WASHINGTON STREET, NORTHFIELD, MINNESOTA 55057. 1-507-645-3047

I/WE HAVE READ AND UNDERSTAND THE ABOVE INFORMATION REGARDING MY/OUR RIGHTS AS A SUBJECT OF GOVERNMENT DATA.

_____ Date

_____ Applicant

I/WE CERTIFY THAT ALL STATEMENTS ON THIS APPLICATION ARE TRUE AND CORRECT TO THE BEST OF MY/OUR KNOWLEDGE. I/WE UNDERSTAND THAT ANY INTENTIONAL MISSTATEMENTS WILL BE GROUNDS FOR DISQUALIFICATION. I/WE AUTHORIZE AND AGREE TO PROVIDE TO THE CITY OF NORTHFIELD COMMUNITY DEVELOPMENT DEPARTMENT REASONABLE ACCESS TO INFORMATION AND REASONABLE ACCESS TO CONSTRUCTION PROJECT SITE TO ALLOW THE CITY OF NORTHFIELD COMMUNITY DEVELOPMENT DEPARTMENT TO MONITOR PROJECT IMPLEMENTATION FOR COMPLIANCE WITH PROGRAM OBJECTIVES AND ASSISTANCE GUIDELINES.

APPLICANT (S):

_____ DATE:_____

_____ DATE:_____

What's the Difference Between Tax Abatement and Tax Increment Financing?

Tax Abatement

Abilityto capture and use all or a portion of property tax revenue within a defined area

"Rebate" rather than exemption from paying taxes

Each taxing jurisdiction must elect to participate
City may limit the abatement

Term can extend 15-20 years

- Generally 15 years is maximum
- Can extend to 20 if one jurisdiction declines
- If no term is specified, the term is eight years

Abatement must be in the public interest
- Provides employment
- Redevelops blighted area
- Finances public infrastructure

State property tax and/or market value tax is not abated

Governed by MN Statutes 469.1812-1815

Cannot abate taxes on a parcel within a TIF District – but can abate taxes once parcel is removed from TIF District

Tax Abatement requires a public hearing

Need for abatement must be quantified
- Developers proforma

Tax Increment Financing

Governed by complex set of statutes which limits TIF uses

TIF can only capture "new" or "increase" in taxes – TIF captures the value of the new development

TIF does not require approval from all taxing jurisdictions

Economic Development District:
- 8-year district (max.)
- Warehousing, manufacturing R&D

Housing District:
- 26-year district (max.)
- 100-percent of increment must be used for housing

Redevelopment District:
- 26-year district (max.)
- Cannot be used for "greenfields"
- More than 50-percent of buildings must be structurally substandard

Renewal District:
- 16-year district (max.)
- 20-percent of buildings must be structurally substandard
- 30-percent of buildings must require substantial renovation/clearance

Eligible uses include:
- Demolition and clearance
- Site Improvements
- Public Utilities

TIF requires a public hearing

Need for public assistance must be quantified for all TIF district types

REVOLVING LOAN STATUS REPORT

Date of Update: **1/5/2014**

	Business Name	Outstanding Balance	Date of last Payment	Amount of Last Payment	Current/Next Due Date
*	Bloom Corner Floral #2	$ 16,774.40	12/11/2014	$ 1,709.50	1/15/2015
	Eats & Treats	$ 16,510.50	12/30/2014	$ 177.99	1/3/2015
	Koronis Lanes	$ 5,683.50	1/5/2015	$ 197.79	2/1/2015
*	Louis Industries	$ 261,516.90	12/5/2014	$ 12,126.90	3/4/2015
#	Louis Industries Deed Part A	$ 20,000.00	12/5/2014	$ 175.00	3/4/2015
	Louis Industries Deed Part B	$ 52,303.38	12/5/2014	$ 2,425.38	3/4/2015
	Midwest Cylinder #2	$ 171,906.33	6/12/2014	$ 2,115.64	7/22/2014
*	Queen Bee's Bar & Grill	$ 80,648.83	7/10/2236	$ 1,019.64	1/20/2015
*	Skinz #4	$ 93,368.49	12/19/2014	$ 637.96	1/15/2015
*	Skinz #5	$ 80,946.00	12/19/2014	$ 969.08	1/30/2015
*	Savage Land Partnership	$ 319,496.72	7/10/2236	$ 1,957.36	3/3/2015
	Sweet Nook Bakery	$ 10,776.08	12/18/2014	$ 272.88	1/17/2015
*	Joint Loans w/Township				
#	Joint Loans w/State				
	TOTAL OUTSTANDING BALANCE	**$ 1,129,931.13**			

LATE PAYMENTS:

Midwest Cylinder #2	$ 2,115.64	Due: 7/22/14
Midwest Cylinder #2	$ 2,115.64	Due: 8/22/14
Midwest Cylinder #2	$ 2,115.64	Due: 9/22/14
Midwest Cylinder #2	$ 2,115.64	Due: 10/22/14
Midwest Cylinder #2	$ 2,115.64	Due: 11/22/14
Midwest Cylinder #2	$ 2,115.64	Due: 12/22/14
Eats & Treats	$ 177.99	Due: 1/3/15
TOTAL DELINQUENT	**$ 12,871.83**	

CITY REVOLVING LOAN BALANCE (available)	**$ 242,219.38**	**updated 11/30/14**	*(unaudited)*
CITY EDAP BALANCE	**$ 141,148.68**	**updated 11/30/14**	*(unaudited)*
TOWNSHIP LOAN BALANCE (available)			

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