

# **BEMIDJI ECONOMIC DEVELOPMENT AUTHORITY**

## **A G E N D A**

**September 8, 2020**

**6:00 p.m. (or soon thereafter)  
City Hall Council Chambers**

- 1. Call to Order**
- 2. Consider Resolution Modifying the Development Program for Economic Development District No. 1; Establishing Redevelopment Project Area No. 1 and Enlarging Economic Development District No. 1; Approving and Adopting the Redevelopment Plan for Redevelopment Project Area No. 1; Establishing the Mountain View Meadows Tax Increment Financing District Within Redevelopment Project Area No. 1 and Adopting the Tax Increment Financing Plan Therefor**
- 3. Adjourn**

Public Hearing: September 8, 2020

# REDEVELOPMENT PLAN

## Redevelopment Project Area No. 1

Bemidji Economic Development Authority  
City of Bemidji, MN



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**BUILDING COMMUNITIES. IT'S WHAT WE DO.**

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## **Municipal Action Taken**

Based upon the statutory authority described in the Redevelopment Plan attached hereto, the public purpose findings by the City Council and for the purpose of fulfilling the City's development objectives as set forth in the Redevelopment Plan, the Bemidji Economic Development Authority (the "EDA") has created, established and designated Redevelopment Project Area No. 1 pursuant to and in accordance with the requirements of Minnesota Statutes, Section 469.001 to 469.047 and the TIF Act as defined in the definitions of this document.

The Mountain View Meadows Increment Financing District, a housing tax increment financing district, was established at the same time Redevelopment Project Area No. 1 was established.

The following municipal action was taken in connection with Redevelopment Project Area No. 1:

### **Redevelopment Project Area No. 1**

September 8, 2020: The Redevelopment Plan for Redevelopment Project Area No. 1 was adopted by the Bemidji EDA.

### **Mountain View Meadows Tax Increment Financing District**

September 8, 2020: The Tax Increment Financing Plan for the Mountain View Meadows Tax Increment Financing District was adopted by the Bemidji EDA.

# Redevelopment Plan for Redevelopment Project No. 1

## Definitions

The terms defined below shall, for purposes of this Redevelopment Plan, have the meanings herein specified, unless the context otherwise specifically requires.

"City" means the City of Bemidji.

"City Council" means the City Council of the City of Bemidji.

"Comprehensive Plan" means the documents which contain the objectives, policies, standards and programs to guide public and private land use, development, redevelopment and preservation for all lands and water within the City.

"County" means the County of Beltrami County, Minnesota.

"EDA" means the Bemidji Economic Development Authority.

"Enabling Act" means Minnesota Statutes, 469.090 to 469.1082, as amended and supplemented from time to time.

"HRA Act" means Minnesota Statutes, Section 469.001 through 469.047.

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

"Project Area" means the real property within the City constituting the Redevelopment Project.

"Public Costs" means the costs set forth in the Tax Increment Financing Plan, and any other costs eligible to be financed by Tax Increments under the TIF Act, HRA Act, or EDA Act.

"Public Improvements" means the public improvements described in the Redevelopment Plan and Tax Increment Financing Plan.

"Redevelopment Project" means the property within Redevelopment Project Area No. 1, as described in the Redevelopment Plan.

"Redevelopment Plan" means this Redevelopment Plan for Redevelopment Project Area No. 1, as initially proposed, and as it shall be modified.

"State" means the State of Minnesota.

"Tax Increment Bonds" means any tax increment bonds or notes issued by the City to finance the Public Costs as stated in the Redevelopment Plan for Redevelopment Project Area No. 1 and in the Tax Increment Financing Plans, and any obligations issued to refund such bonds.

"TIF Act" means Minnesota Statutes, Sections 479.174 through 479.179, inclusive, as amended.

"Tax Increment Financing District" means any tax increment financing district presently established or to be established in the future in Redevelopment Project Area No. 1.

"Tax Increment Financing Plan" or "Plan" means the Plans adopted by the EDA or City for any Tax Increment Financing District.

## **Statutory Authority**

The Enabling Act authorizes the EDA, upon certain public purpose findings by the EDA and City, to establish and designate development and redevelopment projects within the City and to establish, develop and administer redevelopment plans therefore to meet the needs and accomplish the public purposes specified in Statement of and Finding of Public Purpose. In accordance with the purposes set forth in the Enabling Act, the EDA and City have established the Redevelopment Project comprising the area described on the attached Exhibit A and has adopted this Redevelopment Plan.

The Tax Increment Financing Act authorizes the EDA, upon certain findings, establish and designate tax increment financing districts within the Redevelopment Project and to adopt and implement a tax increment financing plan to accomplish the Redevelopment Plan established for the Redevelopment Project.

## **Statement of and Finding of Public Purpose**

The City and EDA finds that there is a need for development and redevelopment within the City and the Redevelopment Project to remedy blight and blighting conditions, prevent the emergence of blight, promote the health, safety and welfare of City residents, encourage related development and redevelopment in order to provide employment opportunities, and protect and improve the tax base and general economic vitality of the City and State. The City and EDA has further determined that there is a need for the EDA to take certain actions designed to encourage, ensure and facilitate development and redevelopment by the private sector of underutilized and unused land located within the corporate limits of the City

The City and EDA have found that there is a need for development and redevelopment within the City based upon the following conditions:

1. The City contains numerous parcels containing buildings or improvements which, by reason of dilapidation, obsolescence, overcrowding, faulty arrangement or design, lack of ventilation, light and sanitary facilities, excessive land coverage, deleterious land use or obsolete layout, and a combination of these and other factors is detrimental to the safety, health, morals or welfare of the community.
2. The City suffers from a lack of necessary streets, utilities, parking facilities and site improvements essential to preparing and making sites available for meaningful development.
3. The City requires active promotion, attraction, encouragement and development of economically sound commerce through government action for the purpose of preventing mержence and continuation of blight and the occurrence of conditions requiring

redevelopment

4. The City contains vacant, unused, underused and inappropriately used land.

Therefore, the City and EDA have determined there is a need for the EDA to take certain actions and develop a program for improving Redevelopment Project Area No. 1, to provide an impetus for private development and redevelopment, to provide decent housing to residents, to maintain and increase employment, to provide infrastructure to serve citizens and employees of the City, to utilize existing land for potential development and redevelopment and to provide other facilities as are outlined in the Redevelopment Plan.

The EDA finds that: (a) the land within the Redevelopment Project would not be available for development or redevelopment without the financial aid to be sought under this Redevelopment Plan; (b) the Redevelopment Plan will afford maximum opportunity, consistent with the needs of the City as a whole, for the development of the Redevelopment Project by private enterprise; and (c) that the Redevelopment Plan conforms to the general plan for the development of the City as a whole.

## **Statement of Objectives**

The establishment of the Redevelopment Project in the City pursuant to the Enabling Act is necessary and in the best interests of the City and its residents and is necessary to give the EDA the ability to meet certain public purpose objectives that would not be obtainable in the foreseeable future without intervention by the City in the normal development process.

The EDA intends, to the extent permitted by law, to accomplish the following objectives through the implementation of the Redevelopment Plan:

1. Promote and secure the prompt development of property in the Redevelopment Project in a manner consistent with the City's Comprehensive Plan and with minimal adverse impact on the environment, which property is less productive because of substandard conditions or blighting factors, lack of proper utilization and lack of investment, thereby promoting and securing the development of other land in the City;
2. Provide and secure the development of increased opportunities for families to reside in quality owner-occupied housing, for senior citizens to choose from housing options which offer a wide array of services without regard to income, and for residents looking for a wide range of multi-family units.
3. Prevent the emergence of, and promote redevelopment of, blighted or marginal property.
4. Promote and secure additional employment opportunities within the Redevelopment Project and the City for residents of the City and the surrounding area, thereby improving living standards and preventing unemployment and the loss of skilled and unskilled labor and other human resources in the City.
5. Encourage the expansion and improvement of local business, economic activity and development, whenever possible.

6. Promote the development of adequate public facilities necessary to serve the area within the Redevelopment Project and the City as whole.
7. Construct, acquire or finance any public facilities, including sanitary sewer, water, storm drainage, roads, interchanges, transit facilities and recreational facilities, deemed necessary and desirable for the development or redevelopment of the Redevelopment Project.
8. Assist in development or redevelopment through provision of public services, environmental remediation, demolition and relocation, soil and terrain corrections or site improvements, or land acquisition, all in cases deemed appropriate by the EDA.
9. Create a desirable and unique character within the Redevelopment Project through quality land use alternatives and design quality in new buildings.
10. Secure the increase in value of property subject to taxation by the City, School Districts, County and any other taxing jurisdictions in order to better enable such entities to pay for public improvements and governmental services and programs required to be provided by them;
11. Employ any powers of the EDA under the HRA Act for the benefit of the Redevelopment Project in such cases and upon such terms as the EDA may deem appropriate.

## **Statement of Public Facilities and Costs to be Financed**

The EDA will perform or cause to be performed, to the extent permitted by law, all project activities pursuant to the Enabling Act, the Tax Increment Financing Act and other applicable State laws, and in doing so anticipates that the following may, but are not required, to be undertaken by the EDA:

- (a) The making of studies, planning, and other formal and informal activities relating to the Redevelopment Plan.
- (b) The implementation and administration of the Redevelopment Plan.
- (c) The re-zoning of land within the City.
- (d) The acquisition of property, or interests in property, by purchase or condemnation, which acquisition is consistent with the objectives of the Redevelopment Plan.
- (e) The preparation of property for use and development in accordance with applicable Land Use Regulations and any development agreements, including demolition of structures, clearance of sites, placement of fill and grading.
- (f) The resale of property to private parties.
- (g) The construction or reconstruction of facilities to own and lease as described in the Tax Increment Financing Plans.



- (h) The issuance of Tax Increment Bonds to finance the Public Costs of the Redevelopment Plan, and the use of Tax Increments or other funds available to the City to pay or finance the Public Costs of the Redevelopment Plan incurred or to be incurred by it pursuant to the Development Agreement.
- (i) The use of Tax Increments to pay debt service on the Tax Increment Bonds or otherwise pay or reimburse with interest the Public Costs of the Redevelopment Plan

## **Funding of Developments and Redevelopments**

It is anticipated that the Public Costs of the Redevelopment Plan will be paid from proceeds of Tax Increment Bonds. The EDA reserves the right to utilize other available sources of revenue, including but not limited to special assessments and user charges, which the EDA may apply to pay a portion of the Public Costs.

## **Environmental Controls**

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

## **Proposed Reuse of Property**

The Redevelopment Plan contemplates that the EDA or City may acquire property and reconvey the same to another entity. Prior to formal consideration of the acquisition of any property, the EDA or City 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. It is the intent of the EDA and City to negotiate the acquisition of property whenever possible. Appropriate restrictions regarding the reuse and redevelopment of property shall be incorporated into any development agreement to which the EDA is a party.

## **Open Space to be Created**

Any open space within the Redevelopment Project will be created in accordance with the zoning and ordinances of the City.

## **Administration and Maintenance of Redevelopment Project No. 1**

Maintenance and operation of the Redevelopment Project will be the responsibility of the City Administrator. Each year, the administrator of the Redevelopment Project will submit to the City Council the maintenance and operation budget for the following year.

The administrator of the Redevelopment Project will administer the Redevelopment Project pursuant to the provision of the Enabling Act; provided, however, that such powers may only be exercised at the direction of the EDA. No action taken by the administrator of the Redevelopment Project pursuant to the above-mentioned powers shall be effective without authorization by the EDA.

## **Rehabilitation**

Owners of properties within the Redevelopment Project may be encouraged to rehabilitate their properties to conform with the applicable state and local codes and ordinances, as well as any design standards. Persons who purchase property within the Redevelopment Project from the City may be required to rehabilitate their properties as a condition of sale of land. The City may provide such rehabilitation assistance as may be available from federal, state or local sources.

## **Relocation**

Any person or business that is displaced as a result of the Redevelopment Plan will be relocated in accordance with Minnesota Statutes, Section 117.50 to 117.56. The EDA accepts its responsibility for providing for relocation assistance pursuant to the Enabling Act.

## **Property Acquisition**

The EDA or City intends to acquire such property, or appropriate interest therein, within the Project Area as the EDA or City may deem to be necessary or desirable to assist in the implementation of the Redevelopment Plan.

## **Modification of the Redevelopment Plan and/or Redevelopment Project No. 1**

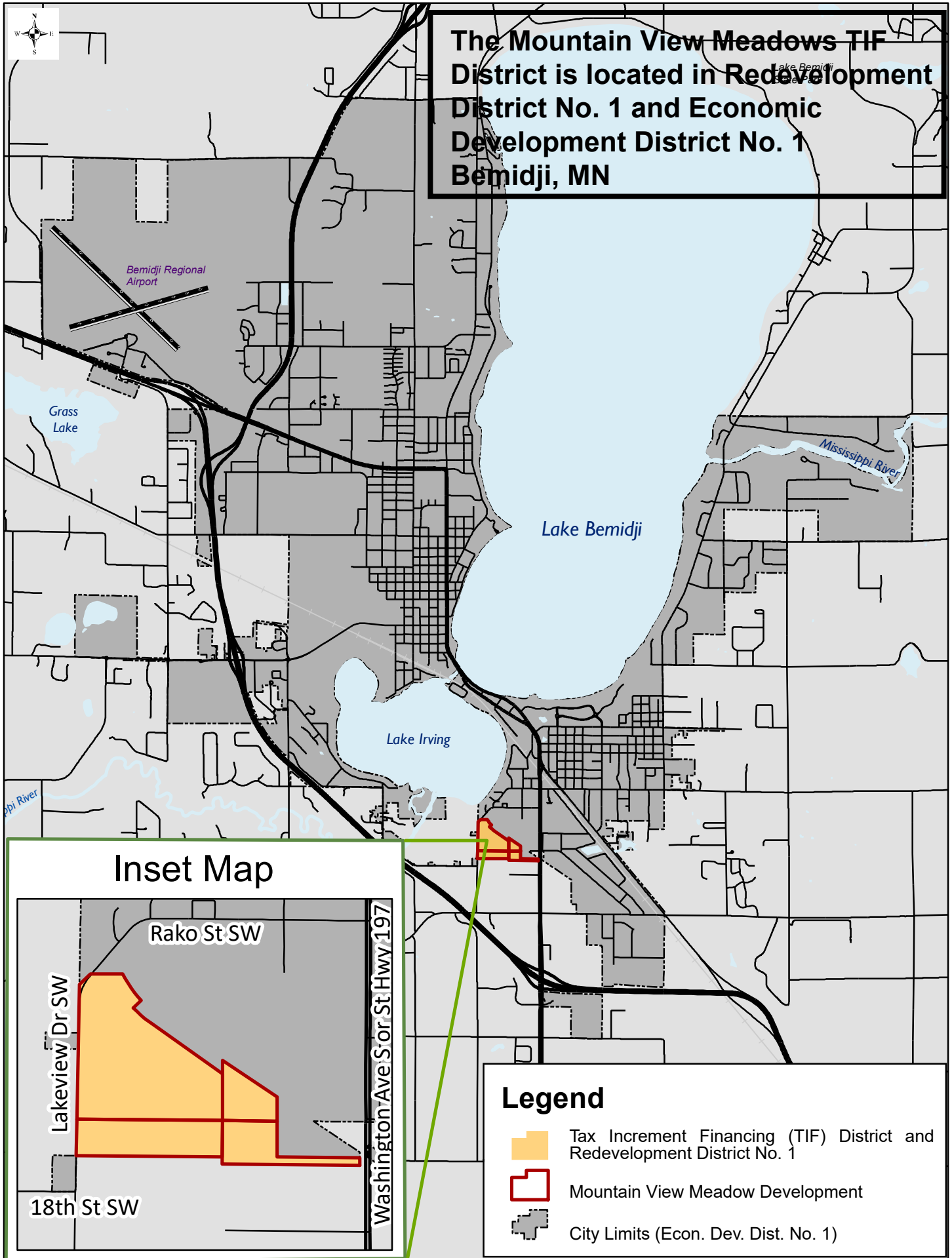
The City and EDA reserves the right to alter and amend the Redevelopment Plan and the Tax Increment Financing Plans, subject to the provisions of state law regulating such action. The EDA specifically reserves the right to enlarge or reduce the size of the Project Area and the Tax Increment Financing District, the Redevelopment Plan, the Public Costs and the amount of Tax Increment Bonds to be issued to finance such cost by following the procedures specified in Minnesota Statutes, Section 469.175, subdivision 4.

## **Description of Boundaries of Redevelopment Project Area No. 1**

The boundaries of the Redevelopment Project shall be coterminous with the corporate boundaries of the City of Bemidji.

**Appendix A: Map of Redevelopment Project Area No. 1**

# Mountain View Meadows TIF District





# MODIFICATION TO THE DEVELOPMENT PROGRAM

Economic Development District No. 1

- AND -

# TAX INCREMENT FINANCING PLAN

Establishment of the Mountain View Meadows TIF District  
(a housing district)

Bemidji Economic Development Authority  
City of Bemidji, Beltrami County, Minnesota

Public Hearing: September 8, 2020

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# Modification to the Development Program for Economic Development District No. 1

## Foreword

The following text represents a Modification to the Development Program for Economic Development District No. 1. This modification represents a continuation of the goals and objectives set forth in the Development Program for Economic Development District No. 1. Generally, the substantive changes include expanding the boundaries of Economic Development District No. 1 to incorporate annexations to the City and the establishment of the Mountain View Meadows TIF District.

The boundaries of Economic Development District No. 1 are being expanded to be contiguous with the City of Bemidji's corporate City limits.

For further information, a review of the Development Program for Economic Development District No. 1, is recommended. It is available from the City Manager at the City of Bemidji. Other relevant information is contained in the Tax Increment Financing Plans for the Tax Increment Financing Districts located within Economic Development District No. 1.

# Tax Increment Financing Plan for the Mountain View Meadows TIF District

## Foreword

The Bemidji Economic Development Authority (the "EDA"), the City of Bemidji, staff and consultants have prepared the following information to expedite the establishment of the Mountain View Meadows Tax Increment Financing District (the "District"), a housing tax increment financing district, located in Economic Development District No. 1 and Redevelopment Project Area No. 1.

## Statutory Authority

Within the City there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the EDA has certain statutory powers pursuant to *Minnesota Statutes ("M.S.")*, Sections 469.090 - 469.1082, inclusive, as amended, and *M.S.*, Sections 469.174 to 469.1794, inclusive, as amended (the "Tax Increment Financing Act" or "TIF Act"), to assist in financing public costs related to this project.

This section contains the Tax Increment Financing Plan (the "TIF Plan") for the District. Other relevant information is contained in the Modification to the Development Program for Economic Development District No. 1 and the Redevelopment Plan for Redevelopment Project Area No. 1.

## Statement of Objectives

The District currently consists of four parcels of land and adjacent and internal rights-of-way. The District is being created to facilitate the development of a multi-phase housing development in the City. The development is anticipated to occur over three phases and include a mix of owner-occupied and rental housing along with a small commercial development. The EDA has not entered into an agreement at the time of preparation of this TIF Plan, but it is anticipated that the EDA will enter into an agreement with Puddle Duck Properties. Development is anticipated to begin in the fall of 2020. This TIF Plan is expected to achieve many of the objectives outlined in the Development Program for Economic Development District No. 1 and the Redevelopment Plan for Redevelopment Project Area No. 1.

The activities contemplated in the modification to the Development Program, the Redevelopment Plan and the TIF Plan do not preclude the undertaking of other qualified development or redevelopment activities. These activities are anticipated to occur over the life of Economic Development District No. 1, Redevelopment Plan for Redevelopment Project Area No. 1, and the District.

## Development Program Overview

Pursuant to the Development Program, Redevelopment Plan and authorizing state statutes, the EDA is authorized to undertake the following activities in the District:

1. Property to be Acquired - Selected property located within the District may be



acquired by the EDA and is further described in this TIF Plan.

2. Relocation - Relocation services, to the extent required by law, are available pursuant to *M.S., Chapter 117* and other relevant state and federal laws.
3. Upon approval of a developer's plan relating to the project and completion of the necessary legal requirements, the EDA may sell to a developer selected properties that it may acquire within the District or may lease land or facilities to a developer.
4. The EDA may perform or provide for some or all necessary acquisition, construction, relocation, demolition, and required utilities and public street work within the District.

## Description of Property in the District and Property to be Acquired

The District encompasses all property and adjacent rights-of-way and abutting roadways identified by the parcels listed below.

Parcel numbers	Address	Owner
R80.00426.00	Unassigned	Puddle Duck Properties
R80.00421.00	Unassigned	Puddle Duck Properties
R80.05221.00	Unassigned	Puddle Duck Properties
R80.05222.00	Unassigned	Puddle Duck Properties

Please also see the map in Appendix A for further information on the location of the District.

The EDA may acquire any parcel within the District including interior and adjacent street rights of way. Any properties identified for acquisition will be acquired by the EDA only in order to accomplish one or more of the following: storm sewer improvements; provide land for needed public streets, utilities and facilities; carry out land acquisition, site improvements, clearance and/or development to accomplish the uses and objectives set forth in this plan. The EDA may acquire property by gift, dedication, condemnation or direct purchase from willing sellers in order to achieve the objectives of this TIF Plan. Such acquisitions will be undertaken only when there is assurance of funding to finance the acquisition and related costs.

## Classification of the District

The EDA, in determining the need to create a tax increment financing district in accordance with *M.S., Sections 469.174 to 469.1794*, as amended, inclusive, finds that the District, to be established, is a housing district pursuant to *M.S., Section 469.174, Subd. 11 and M.S., Section 469.1761*.

- The District consists of four parcels
- The development will include approximately 85 units of single-family housing
- 95% of the owner-occupied units will be occupied by families of 2 or less with incomes at or below 100% of the area median income (AMI) or 115% of AMI for families with 3 or more persons
- The development will include approximately of 111 units of multi-family rental housing

- 20% of the rental units will be occupied by person with incomes less than 50% of median income
- No more than 20% of the square footage of the building that is receiving assistance from tax increment consists of commercial, retail or other non-residential uses.

Pursuant to *M.S., Section 469.176, Subd. 7*, the District does not contain any parcel or part of a parcel that qualified under the provisions of *M.S., Sections 273.111, 273.112, or 273.114* or *Chapter 473H* for taxes payable in any of the five calendar years before the filing of the request for certification of the District.

## **Duration and First Year of Tax Increment of the District**

Pursuant to *M.S., Section 469.175, Subd. 1, and Section 469.176, Subd. 1*, the duration and first year of tax increment of the District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b.*, the duration of the District will be 25 years after receipt of the first increment by the EDA (a total of 26 years of tax increment). The EDA elects to receive the first tax increment in 2024, which is no later than four years following the year of approval of the District.

Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2049, or when the TIF Plan is satisfied. The EDA reserves the right to decertify the District prior to the legally required date.

## **Original Tax Capacity, Tax Rate and Estimated Captured Net Tax Capacity Value/Increment and Notification of Prior Planned Improvements**

Pursuant to *M.S., Section 469.174, Subd. 7 and M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the assessor in 2020 for taxes payable 2021.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2022) the amount by which the original value has increased or decreased as a result of:

1. Change in tax exempt status of property;
2. Reduction or enlargement of the geographic boundaries of the district;
3. Change due to adjustments, negotiated or court-ordered abatements;
4. Change in the use of the property and classification;
5. Change in state law governing class rates; or
6. Change in previously issued building permits.

In any year in which the current Net Tax Capacity (NTC) value of the District declines below the ONTC, no value will be captured, and no tax increment will be payable to the EDA.

The original local tax rate for the District will be the local tax rate for taxes payable 2021, assuming the request for certification is made before June 30, 2021. The ONTC and the Original Local Tax Rate for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. 4* and *M.S., Section 469.177, Subd. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within Economic Development District No. 1, upon completion of the projects within the District, will annually approximate tax increment revenues as shown in the table below. The EDA requests 100 percent of the available increase in tax capacity for repayment of its obligations and current expenditures, beginning in the tax year payable 2024. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

<b>Project Tax Capacity</b>		
Project estimated Tax Capacity upon completion	653,299	
Original estimated Net Tax Capacity	2,177	
Fiscal Disparities	0	
<b>Estimated Captured Tax Capacity</b>	<b>651,122</b>	
Original Local Tax Rate	132.9740%	Pay 2020
<b>Estimated Annual Tax Increment</b>	<b>\$865,823</b>	
Percent Retained by the City	100%	

Note: Tax capacity includes a 1.5% inflation factor for the duration of the District. The tax capacity included in this chart is the estimated tax capacity of the District in year 25 after completion of three phases of development. The tax capacity of the District in year one is estimated to be \$104,039.

Pursuant to *M.S., Section 469.177, Subd. 4*, the EDA shall, after a due and diligent search, accompany its request for certification to the County Auditor or its notice of the District enlargement pursuant to *M.S., Section 469.175, Subd. 4*, with a listing of all properties within the District or area of enlargement for which building permits have been issued during the eighteen (18) months immediately preceding approval of the TIF Plan by the municipality pursuant to *M.S., Section 469.175, Subd. 3*. The County Auditor shall increase the original net tax capacity of the District by the net tax capacity of improvements for which a building permit was issued.

The EDA has reviewed the area to be included in the District and found no parcels for which building permits have been issued during the 18 months immediately preceding approval of the TIF Plan by the City.

## Sources of Revenue/Bonds to be Issued

The total estimated tax increment revenues for the District are shown in the table below:

<b>SOURCES</b>	
Tax Increment	\$ 16,392,367
Interest	1,639,237
<b>TOTAL</b>	<b>\$ 18,031,604</b>

The costs outlined in the Uses of Funds will be financed primarily through the annual collection of tax increments. The EDA reserves the right to incur bonds or other indebtedness as a result of the TIF Plan. As presently proposed, the projects within the District will be financed by pay-as-

you-go notes and interfund loans. Any refunding amounts will be deemed a budgeted cost without a formal TIF Plan Modification. This provision does not obligate the EDA to incur debt. The EDA will issue bonds or incur other debt only upon the determination that such action is in the best interest of the City.

The EDA may issue bonds (as defined in the TIF Act) secured in whole or in part with tax increments from the District in a maximum principal amount of \$11,024,856. Such bonds may be in the form of pay-as-you-go notes, revenue bonds or notes, general obligation bonds, or interfund loans. This estimate of total bonded indebtedness is a cumulative statement of authority under this TIF Plan as of the date of approval.

## Uses of Funds

Currently under consideration for the District is a proposal to facilitate the development of a multi-phase housing development including a mix of owner occupied and rental housing. The EDA has determined that it will be necessary to provide assistance to the project(s) for certain District costs, as described.

The EDA has studied the feasibility of the development or redevelopment of property in and around the District. To facilitate the establishment and development or redevelopment of the District, this TIF Plan authorizes the use of tax increment financing to pay for the cost of certain eligible expenses. The estimate of public costs and uses of funds associated with the District is outlined in the following table.

<b>USES</b>	
Land/Building Acquisition	\$ 500,000
Site Improvements/Preparation	4,000,000
Affordable Housing	2,000,000
Utilities	2,000,000
Other Qualifying Improvements	908,614
Administrative Costs (up to 10%)	1,639,237
<b>PROJECT COSTS TOTAL</b>	<b>\$ 11,047,851</b>
Interest	6,983,753
<b>PROJECT AND INTEREST COSTS TOTAL</b>	<b>\$ 18,031,604</b>

The total project cost, including financing costs (interest) listed in the table above does not exceed the total projected tax increments for the District as shown in the Sources of Revenue section.

Estimated costs associated with the District are subject to change among categories without a modification to this TIF Plan. The cost of all activities to be considered for tax increment financing will not exceed, without formal modification, the budget above pursuant to the applicable statutory requirements. The EDA may expend funds for qualified housing activities outside of the District boundaries.

## Estimated Impact on Other Taxing Jurisdictions

The estimated impact on other taxing jurisdictions assumes that the redevelopment contemplated

by the TIF Plan would occur without the creation of the District. However, the EDA has determined that such development or redevelopment would not occur "but for" tax increment financing and that, therefore, the fiscal impact on other taxing jurisdictions is \$0. The estimated fiscal impact of the District would be as follows if the "but for" test was not met:

Impact on Tax Base			
Entity	2019/Pay 2020 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) upon completion	Percent of CTC to Entity Total
Beltrami County	38,992,131	651,122	<b>1.6699%</b>
City of Bemidji	12,247,129	651,122	<b>5.3165%</b>
ISD No. 31	37,559,436	651,122	<b>1.7336%</b>

Impact on Tax Rates				
Entity	Pay 2020 Extension Rate	Percent of Total	CTC	Potential Taxes
Beltrami County	64.2450%	48.31%	651,122	\$ <b>418,313</b>
City of Bemidji	50.3830%	37.89%	651,122	<b>328,055</b>
ISD No. 31	16.6490%	12.52%	651,122	<b>108,405</b>
Other	1.6970%	1.28%	651,122	<b>11,050</b>
	<b>132.9740%</b>	<b>100.00%</b>		\$ <b>865,823</b>

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the Pay 2019 rate. The total net capacity for the entities listed above are based on Pay 2019 figures. The District will be certified under the Pay 2021 rates, which were unavailable at the time this TIF Plan was prepared.

Pursuant to *M.S. Section 469.175 Subd. 2(b)*:

- (1) Estimate of total tax increment. It is estimated that the total amount of tax increment that will be generated over the life of the District is \$16,392,367;
- (2) Probable impact of the District on city provided services and ability to issue debt. An impact of the District on police protection is expected. With any addition of new residents or businesses, police calls for service will be increased. New developments add an increase in traffic, and additional overall demands to the call load. Based on an analysis of similar housing developments in other areas of the City, this development has the potential to generate approximately 450 calls for service. Four hundred and fifty calls for service is the equivalent of .5 FTE for a patrol officer. The 2021 LELS patrol office union starting pay scale is \$58,899.00 annually plus benefits. In addition, if a .5 FTE is needed for this development, the City can anticipate a squad car will be needed costing approximately \$50,000. The car is anticipated to last a life span of 5 years; therefore, the estimated impact is \$10,000/year for 1 FTE or

\$5,000/year for .5 FTE

The probable impact of the District on fire protection is not expected to be significant. Typically, new buildings generate few calls, if any, and are of superior construction. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

The impact of the District on public infrastructure is expected to be minimal. The development is not expected to significantly impact any traffic movements in the area. The current infrastructure for sanitary sewer, storm sewer and water will be able to handle the additional volume generated from the proposed development. Any additional capital costs will be paid with tax increment or by the developer. Based on the development plans, additional costs associated with street maintenance, sweeping, plowing, lighting and sidewalks is estimated at \$30,000. The development in the District is expected to contribute an estimated \$250,000 in sanitary sewer (SAC) and water (WAC) connection fees.

The probable impact of any District general obligation tax increment bonds on the ability to issue debt for general fund purposes is expected to be minimal. It is not anticipated that there will be any general obligation debt issued in relation to this project, therefore there will be no impact on the City's ability to issue future debt or on the City's debt limit.

- (3) Estimated amount of tax increment attributable to school district levies. It is estimated that 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 \$2,052,405;
- (4) Estimated amount of tax increment attributable to county levies. It is estimated that 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 \$7,919,801;
- (5) Additional information requested by the county or school district. The City is not aware of any standard questions in a county or school district written policy regarding tax increment districts and impact on county or school district services. The county or school district must request additional information pursuant to *M.S. Section 469.175 Subd. 2(b)* within 15 days after receipt of the tax increment financing plan.

No requests for additional information from the county or school district regarding the proposed development for the District have been received.

## Supporting Documentation

Pursuant to *M.S. Section 469.175, Subd. 1 (a), clause 7* the TIF Plan must contain identification and description of studies and analyses used to make the determination set forth in *M.S. Section 469.175, Subd. 3, clause (b)(2)* and the findings are required in the resolution approving the District.

- (i) In making said determination, reliance has been placed upon (1) written representation made by the developer to such effects; and (2) City staff awareness of the feasibility of developing the project site within the District, which is further outlined in the city council resolution approving the establishment of the TIF District and Appendix C.
- (ii) A comparative analysis of estimated market value both with and without establishment of the TIF District and the use of tax increments has been performed. Such analysis is included with the cashflow in Appendix B and indicates that the increase in estimated market value of the proposed development (less the indicated subtractions) exceeds the estimated market value of the site absent the establishment of the TIF District and the use of tax increments.

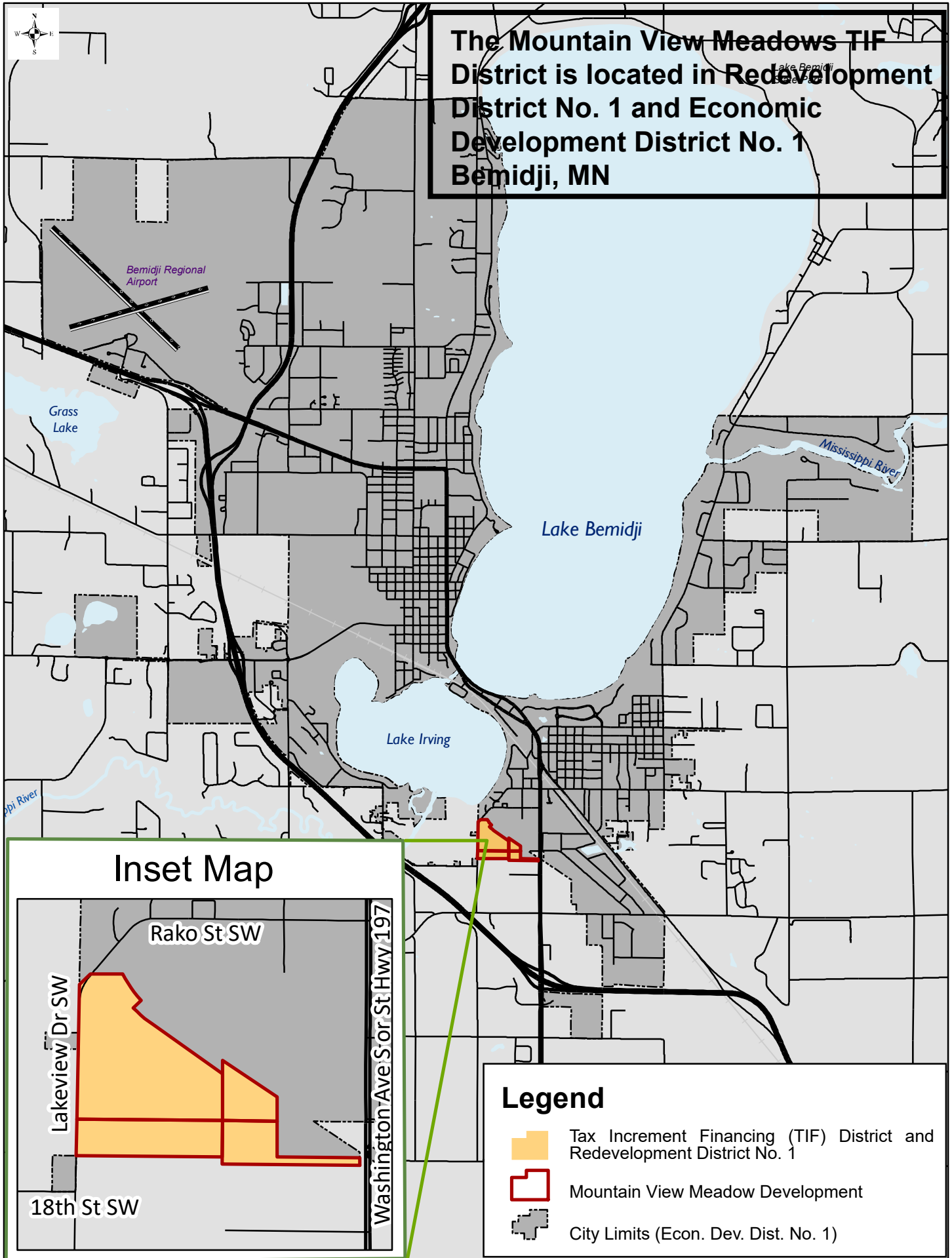
## **Administration of the District**

Administration of the District will be handled by the City Manager.

**Appendix A: Map of Economic Development District No. 1,  
Redevelopment Project Area No. 1 and the TIF District**



# Mountain View Meadows TIF District



**Appendix B: Estimated Cash Flow for the District**



### Mountain View Meadows - 1.5% Inflation

City of Bemidji, MN

Multi-phase Mixed-use Development

#### ASSUMPTIONS AND RATES

<b>DistrictType:</b>	<b>Housing</b>
<b>District Name/Number:</b>	<b>Mountain View Meadows</b>
<b>County District #:</b>	<b>TBD</b>
<b>First Year Construction or Inflation on Value</b>	<b>2022</b>
<b>Existing District - Specify No. Years Remaining</b>	
Inflation Rate - Every Year:	<b>1.50%</b>
Interest Rate:	<b>4.25%</b>
Present Value Date:	<b>1-Aug-23</b>
First Period Ending	<b>1-Feb-24</b>
Tax Year District was Certified:	<b>Pay 2021</b>
Cashflow Assumes First Tax Increment For Development:	<b>2024</b>
Years of Tax Increment	<b>26</b>
Assumes Last Year of Tax Increment	<b>2049</b>
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	<b>NA</b>
Incremental or Total Fiscal Disparities	<b>NA</b>
Fiscal Disparities Contribution Ratio	<b>NA</b>
Fiscal Disparities Metro-Wide Tax Rate	<b>NA</b>
Maximum/Frozen Local Tax Rate:	<b>132.974% Pay 2020</b>
Current Local Tax Rate: (Use lesser of Current or Max.)	<b>132.974% Pay 2020</b>
State-wide Tax Rate (Comm./Ind. only used for total taxes)	<b>38.8460% Pay 2020</b>
Market Value Tax Rate (Used for total taxes)	<b>0.15429% Pay 2020</b>


Tax Rates		
Exempt Class Rate (Exempt)		0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)		
First \$150,000		1.50%
Over \$150,000		2.00%
Commercial Industrial Class Rate (C/I)		2.00%
Rental Housing Class Rate (Rental)		1.25%
Affordable Rental Housing Class Rate (Aff. Rental)		
First \$162,000		0.75%
Over \$162,000		0.25%
Non-Homestead Residential (Non-H Res. 1 Unit)		
First \$500,000		1.00%
Over \$500,000		1.25%
Homestead Residential Class Rate (Hmstd. Res.)		
First \$500,000		1.00%
Over \$500,000		1.25%
Agricultural Non-Homestead		1.00%

#### BASE VALUE INFORMATION (Original Tax Capacity)

PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Original Market Value	Tax Year Original Market Value	Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion Orig. Tax Cap.
R80.00426.00	Puddle Duck Properties		18,200	0	18,200	100%	18,200	Pay 2021	Non-H Res. 1 Unit	182	C/I Pref.	273
R80.00421.00	Puddle Duck Properties		106,400	0	106,400	100%	106,400	Pay 2021	Non-H Res. 1 Unit	1,064	Rental	1,330
R80.05221.00	Puddle Duck Properties		20,000	0	20,000	100%	20,000	Pay 2021	Non-H Res. 1 Unit	200	Hmstd. Res.	200
R80.05222.00	Puddle Duck Properties		37,400	0	37,400	100%	37,400	Pay 2021	Non-H Res. 1 Unit	374	Hmstd. Res.	374
			<b>182,000</b>	<b>0</b>	<b>182,000</b>		<b>182,000</b>			<b>1,820</b>		<b>2,177</b>

**Note:**

1. Base values are for pay 2020 based upon review of County website on July 23, 2020.
2. Located in SD #31.



**Mountain View Meadows - 1.5% Inflation**  
 City of Bemidji, MN  
 Multi-phase Mixed-use Development

PROJECT INFORMATION (Project Tax Capacity)													
Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Total Taxable Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2022	Percentage Completed 2023	Percentage Completed 2024	Percentage Completed 2025	First Year Full Taxes Payable
1	Single Family	240,000	224,360	33	7,403,880	Hmstd. Res.	74,039	2,244	100%	100%	100%	100%	2024
1	Multi-family	200,000	200,000	12	2,400,000	Rental	30,000	2,500	100%	100%	100%	100%	2024
2	Single Family	240,000	224,360	12	2,692,320	Hmstd. Res.	26,923	2,244	0%	0%	0%	100%	2027
2	Multi-family	150,000	150,000	55	8,250,000	Rental	103,125	1,875	0%	0%	0%	100%	2027
3	Single Family	240,000	224,360	40	8,974,400	Hmstd. Res.	89,744	2,244	0%	0%	0%	0%	2030
3	Multi-family	200,000	200,000	44	8,800,000	Rental	110,000	2,500	0%	0%	0%	0%	2030
3	Commercial	1,500,000	1,500,000	1	1,500,000	C/I Pref.	29,250	29,250	0%	0%	0%	0%	2030
3	Commercial	1,500,000	1,500,000	1	1,500,000	C/I Pref.	29,250	29,250	0%	0%	0%	0%	2030
<b>TOTAL</b>					<b>41,520,600</b>		<b>492,331</b>						
<b>Subtotal Residential</b>				<b>196</b>	<b>38,520,600</b>		<b>433,831</b>						
<b>Subtotal Commercial/Ind.</b>				<b>2</b>	<b>3,000,000</b>		<b>58,500</b>						

**Note:**

1. Market values are based upon estimates provided by the Developer.

TAX CALCULATIONS									
New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Single Family	74,039	0	74,039	98,452	0	0	11,423	109,876	3,329.57
Multi-family	30,000	0	30,000	39,892	0	0	3,703	43,595	3,632.93
Single Family	26,923	0	26,923	35,801	0	0	4,154	39,955	3,329.57
Multi-family	103,125	0	103,125	137,129	0	0	12,729	149,858	2,724.70
Single Family	89,744	0	89,744	119,336	0	0	13,847	133,183	3,329.57
Multi-family	110,000	0	110,000	146,271	0	0	13,578	159,849	3,632.93
Commercial	29,250	0	29,250	38,895	0	10,780	2,314	51,989	
Commercial	29,250	0	29,250	38,895	0	10,780	2,314	51,989	
<b>TOTAL</b>	<b>492,331</b>	<b>0</b>	<b>492,331</b>	<b>654,672</b>	<b>0</b>	<b>21,560</b>	<b>64,062</b>	<b>740,294</b>	

**Note:**

1. Taxes and tax increment will vary significantly from year to year depending upon values, rates, state law, fiscal disparities and other factors which cannot be predicted.

WHAT IS EXCLUDED FROM TIF?	
Total Property Taxes	740,294
less State-wide Taxes	(21,560)
less Fiscal Disp. Adj.	0
less Market Value Taxes	(64,062)
less Base Value Taxes	(2,895)
<b>Annual Gross TIF</b>	<b>651,777</b>



**Mountain View Meadows - 1.5% Inflation**  
**City of Bemidji, MN**  
**Multi-phase Mixed-use Development**

TAX INCREMENT CASH FLOW														
% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities NA	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 10%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
100%	104,039	(2,177)	-	101,862	132.974%	135,450	67,725	(244)	(6,748)	60,733	58,232	0.5	2024	08/01/24
100%	105,599	(2,177)	-	103,422	132.974%	137,525	67,725	(244)	(6,748)	60,733	115,252	1	2024	02/01/25
100%	107,183	(2,177)	-	105,006	132.974%	139,631	68,762	(248)	(6,851)	61,663	171,941	1.5	2025	08/01/25
100%	238,839	(2,177)	-	236,662	132.974%	314,699	69,816	(251)	(6,956)	62,608	227,450	2	2025	02/01/26
100%	242,422	(2,177)	-	240,245	132.974%	319,463	69,816	(251)	(6,956)	62,608	282,637	2.5	2026	08/01/26
100%	246,058	(2,177)	-	243,881	132.974%	324,299	69,816	(251)	(6,956)	62,608	336,676	3	2026	02/01/27
100%	492,331	(2,177)	-	490,154	132.974%	651,777	157,350	(566)	(15,678)	141,105	455,933	3.5	2027	08/01/27
100%	499,716	(2,177)	-	497,539	132.974%	661,597	157,350	(566)	(15,678)	141,105	572,709	4	2027	02/01/28
100%	507,212	(2,177)	-	505,035	132.974%	671,565	159,732	(575)	(15,916)	143,241	688,786	4.5	2028	08/01/28
100%	514,820	(2,177)	-	512,643	132.974%	681,682	159,732	(575)	(15,916)	143,241	802,448	5	2028	02/01/29
100%	522,542	(2,177)	-	520,365	132.974%	691,950	162,149	(584)	(16,157)	145,409	915,430	5.5	2029	08/01/29
100%	530,380	(2,177)	-	528,203	132.974%	702,373	162,149	(584)	(16,157)	145,409	1,026,060	6	2029	02/01/30
100%	538,336	(2,177)	-	536,159	132.974%	712,952	325,889	(1,173)	(32,472)	292,244	1,243,779	6.5	2030	08/01/30
100%	546,411	(2,177)	-	544,234	132.974%	723,690	325,889	(1,173)	(32,472)	292,244	1,456,968	7	2030	02/01/31
100%	554,607	(2,177)	-	552,430	132.974%	734,589	330,799	(1,191)	(32,961)	296,647	1,668,866	7.5	2031	08/01/31
100%	562,926	(2,177)	-	560,749	132.974%	745,651	330,799	(1,191)	(32,961)	296,647	1,876,355	8	2031	02/01/32
100%	571,370	(2,177)	-	569,193	132.974%	756,879	335,782	(1,209)	(33,457)	301,116	2,082,587	8.5	2032	08/01/32
100%	579,941	(2,177)	-	577,764	132.974%	768,276	335,782	(1,209)	(33,457)	301,116	2,284,528	9	2032	02/01/33
100%	588,640	(2,177)	-	586,463	132.974%	779,843	340,841	(1,227)	(33,961)	305,652	2,485,247	9.5	2033	08/01/33
100%	597,469	(2,177)	-	595,292	132.974%	791,584	340,841	(1,227)	(33,961)	305,652	2,681,788	10	2033	02/01/34
100%	606,432	(2,177)	-	604,255	132.974%	803,501	345,975	(1,246)	(34,473)	310,257	2,877,139	10.5	2034	08/01/34
100%	615,528	(2,177)	-	613,351	132.974%	815,597	345,975	(1,246)	(34,473)	310,257	3,068,425	11	2034	02/01/35
100%	624,761	(2,177)	-	622,584	132.974%	827,875	351,187	(1,264)	(34,992)	314,930	3,258,553	11.5	2035	08/01/35
100%	634,132	(2,177)	-	631,955	132.974%	840,336	351,187	(1,264)	(34,992)	314,930	3,444,724	12	2035	02/01/36
100%	643,644	(2,177)	-	641,467	132.974%	852,985	356,476	(1,283)	(35,519)	319,673	3,629,767	12.5	2036	08/01/36
100%	653,299	(2,177)	-	651,122	132.974%	865,823	356,476	(1,283)	(35,519)	319,673	3,810,959	13	2036	02/01/37
							361,845	(1,303)	(36,054)	324,488	3,991,054	13.5	2037	08/01/37
							361,845	(1,303)	(36,054)	324,488	4,167,401	14	2037	02/01/38
							367,294	(1,322)	(36,597)	329,375	4,342,680	14.5	2038	08/01/38
							367,294	(1,322)	(36,597)	329,375	4,514,311	15	2038	02/01/39
							372,825	(1,342)	(37,148)	334,335	4,684,902	15.5	2039	08/01/39
							372,825	(1,342)	(37,148)	334,335	4,851,943	16	2039	02/01/40
							378,439	(1,362)	(37,708)	339,369	5,017,971	16.5	2040	08/01/40
							378,439	(1,362)	(37,708)	339,369	5,180,545	17	2040	02/01/41
							384,138	(1,383)	(38,275)	344,479	5,342,133	17.5	2041	08/01/41
							384,138	(1,383)	(38,275)	344,479	5,500,358	18	2041	02/01/42
							389,922	(1,404)	(38,852)	349,666	5,657,624	18.5	2042	08/01/42
							389,922	(1,404)	(38,852)	349,666	5,811,618	19	2042	02/01/43
							395,792	(1,425)	(39,437)	354,931	5,964,678	19.5	2043	08/01/43
							395,792	(1,425)	(39,437)	354,931	6,114,552	20	2043	02/01/44
							401,751	(1,446)	(40,030)	360,274	6,263,518	20.5	2044	08/01/44
							401,751	(1,446)	(40,030)	360,274	6,409,384	21	2044	02/01/45
							407,799	(1,468)	(40,633)	365,698	6,554,365	21.5	2045	08/01/45
							407,799	(1,468)	(40,633)	365,698	6,696,329	22	2045	02/01/46
							413,937	(1,490)	(41,245)	371,202	6,837,432	22.5	2046	08/01/46
							413,937	(1,490)	(41,245)	371,202	6,975,599	23	2046	02/01/47
							420,168	(1,513)	(41,866)	376,790	7,112,927	23.5	2047	08/01/47
							420,168	(1,513)	(41,866)	376,790	7,247,398	24	2047	02/01/48
							426,492	(1,535)	(42,496)	382,461	7,381,052	24.5	2048	08/01/48
							426,492	(1,535)	(42,496)	382,461	7,511,926	25	2048	02/01/49
							432,911	(1,558)	(43,135)	388,218	7,642,005	25.5	2049	08/01/49
							432,911	(1,558)	(43,135)	388,218	7,769,378	26	2049	02/01/50
<b>Total</b>					<b>4.25%</b>		<b>16,451,593</b>	<b>(59,226)</b>	<b>(1,639,237)</b>	<b>14,753,130</b>				
		<b>Present Value From 08/01/2023</b>		<b>Present Value Rate</b>			<b>8,663,831</b>	<b>(31,190)</b>	<b>(863,264)</b>	<b>7,769,378</b>				

## Appendix C: Findings Including But/For Qualifications

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan for Mountain View Meadows TIF District, as required pursuant to Minnesota Statutes, Section 469.175, Subdivision 3 are as follows:

1. *Finding that Mountain View Meadows TIF District is a housing district as defined in M.S., Section 469.174, Subd. 11.*

Mountain View Meadows TIF District consists of four parcels. The development will consist of a multi-phase housing development including a mix of owner occupied and rental housing, all or a portion of which will receive tax increment assistance and will meet income restrictions described in *M.S. 469.1761*. At least 20 percent of the rental housing units receiving assistance will have incomes at or below 50 percent of area median income. In addition, at least 95 percent of the owner-occupied units will be occupied by families of 2 or less with incomes at or below 100% of the area median income (AMI) or 115% of AMI for families with 3 or more persons.

2. *Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future.*

*The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future:* This finding is supported by the fact that the development proposed in this plan is a housing district that meets the City's objectives for development and redevelopment. The cost of site and public improvements and utilities makes this housing development infeasible without City assistance. Due to decreased rental income and sale prices from affordable units, there is insufficient cash flow to provide a sufficient rate of return, pay operating expenses, and service the debt. This leaves a gap in the funding for the project and makes this housing development feasible only through assistance, in part, from tax increment financing. The developer was asked for and provided a letter and a proforma as justification that the developer would not have gone forward without tax increment assistance.

*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 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 TIF District permitted by the TIF Plan:* This finding is justified on the grounds that the cost of site and public improvements, utilities and construction of affordable housing add to the total development cost. Historically, the costs of site and public improvements as well as reduced rents and sale prices required for affordable, workforce housing in the City have made development infeasible without tax increment assistance. The City reasonably determines that no other development of similar scope is anticipated on this site without substantially similar assistance being provided to the development.

3. *Finding that the TIF Plan for Mountain View Meadows TIF District conforms to the general plan for the development or redevelopment of the municipality as a whole.*

The City Council reviewed the TIF Plan and found that the TIF Plan conforms to the general development plan of the City.

4. *Finding that the TIF Plan for Mountain View Meadows TIF District will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of Economic Development District No. 1 by private enterprise.*

Through the implementation of the TIF Plan, the City will provide an impetus for residential development, which is desirable or necessary for increased population and an increased need for life-cycle housing within the City.

EXTRACT OF MINUTES OF MEETING  
OF THE BOARD OF COMMISSIONERS OF THE ECONOMIC DEVELOPMENT  
AUTHORITY IN AND FOR THE CITY OF BEMIDJI

HELD: September 8, 2020

Pursuant to due call and notice thereof, a regular or special meeting of the Economic Development Authority in and for the City of Bemidji, Beltrami County, Minnesota was duly called and held at City Hall in the City of Bemidji, Minnesota on September 8, 2020, at \_\_\_\_\_ p.m.

The following members were present:

and the following were absent:

Member \_\_\_\_\_ introduced the following resolution and moved its adoption:

RESOLUTION NO. \_\_\_\_\_

RESOLUTION MODIFYING THE DEVELOPMENT PROGRAM FOR  
ECONOMIC DEVELOPMENT DISTRICT NO. 1; ESTABLISHING  
REDEVELOPMENT PROJECT AREA NO. 1 AND ENLARGING ECONOMIC  
DEVELOPMENT DISTRICT NO. 1; APPROVING AND ADOPTING THE  
REDEVELOPMENT PLAN FOR REDEVELOPMENT PROJECT AREA NO. 1;  
APPROVING THE CREATION OF THE MOUNTAIN VIEW MEADOWS TAX  
INCREMENT FINANCING DISTRICT, AND APPROVING THE ADOPTION OF  
A TAX INCREMENT FINANCING PLAN THEREFOR

BE IT RESOLVED by the Board of Commissioners of the Economic Development Authority in and for the City of Bemidji (the "Board") as follows:

Section 1. Recitals.

1.01. It has been proposed that the Economic Development Authority (the "Authority") in and for the City of Bemidji (the "City"): (a) establish Redevelopment Project Area No. 1 (the "Project Area"), and enlarge Economic Development District No. 1; (b) modify the Development Program for Economic Development District No. 1 (the "Development Program"); (c) adopt a Redevelopment Plan for the Project Area; (d) establish the Mountain View Meadows Tax Increment Financing District therein (the "TIF District"); and (e) approve and adopt the proposed Tax Increment Financing Plan therefor pursuant to and in accordance with Minnesota Statutes, Sections 469.001 through 469.047, Sections 469.090 to 469.1082, and Sections 469.174 to 469.1794, all inclusive, as amended.

1.02. The City and the Authority have heretofore established Economic Development District No. 1, and adopted a Development Program therefor, and desire to expand the boundaries thereof to incorporate annexations of land to the City subsequent to the establishment of Economic Development District No. 1.



1.03. The Authority has investigated the facts and has caused to be prepared a redevelopment plan for the establishment of the Project Area (the "Redevelopment Plan"), and has caused to be prepared a proposed joint modification of the Development Program and tax increment financing plan for the TIF District therein (the "TIF Plan").

1.04. The City held a public hearing to approve the Redevelopment Plan and the TIF Plan on September 8, 2020, following not less than 10 days and not more than 30 days published notice in the local newspaper of general circulation.

1.05. The Authority has investigated the facts, and has caused to be prepared the Redevelopment Plan for the Project Area and the TIF Plan for the TIF District, and performed all actions required by law to be performed prior to the enlargement and modification of the Economic Development District No. 1 and the Development Program therefor, the establishment of the Project Area and the establishment of the TIF District therein, and the adoption of the Redevelopment Plan and TIF Plan therefor, including, but not limited to, a review of the proposed Redevelopment Plan and TIF Plan by the Greater Bemidji Area Joint Planning Board, notification of Beltrami County and Independent School District No. 31, which have taxing jurisdiction over the property to be included in the TIF District.

Section 2. Findings for the Establishment of the Project Area and Adoption of the Redevelopment Plan.

2.01. The Board hereby finds that the land in the Project Area would not be made available for development and redevelopment without the financial aid to be sought.

2.02. The Board further finds that the Redevelopment Plan will afford maximum opportunity, consistent with the needs of the City as a whole, for the development and redevelopment of the Project Area and adjacent areas by private enterprise;

2.03. The Board further finds that the Redevelopment Plan conforms to the general plan for the development or redevelopment of the City as a whole, and the anticipated development is in furtherance of long range plans of the City for that area; and

2.04. The Board further finds that the Redevelopment Plan is intended and, in the judgment of the Board, its effect will be, to promote the public purposes and accomplish the objectives specified in the Redevelopment Plan for the Redevelopment Project Area.

Section 3. Approval of the Establishment of Redevelopment Project Area No. 1 and the Redevelopment Plan.

3.01. There is hereby established Redevelopment Project Area No. 1, the initial boundaries of which are fixed and determined as described in the Redevelopment Plan.

3.02. The Redevelopment Plan, as presented to the Authority on this date, is hereby approved, established, and adopted.

3.03. The Board hereby requests the City Council to approve the Redevelopment Plan and the establishment of the Project Area.

Section 4. Findings for the Establishment of the TIF District and Adoption of the TIF Plan.

4.01. The TIF District is a housing district as defined in Minnesota Statutes, Section 469.174, Subd. 11, the specific basis for such determination is set forth in Appendix C of the TIF Plan.

4.02. The proposed development, in the opinion of the Authority, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future. The reasons for such determination are set forth in Appendix C of the TIF Plan.

4.03. 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 TIF District permitted by the TIF Plan. The reasons supporting this finding are set forth in Appendix C of the TIF Plan.

4.04. The TIF Plan for the TIF District conforms to the general plan for development or redevelopment of the City as a whole. The reasons for supporting this finding are set forth in Appendix C of the TIF Plan.

4.05. The TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of the Project Area by private enterprise. The reasons supporting this finding are set forth in Appendix C of the TIF Plan.

Section 5. Approval of the Modification of the Development Program, the Enlargement of Economic Development District No. 1, and the Establishment of the TIF District and the TIF Plan.

5.01. The Authority hereby approves the modification of the Development Program and the enlargement of Economic Development District No. 1.

5.02. The establishment of the TIF District and the TIF Plan therefor are hereby approved and adopted and the TIF Plan shall be placed on file in the office of the Executive Director of the Authority.

5.03. The Board hereby requests the City Council to approve the modification of the Development Program, the enlargement of Economic Development District No. 1, and the establishment of the TIF District and the TIF Plan.

5.04. Upon approval by the City Council, the staff of the City and Authority and the City's and Authority's advisors and legal counsel are authorized and directed to proceed with the implementation of the TIF Plan for the TIF District.

Section 6. Interfund Loan.

6.01. The Authority has determined that it may pay for certain costs (the "Qualified Costs") identified in the TIF Plan which costs may be financed on a temporary basis from the Authority's general fund or any other fund from which such advances may be legally made (the "Fund"). Under Minnesota Statutes, Section 469.178, Subd. 7, the Authority is authorized to advance or loan money from the Fund in order to finance the Qualified Costs. The Authority intends to reimburse itself for the payment of the Qualified Costs, plus interest thereon, from tax increments derived from the TIF District in accordance with the following terms (which terms are referred to collectively as the "Interfund Loan"):

6.02. Authority shall repay to the Fund from which the Qualified Costs are initially paid, the principal amount of up to \$1,639,237 (or, if less, the amount actually paid from such fund) together with interest at \_\_\_\_\_% per annum (which is not more than the greater of (i) the rate specified under Minnesota Statutes, Section 270C.40, or (ii) the rate specified under Minnesota Statutes, Section 549.09) from the date of the payment.

6.03. Principal and interest on the Interfund Loan ("Payments") shall be paid annually on each December 31 commencing with the date the tax increments from the TIF District are available and not otherwise pledged to and including the earlier of (a) the date the principal and accrued interest of the Interfund Loan is paid in full, or (b) the date of last receipt of tax increment from the TIF District ("Payment Dates") which Payments will be made in the amount and only to the extent of available tax increments. Payments shall be applied first to accrued interest, and then to unpaid principal.

6.04. Payments on the Interfund Loan are payable solely from the tax increment generated in the preceding twelve (12) months with respect to the TIF District and remitted to the Authority by Beltrami County, all in accordance with Minnesota Statutes, Sections 469.174 to 469.1794, as amended. Payments on this Interfund Loan may be subordinate to any outstanding or future bonds, notes or contracts secured in whole or in part with tax increment if approved by the Authority, and are on parity with any other outstanding or future interfund loans secured in whole or in part with tax increments.

6.05. The principal sum and all accrued interest payable under this Interfund Loan are pre-payable in whole or in part at any time by the Authority without premium or penalty. No partial prepayment shall affect the amount or timing of any other regular payment otherwise required to be made under this Interfund Loan.

6.06. The Interfund Loan is evidence of an internal borrowing by the Authority in accordance with Minnesota Statutes, Section 469.178, Subd. 7, and is a limited obligation payable solely from tax increment pledged to the payment hereof under this resolution. The Interfund Loan and the interest hereon shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the Authority. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on the Interfund Loan or other costs incident hereto except out of tax increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on the Interfund Loan or other costs incident hereto. The Authority shall have no obligation to pay any

principal amount of the Interfund Loan or accrued interest thereon, which may remain unpaid after the termination of the TIF District.

6.07. The Authority may amend the terms of the Interfund Loan at any time by resolution of the Board, including a determination to forgive the outstanding principal amount and accrued interest to the extent permissible under law.

The motion for the adoption of the foregoing resolution was seconded by member \_\_\_\_\_ and upon vote being taken thereon, the following voted in favor thereof;

and the following voted against the same.

Passed and adopted by the Board of Commissioners of the Economic Development Authority in and for the City of Bemidji, Minnesota, this \_\_\_\_ day of September, 2020.

\_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

STATE OF MINNESOTA    )  
                                      ) ss.  
COUNTY OF BELTRAMI    )

I, the undersigned, being the duly qualified and acting Secretary of the Economic Development Authority in and for the City of Bemidji, Minnesota, DO HEREBY CERTIFY that I have carefully compared the attached and foregoing extract of minutes with the original minutes of a meeting of the Board of Commissioners of the Economic Development Authority in and for the City of Bemidji held on the date therein indicated, which are on file and of record in my office, and the same is a full, true and complete transcript therefrom insofar as the same relates to a Resolution modifying and enlarging Economic Development District No. 1 and the Development Program therefor, approving the establishment of the Redevelopment Plan for the Redevelopment Project Area No. 1, approving the establishment of the Mountain View Meadows Tax Increment Financing District and the adoption of a tax increment financing plan therefor.

WITNESS my hand as such Secretary of the Economic Development Authority in and for the City of Bemidji this \_\_\_\_\_ day of September, 2020.

\_\_\_\_\_  
Secretary