



FINAL FOR FILING

**Modification to the
Tax Increment Financing Plan**

for

**the Centennial Lakes Tax Increment Financing District
(a redevelopment district)**

within

the Southeast Edina Redevelopment Project Area

Edina Housing and Redevelopment Authority
City of Edina
Hennepin County
State of Minnesota

Adopted: March 7, 1988
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(for reference purposes only)

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Section 1 - 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 objects as set forth in the Redevelopment Plan, the City Council has created, established and designated the Southeast Edina Redevelopment Plan pursuant to and in accordance with the requirements of Minnesota Statutes, Section 469.027. The following municipal action was taken with regard to the Tax Increment Financing District located within the Southeast Edina Redevelopment Project Area:

Centennial Lakes Tax Increment Financing District:

March 7, 1988: The Tax Increment Financing Plan for Centennial Lakes Tax Increment Financing District was adopted by the HRA and City Council.

1988: The Tax Increment Financing Plan for Centennial Lakes Tax Increment Financing District was modified by the HRA and City Council to amend the District budget in order to provide for the transfer of tax increment revenue from Edinborough Tax Increment Financing District into Centennial Lakes Tax Increment Financing District in the amount of \$17,000,000 to pay for project costs included in the Tax Increment Financing Plan for Centennial Lakes Tax Increment Financing District.

1990: The budget in the Tax Increment Financing Plan for Centennial Lakes Tax Increment Financing District was amended by the HRA and City Council in order to provide for the transfer of tax increment revenue from 50th and France Tax Increment Financing District into Centennial Lakes Tax Increment Financing District in the amount of \$10,000,000 pay for project costs included in the Tax Increment Financing Plan for Centennial Lakes Tax Increment Financing District.

December 29, 1998: The budget in the Tax Increment Financing Plan for Centennial Lakes Tax Increment Financing District was amended by the HRA and City Council order to provide for the transfer of tax increment revenue from Southdale Tax Increment Financing District into Centennial Lakes Tax Increment Financing District in the amount of \$1,399,306 pay for project costs included in the Tax Increment Financing Plan for Centennial Lakes Tax Increment Financing District and for bonded indebtedness.

March, 2001: The budget in the Tax Increment Financing Plan for Centennial Lakes Tax Increment Financing District was amended by the HRA and City Council in order to account for additional land acquisition costs and land sale proceeds.

December 20, 2005: The budget in the Tax Increment Financing Plan for Centennial Lakes Tax Increment Financing District was amended by the HRA and City Council to amend the District budget in order to provide for the additional transfer of tax increment revenue from 50th and France Tax Increment Financing District into Centennial Lakes Tax Increment Financing District in the amount of \$5,000,000 for payment of principal and interest on bonded indebtedness.

November 18, 2008: The budget in the Tax Increment Financing Plan for Centennial Lakes Tax Increment Financing District was amended by the HRA and City Council in order to provide for the additional transfer of tax increment revenue from 50th and France Tax Increment Financing District into Centennial Lakes Tax Increment Financing District in the amount of \$2,000,000 and from Edinborough Tax Increment Financing District into Centennial Lakes Financing District in the amount of \$5,000,000 for payment of principal and interest on bonded indebtedness.

February 21, 2012: The Tax Increment Financing Plan for Centennial Lakes Tax Increment Financing District is being modified to bring the budget into conformity with current Office of the State Auditor regulations and to authorize increment to be used to acquire parcels and facilitate redevelopment in the expanded Southeast Edina Redevelopment Project Area.

Section 2 - Tax Increment Financing Plan for the Centennial Lakes Tax Increment Financing District

Subsection 2-1. Foreword

The Edina Housing and Redevelopment Authority (the "HRA"), the City of Edina (the "City"), staff and consultants have prepared the following information to modify the Tax Increment Financing Plan (the "TIF Plan") for the Centennial Lakes Tax Increment Financing District (the "District"), a redevelopment tax increment financing district that was established by resolution of the HRA and City on March 7, 1988 and is located in the Southeast Edina Redevelopment Project Area. The Hennepin County Codes for the District are 1203 and 1249. The County Code of 1203 references the parcels in the District which are located in the Richfield School District ISD, No. 280, and the County Code of 1249 references the parcels in the District which are located in the Bloomington School District ISD, No. 271.

Subsection 2-2. Statutory Authority

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the HRA and City have certain statutory powers pursuant to *Minnesota Statutes ("M.S.")*, Sections 469.001 to 469.047, inclusive, as amended, and *M.S.*, Sections 469.174 to 469.1799, 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 TIF Plan for the District. This modification to the TIF Plan (the "Modification") restates and replaces, in their entirety, the original TIF Plan adopted on March 7, 1988 (the "Original TIF Plan") and all subsequent modifications. A list of City and HRA actions taken in connection with the TIF Plan is provided in Section 1. Other relevant information is contained in the Modification to the Redevelopment Plan (the "Redevelopment Plan") for the Southeast Edina Redevelopment Project Area (the "Project Area").

Subsection 2-3. Statement of Objectives

The purpose of this Modification to the TIF Plan is to identify parcels that the HRA and City are authorized to acquire with tax increments derived from the District, and to authorize the HRA and City to expend tax increments derived from the District on redevelopment activities in the modified and expanded Project Area. The modification also restates the budget in conformance with the Office of the State Auditor requirements.

The District was certified with seven parcels and currently consists of thirteen parcels of land and adjacent and internal rights-of-way. The increase in parcels resulted from replatting property within the district.

(From Original TIF Plan)

The District was created to:

1. *Promote and secure the prompt and orderly redevelopment of the property within the Project Area in a manner consistent with applicable governmental comprehensive plans and with minimal adverse impact on the environment;*
2. *Control the intensities of land uses to alleviate the existing and future traffic impacts on France Avenue and the road system in the southeast area of the City;*
3. *Promote and secure additional housing for the elderly and persons of low and moderate income and other residents of the City and surrounding area at a reasonable cost, thereby enhancing living conditions and their general health and welfare;*
4. *Secure the increase in property subject to taxation by the City, Hennepin County, Independent School District Nos. 280 & 271 and other local government 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; and*
5. *Provide moneys for the payment of the cost of redevelopment activities in or adjacent to the Project Area which are necessary to serve the Project Area and for the orderly and beneficial development of the Project Area and adjacent areas of the City.*

This TIF Plan is expected to achieve many of the objectives outlined in the Redevelopment Plan for the Southeast Edina Redevelopment Project Area. Please see Appendix A for further District information.

As of the date of this modification to the TIF Plan, The HRA has entered into the following development agreements:

1. Tax Increment Assistance Agreement between the HRA and United Properties dated July 1, 1996 for the construction of an office building, restaurant, and related parking facilities and other site improvements.
2. South Park Development Agreement and Tax Increment Assistance Agreement between the HRA and South Edina Development Corporation, dated December 1, 1996, for construction of office buildings and related public improvements.

The activities contemplated in the Modification to 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 the Southeast Edina Redevelopment Project Area and the District.

Subsection 2-4. Redevelopment Plan Overview

1. Property to be Acquired - The HRA or City currently owns one parcel of property within the District. The remaining property located within the District may be acquired by the HRA or City and is further described in this TIF Plan. Furthermore, tax increments may be used to acquire property located within the Project Area and shown on the map in Appendix B.
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 HRA or City may sell to a developer selected properties that it may acquire within the Project Area, or may lease land or facilities to a developer.
4. The HRA or City may perform or provide for some or all necessary acquisition, construction, relocation, demolition, and required utilities and public street work within the District and Project Area.

Subsection 2-5. 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 in Appendix C of this TIF Plan. Please also see the map in Appendix B for further information on the location of the District.

Subsection 2-6. Classification of the District and Reasonable Expectations

(From Original TIF Plan)

Tax Increment Financing District. Less than 70 percent of the parcels in the District are occupied by buildings, streets, utilities, or other improvements. As shown by the Real Estate Consulting Analysis dated September 15, 1987 prepared by Robert Boblett Associates, Inc., due to unusual terrain and soil deficiencies requiring substantial filling, grading or other physical preparation for use at least 80% of the total acreage of land in the District had a fair market value upon inclusion in the District, which when added to the cost of preparing that land for development, excluding costs directly relating to roads and defined in Section 160.01 and local improvements as described in Section 429.021, subdivision 1, clauses 1 to 7, 11 and 12 and 430.01, exceeds its anticipated fair market value after completion of the preparation. In addition, the HRA has concluded an agreement for the development of at least 50% of the acreage in the District having the unusual soil or terrain deficiencies, which agreement provides recourse to the HRA should the development not be completed. Therefore, the District comprises and is designated as a "Tax Increment Financing District" and is a "Redevelopment District", as defined in and pursuant to Minnesota Statutes, Sections 469.174 to 469.179.

Subsection 2-7. 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 HRA (a total of 26 years of tax increment). Hennepin County certified the TIF District on April 5, 1988 (referred to by Hennepin County as District No.1203 and No.1249) and the HRA received the first tax increment in 1989. Thus, the District, including any modifications of the TIF Plan for subsequent phases or other changes, will terminate after 2014, or when the TIF Plan is satisfied. The HRA reserves the right to decertify the District prior to the legally required date.

Subsection 2-8. Original Tax Capacity, Tax Rate and Estimated Captured Net Tax Capacity Value/Increment and Notification of Prior Planned Improvements

(From Original TIF Plan)

The Assessed Value of all taxable property in the District as most recently certified by the Commissioner of Revenue of the State of Minnesota, being the certification made in 1987 with respect to the Assessed Value of such property as of January 1, 1987, for taxes payable in 1988 is estimated to be \$4,823,003, which amount is expected to be the Original Assessed Value of such property. A parcel included in the District (PID #5-27-24-21-0004) is tax exempt by reason of ownership of such parcel by the HRA. Such parcel has been owned by the HRA for more than one year and pursuant to Minnesota Statutes, Section 469.174, subdivision 7, the original assessed value of such property while owned by the District will be zero.

(As Modified February 21, 2012)

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 was based on the market values placed on the property by the assessor in 1987 for taxes payable 1988.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 1989) 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 HRA or City. The ONTC for the District certified by Hennepin County for taxes payable in 2012 is \$200,867. No parcels have been added to the TIF District nor has there been any change to the tax exempt status of property within the district; therefore any change to the ONTC since 1988 would be due to changes in the use of the property or classification and statutory changes to class rates.

Because the request for certification of the District occurred prior to May 1, 1988, the requirement to use the lesser of the current local tax rate or the original local tax rate, pursuant to *M.S. Section 469.177, Subd 1a* does not apply to the District. The current local tax rate will be used to calculate annual tax increment. The estimated local tax rate for taxes payable 2012 is used for the purpose of tax increment projections in the Modification.

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 the Southeast Edina Redevelopment Project Area will annually approximate tax increment revenues as shown in the table below. The HRA and City request 100 percent of the available increase in tax capacity for repayment of its obligations and current expenditures, beginning in the tax year payable 1989. The Project Tax Capacity (PTC) listed are the values assessed in 2011 for taxes payable in 2012. The parcels in the District are in two unique taxing areas. The CTC for the parcels in the School District No. 280 is listed in the chart below and the CTC for the parcels in School District No. 271 is listed on the next page.

Centennial Lakes Tax Increment District Parcels in School District No. 280 (County Code No. 1203)

Project Estimated Tax Capacity upon Completion (PTC)	\$3,327,678	
Less Original Estimated Net Tax Capacity (ONTC)	(\$194,197)	
Estimated Captured Tax Capacity (CTC)	\$3,133,481	
Original Local Tax Rate	1.14022	Estimated Pay 2012
Estimated Annual Tax Increment (CTC x Local Tax Rate)	\$3,572,857	
Percent Retained by the HRA	100%	

Centennial Lakes Tax Increment District Parcels in School District No. 271 (County Code No. 1249)

Project Estimated Tax Capacity upon Completion (PTC)	\$17,980	
Less Original Estimated Net Tax Capacity (ONTC)	(\$6,670)	
Estimated Captured Tax Capacity (CTC)	\$11,310	
Original Local Tax Rate	1.08127	Estimated Pay 2012
Estimated Annual Tax Increment (CTC x Local Tax Rate)	\$12,229	
Percent Retained by the HRA	100%	

The HRA and City are not adding parcels to the District.

Subsection 2-9. Sources of Revenue/Bonds to be Issued

The costs outlined in the Uses of Funds will be financed primarily through the annual collection of tax increments. The HRA or City 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 bond issues, loans, and transfers. Any refunding amounts will be deemed a budgeted cost without a formal TIF Plan Modification. This provision does not obligate the HRA or City to incur debt. The HRA or City will issue bonds or incur other debt only upon the determination that such action is in the best interest of the City.

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

Sources	Cumulative Modified Budet 11/18/2008	Proposed Budget Modification 2/21/2012
Tax Increment (See Note 1)	90,000,000	130,000,000
Interest	2,500,000	5,000,000
Bond Proceeds (See Note 3)	34,400,000	
Sales/lease proceeds	11,637,070	9,137,070
Other Revenues (See Note 2)	1,894,632	-
Transfers In (See Note 1)	40,000,000	-
TOTAL	180,431,702	144,137,070

Note 1: The Transfers In are transfers of increment from the Edinborough, Southdale, and 50th and France Districts for debt service. The Office of the State Auditor (the "OSA") requires these transfers to be reported as "tax increment".

Note 2: Other revenues include special assessments, sale of materials and developer payments. These revenue sources are not considered increment and therefore have been removed from the TIF budget and reporting forms, as required by the OSA.

Note 3: Proceeds of the TIF Bonds have been removed from the TIF budget and reporting forms, as required by the OSA.

The HRA or City 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 \$41,400,000. 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.

Subsection 2-10. Uses of Funds

Currently under consideration for the District is a proposal to facilitate construction of public improvements within the Project Area as modified on February 21, 2012. To facilitate the development or redevelopment of the property within the Project Area, 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 table on the following page. A developer has not been designated for new activities.

The HRA or City reserves the right to acquire any parcel located within Southeast Edina Project Area, as shown in Appendix B of this Modification. This modification does not obligate the HRA or City to purchase any parcels, nor does it exempt the City and HRA from any other statutory requirement related to the acquisition of property.

Uses	Cumulative Modified Budet 11/18/2008	Proposed Budget Modification 2/21/2012
Land/Building Acquisition	22,981,425	30,000,000
Site Improvements/Preparation	10,432,747	15,000,000
Other Qualifying Improvements (See Note 1)		50,337,070
Parking Facilities	8,860,000	
Park Facilities	6,578,483	
Bond Principal Payments (See Note 2)	41,400,000	
Bond Interest Payments	38,000,000	<i>see below</i>
Loan Principal Payments		
Loan Interest Payments	14,684,711	<i>see below</i>
Other Improvements		
Parkland Dedication	2,030,345	
Paid to other Governments	42,000	
Administrative Costs (up to 10%)	1,600,000	1,800,000
PROJECT COST TOTAL	146,609,711	97,137,070
Interest		47,000,000
PROJECT AND INTEREST COSTS TOTAL	146,609,711	144,137,070
District Balance (Deficiency)	33,821,991	-

Note 1: Reporting forms consolidate most previous budget categories into "Other Qualifying Improvements". The February 21, 2012 budget modification follows the current OSA budgeting and reporting format.

Note 2: Reporting forms no longer list bond and loan principal as a budgeted line item. The City and

HRA are authorized to issue up to \$41,400,000 in bonds to pay for budgeted expenditures.

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 Funds above.

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.

Subsection 2-11. Fiscal Disparities Election

Pursuant to *M.S., Section 469.177, Subd. 3*, the HRA or City may elect one of two methods to calculate fiscal disparities. If the calculations pursuant to *M.S., Section 469.177, Subd. 3, clause a*, (outside the District) are followed, the following method of computation shall apply:

1. *The original net tax capacity and the current net tax capacity shall be determined before the application of the fiscal disparity provisions of Chapter 276A or 473F. Where the original net tax capacity is equal to or greater than the current net tax capacity, there is no captured net tax capacity and no tax increment determination. Where the original net tax capacity is less than the current net tax capacity, the difference between the original net tax capacity and the current net tax capacity is the captured net tax capacity. This amount less any portion thereof which the authority has designated, in its tax increment financing plan, to share with the local taxing districts is the retained captured net tax capacity of the authority.*
2. *The county auditor shall exclude the retained captured net tax capacity of the authority from the net tax capacity of the local taxing districts in determining local taxing district tax rates. The local tax rates so determined are to be extended against the retained captured net tax capacity of the authority as well as the net tax capacity of the local taxing districts. The tax generated by the extension of the lesser of (A) the local taxing district tax rates or (B) the original local tax rate to the retained captured net tax capacity of the authority is the tax increment of the authority.*

The HRA has chosen to calculate fiscal disparities by clause a.

According to *M.S., Section 469.177, Subd. 3*:

- (c) *The method of computation of tax increment applied to a district pursuant to paragraph (a) or (b) shall remain the same for the duration of the district, except that the governing body may elect to change its election from the method of computation in paragraph (a) to the method in paragraph (b).*

Subsection 2-12. Business Subsidies

Pursuant to *M.S., Section 116J.993, Subd. 3*, the following forms of financial assistance are not considered a business subsidy:

1. A business subsidy of less than \$150,000;
2. Assistance that is generally available to all businesses or to a general class of similar businesses, such as a line of business, size, location, or similar general criteria;
3. Public improvements to buildings or lands owned by the state or local government that serve a public purpose and do not principally benefit a single business or defined group of businesses at the time the improvements are made;
4. Redevelopment property polluted by contaminants as defined in *M.S., Section 116J.552, Subd. 3*;
5. Assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code and assistance provided for designated historic preservation districts, provided that the assistance is equal to or less than 50% of the total cost;
6. Assistance to provide job readiness and training services if the sole purpose of the assistance is to provide those services;
7. Assistance for housing;
8. Assistance for pollution control or abatement, including assistance for a tax increment financing hazardous substance subdistrict as defined under *M.S., Section 469.174, Subd. 23*;
9. Assistance for energy conservation;
10. Tax reductions resulting from conformity with federal tax law;
11. Workers' compensation and unemployment compensation;
12. Benefits derived from regulation;
13. Indirect benefits derived from assistance to educational institutions;
14. Funds from bonds allocated under chapter 474A, bonds issued to refund outstanding bonds, and bonds issued for the benefit of an organization described in section 501 (c) (3) of the Internal Revenue Code of 1986, as amended through December 31, 1999;
15. Assistance for a collaboration between a Minnesota higher education institution and a business;
16. Assistance for a tax increment financing soils condition district as defined under *M.S., Section 469.174, Subd. 19*;
17. Redevelopment when the recipient's investment in the purchase of the site and in site preparation is 70 percent or more of the assessor's current year's estimated market value;
18. General changes in tax increment financing law and other general tax law changes of a principally technical nature;
19. Federal assistance until the assistance has been repaid to, and reinvested by, the state or local government agency;
20. Funds from dock and wharf bonds issued by a seaway port authority;
21. Business loans and loan guarantees of \$150,000 or less;
22. Federal loan funds provided through the United States Department of Commerce, Economic Development Administration; and
23. Property tax abatements granted under *M.S., Section 469.1813* to property that is subject to valuation under Minnesota Rules, chapter 8100.

The HRA will comply with *M.S., Sections 116J.993 to 116J.995* to the extent the tax increment assistance under this TIF Plan does not fall under any of the above exemptions.

Subsection 2-13. Estimated Impact on Other Taxing Jurisdictions

The estimated impact on other taxing jurisdictions assumes that the redevelopment contemplated by the TIF Plan would have occurred without the creation of the District. However, the HRA and City have determined that such development or redevelopment would not have occurred "but for" tax increment financing and that, therefore, the fiscal impact on other taxing jurisdictions is \$0. The estimated fiscal impact of the District County Code 1203 for parcels located in the Richfield ISD No. 280 for taxes payable in 2012 would be as follows if the "but for" test was not met:

IMPACT ON TAXES COUNTY CODE NO. 1203

	Estimated 2011/Pay 2012 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) Upon Completion	Percent of CTC to Entity Total
Hennepin County	1,253,423,199	3,133,481	0.2500%
City of Edina	96,048,515	3,133,481	3.2624%
Richfield ISD No. 280	29,902,478	3,133,481	10.4790%

IMPACT ON TAXES COUNTY CODE NO. 1203

	Estimated 2011/Pay 2012 Extension Rates	Percent of Total	CTC	Potential Taxes
Hennepin County	0.487770	42.78%	3,133,481	1,528,418
City of Edina	0.259080	22.72%	3,133,481	811,822
Richfield ISD No. 280	0.282900	24.81%	3,133,481	886,462
Other	<u>0.110470</u>	<u>9.96%</u>	<u>3,133,481</u>	<u>346,156</u>
Total	1.140220	100.00%		3,572,858

The estimated fiscal impact of the District County Code 1249 for parcels located in the Bloomington ISD No.271 for taxes payable in 2012 would be as follows if the "but for" test was not met:

IMPACT ON TAXES COUNTY CODE NO. 1249

	Estimated 2011/Pay 2012 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) Upon Completion	Percent of CTC to Entity Total
Hennepin County	1,253,423,199	11,310	0.0009%
City of Edina	96,048,515	11,310	0.0118%
Bloomington ISD No. 271	93,714,504	11,310	0.0121 %

IMPACT ON TAXES COUNTY CODE NO. 1249

	<u>Estimated 2011/Pay 2012 Extension Rates</u>	<u>Percent of Total</u>	<u>CTC</u>	<u>Potential Taxes</u>
Hennepin County	0.487770	45.11%	11,310	5,517
City of Edina	0.259080	23.96%	11,310	2,930
Bloomington ISD No. 271	0.223950	20.71%	11,310	2,533
Other	<u>0.110470</u>	<u>10.22%</u>	<u>11,310</u>	<u>1,249</u>
Total	1.081270	100.00%		12,229

The estimates listed above display the captured tax capacity based on estimated Pay 2012 market values for property within the District. The tax rate used for calculations is the estimated Pay 2012 rate. The total net capacity for the entities listed above are based on estimated Pay 2012 figures.

The Modification does not enlarge the boundaries of the TIF District and the TIF District is fully developed. Therefore, there is no estimated impact on other taxing jurisdictions as a result of this Modification.

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 authorized over the life of the District is \$130,000,000.
- (2) Probable impact of the District on city provided services and ability to issue debt. There is no probably impact of the District on City provided services such as police, fire and public works and ability to issue debt;
- (3) Estimated amount of tax increment attributable to Richfield ISD No 280 levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to ISD No. 280 levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is \$2,659,386;
- (4) Estimated amount of tax increment attributable to Bloomington ISD No 271 levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to ISD No. 271 levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is \$7,599;
- (5) 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 \$4,601,805;

- (6) 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.

Subsection 2-16. Definition of Tax Increment Revenues

Pursuant to *M.S., Section 469.174, Subd. 25*, tax increment revenues derived from a tax increment financing district include all of the following potential revenue sources:

1. Taxes paid by the captured net tax capacity, but excluding any excess taxes, as computed under *M.S., Section 469.177*;
2. The proceeds from the sale or lease of property, tangible or intangible, to the extent the property was purchased by the Authority with tax increments;
3. Principal and interest received on loans or other advances made by the Authority with tax increments;
4. Interest or other investment earnings on or from tax increments;
5. Repayments or return of tax increments made to the Authority under agreements for districts for which the request for certification was made after August 1, 1993; and
6. The market value homestead credit paid to the Authority under *M.S., Section 280.1384*.

Subsection 2-17. Modifications to the District

In accordance with *M.S., Section 469.175, Subd. 4*, any:

1. Reduction or enlargement of the geographic area of the District, if the reduction does not meet the requirements of *M.S., Section 469.175, Subd. 4(e)*;
2. Increase in amount of bonded indebtedness to be incurred;
3. A determination to capitalize interest on debt if that determination was not a part of the original TIF Plan;
4. Increase in the portion of the captured net tax capacity to be retained by the HRA or City;
5. Increase in the estimate of the cost of the District, including administrative expenses, that will be paid or financed with tax increment from the District; or
6. Designation of additional property to be acquired by the HRA or City,

shall be approved upon the notice and after the discussion, public hearing and findings required for approval of the original TIF Plan.

The purpose of this Modification is to designate additional property to be acquired by the HRA or City and to bring the budget into compliance with current OSA regulation.

Pursuant to *M.S. Section 469.175 Subd. 4(f)*, the geographic area of the District may be reduced, but shall not be enlarged after five years following the date of certification of the original net tax capacity by the county auditor. If a redevelopment district is enlarged, the reasons and supporting facts for the determination that the addition to the district meets the criteria of *M.S., Section 469.174, Subd. 10*, must

be documented in writing and retained. The requirements of this paragraph do not apply if (1) the only modification is elimination of parcel(s) from the District and (2)(A) the current net tax capacity of the parcel(s) eliminated from the District equals or exceeds the net tax capacity of those parcel(s) in the District's original net tax capacity or (B) the HRA agrees that, notwithstanding *M.S., Section 469.177, Subd. 1*, the original net tax capacity will be reduced by no more than the current net tax capacity of the parcel(s) eliminated from the District.

This modification does not increase the geographic area of the District.

The HRA or City must notify the County Auditor of any modification to the District. Modifications to the District in the form of a budget modification or an expansion of the boundaries will be recorded in the TIF Plan.

Subsection 2-18. Administrative Expenses

In accordance with *M.S., Section 469.174, Subd. 14*, administrative expenses means all expenditures of the HRA or City, *other than*:

1. Amounts paid for the purchase of land;
2. Amounts paid to contractors or others providing materials and services, including architectural and engineering services, directly connected with the physical development of the real property in the District;
3. Relocation benefits paid to or services provided for persons residing or businesses located in the District; or
4. Amounts used to pay principal or interest on, fund a reserve for, or sell at a discount bonds issued pursuant to *M.S., Section 469.178*; or
5. Amounts used to pay other financial obligations to the extent those obligations were used to finance costs described in clauses (1) to (3).

For districts for which the request for certification were made before August 1, 1979, or after June 30, 1982, and before August 1, 2001, administrative expenses also include amounts paid for services provided by bond counsel, fiscal consultants, and planning or economic development consultants. Pursuant to *M.S., Section 469.176, Subd. 3*, tax increment may be used to pay any **authorized and documented** administrative expenses for the District up to but not to exceed 10 percent of the total estimated tax increment expenditures authorized by the TIF Plan or the total tax increments, as defined by *M.S., Section 469.174, Subd. 25, clause (1)*, from the District, whichever is less.

Pursuant to *M.S., Section 469.176, Subd. 4h*, tax increments may be used to pay for the County's actual administrative expenses incurred in connection with the District and are not subject to the percentage limits of *M.S., Section 469.176, Subd. 3*. The county may require payment of those expenses by February 15 of the year following the year the expenses were incurred.

Pursuant to *M.S., Section 469.177, Subd. 11*, the County Treasurer shall deduct an amount currently .36 percent of any increment distributed to the HRA or City and the County Treasurer shall pay the amount deducted to the State Commissioner of Management and Budget for deposit in the state general fund to be appropriated to the State Auditor for the cost of financial reporting of tax increment financing information and the cost of examining and auditing authorities' use of tax increment financing. This amount may be adjusted annually by the Commissioner of Revenue.

Subsection 2-19. Limitation of Increment

The tax increment pledged to the payment of bonds and interest thereon may be discharged and the District may be terminated if sufficient funds have been irrevocably deposited in the debt service fund or other escrow account held in trust for all outstanding bonds to provide for the payment of the bonds at maturity or redemption date.

Pursuant to *M.S., Section 469.176, Subd. 6:*

if, after four years from the date of certification of the original net tax capacity of the tax increment financing district pursuant to M.S., Section 469.177, no demolition, rehabilitation or renovation of property or other site preparation, including qualified improvement of a street adjacent to a parcel but not installation of utility service including sewer or water systems, has been commenced on a parcel located within a tax increment financing district by the authority or by the owner of the parcel in accordance with the tax increment financing plan, no additional tax increment may be taken from that parcel and the original net tax capacity of that parcel shall be excluded from the original net tax capacity of the tax increment financing district. If the authority or the owner of the parcel subsequently commences demolition, rehabilitation or renovation or other site preparation on that parcel including qualified improvement of a street adjacent to that parcel, in accordance with the tax increment financing plan, the authority shall certify to the county auditor that the activity has commenced and the county auditor shall certify the net tax capacity thereof as most recently certified by the commissioner of revenue and add it to the original net tax capacity of the tax increment financing district. The county auditor must enforce the provisions of this subdivision. The authority must submit to the county auditor evidence that the required activity has taken place for each parcel in the district. The evidence for a parcel must be submitted by February 1 of the fifth year following the year in which the parcel was certified as included in the district. For purposes of this subdivision, qualified improvements of a street are limited to (1) construction or opening of a new street, (2) relocation of a street, and (3) substantial reconstruction or rebuilding of an existing street.

Subsection 2-20. Use of Tax Increment

The HRA or City hereby determines that it will use 100 percent of the captured net tax capacity of taxable property located in the District for the following purposes:

1. To pay the principal of and interest on bonds issued to finance a project;
2. to finance, or otherwise pay public redevelopment costs of the Southeast Edina Redevelopment Project Area pursuant to *M.S., Sections 469.001 to 469.047;*
3. To pay for project costs as identified in the budget set forth in the TIF Plan;
4. To finance, or otherwise pay for other purposes as provided in *M.S., Section 469.176, Subd. 4;*
5. To pay principal and interest on any loans, advances or other payments made to or on behalf of the HRA or City or for the benefit of the Southeast Edina Redevelopment Project Area by a developer;
6. To finance or otherwise pay premiums and other costs for insurance or other security guaranteeing the payment when due of principal of and interest on bonds pursuant to the TIF Plan or pursuant to *M.S., Chapter 462C. M.S., Sections 469.152 through 469.165, and/or M.S., Sections 469.178;* and
7. To accumulate or maintain a reserve securing the payment when due of the principal and interest

on the tax increment bonds or bonds issued pursuant to *M.S., Chapter 462C, M.S., Sections 469.152 through 469.165, and/or M.S., Sections 469.178.*

Tax increments generated in the District will be paid by Hennepin County to the HRA for the Tax Increment Fund of said District. The HRA or City will pay to the developer(s) annually an amount not to exceed an amount as specified in a developer's agreement to reimburse the costs of land acquisition, public improvements, demolition and relocation, site preparation, and administration. Remaining increment funds will be used for HRA or City administration (up to 10 percent) and for the costs of public improvement activities outside the District.

Subsection 2-21. Excess Increments

Excess increments, as defined in *M.S., Section 469.176, Subd. 2*, shall be used only to do one or more of the following:

1. Prepay any outstanding bonds;
2. Discharge the pledge of tax increment for any outstanding bonds;
3. Pay into an escrow account dedicated to the payment of any outstanding bonds; or
4. Return the excess to the County Auditor for redistribution to the respective taxing jurisdictions in proportion to their local tax rates.

The HRA or City must spend or return the excess increments under paragraph (c) within nine months after the end of the year. In addition, the HRA or City may, subject to the limitations set forth herein, choose to modify the TIF Plan in order to finance additional public costs in the Southeast Edina Redevelopment Project Area or the District.

Subsection 2-22. Requirements for Agreements with the Developer

The HRA or City will review any proposal for private development to determine its conformance with the Redevelopment Plan and with applicable municipal ordinances and codes. To facilitate this effort, the following documents may be requested for review and approval: site plan, construction, mechanical, and electrical system drawings, landscaping plan, grading and storm drainage plan, signage system plan, and any other drawings or narrative deemed necessary by the HRA or City to demonstrate the conformance of the development with City plans and ordinances. The HRA or City may also use the Agreements to address other issues related to the development.

Pursuant to *M.S., Section 469.176, Subd. 5*, no more than 25 percent, by acreage, of the property to be acquired in the District as set forth in the TIF Plan shall at any time be owned by the HRA or City as a result of acquisition with the proceeds of bonds issued pursuant to *M.S., Section 469.178* to which tax increments from property acquired is pledged, unless prior to acquisition in excess of 25 percent of the acreage, the HRA or City concluded an agreement for the development or redevelopment of the property acquired and which provides recourse for the HRA or City should the development or redevelopment not be completed.

Subsection 2-23. Assessment Agreements

Pursuant to *M.S., Section 469.177, Subd. 8*, the HRA or City may enter into a written assessment agreement in recordable form with the developer of property within the District which establishes a minimum market value of the land and completed improvements for the duration of the District. The assessment agreement shall be presented to the County Assessor who shall review the plans and

specifications for the improvements to be constructed, review the market value previously assigned to the land upon which the improvements are to be constructed and, so long as the minimum market value contained in the assessment agreement appears, in the judgment of the assessor, to be a reasonable estimate, the County Assessor shall also certify the minimum market value agreement.

Subsection 2-24. Administration of the District

Administration of the District will be handled by the Executive Director.

Subsection 2-25. Annual Disclosure Requirements

Pursuant to *M.S., Section 469.175, Subds. 5, 6, and 6b* the HRA or City must undertake financial reporting for all tax increment financing districts to the Office of the State Auditor, County Board and County Auditor on or before August 1 of each year. *M.S., Section 469.175, Subd. 5* also provides that an annual statement shall be published in a newspaper of general circulation in the City on or before August 15.

If the City fails to make a disclosure or submit a report containing the information required by *M.S., Section 469.175 Subd. 5 and Subd. 6*, the OSA will direct the County Auditor to withhold the distribution of tax increment from the District.

Subsection 2-26. Other Limitations on the Use of Tax Increment

1. General Limitations. All revenue derived from tax increment shall be used in accordance with the TIF Plan. The revenues shall be used to finance, or otherwise pay public redevelopment costs of the Southeast Edina Redevelopment Project Area pursuant to *M.S., Sections 469.001 to 469.047*. Tax increments may not be used to circumvent existing levy limit law. No tax increment may be used for the acquisition, construction, renovation, operation, or maintenance of a building to be used primarily and regularly for conducting the business of a municipality, county, school district, or any other local unit of government or the state or federal government. This provision does not prohibit the use of revenues derived from tax increments for the construction or renovation of a parking structure.

Subsection 2-27. Summary

The Edina Housing and Redevelopment Authority established the District to preserve and enhance the tax base, redevelop substandard areas, and provide employment opportunities in the City. The TIF Plan for the District was prepared by Ehlers & Associates, Inc., 3060 Centre Pointe Drive, Roseville, Minnesota 55113, telephone (651) 697-8500.

Appendix A

Project Description

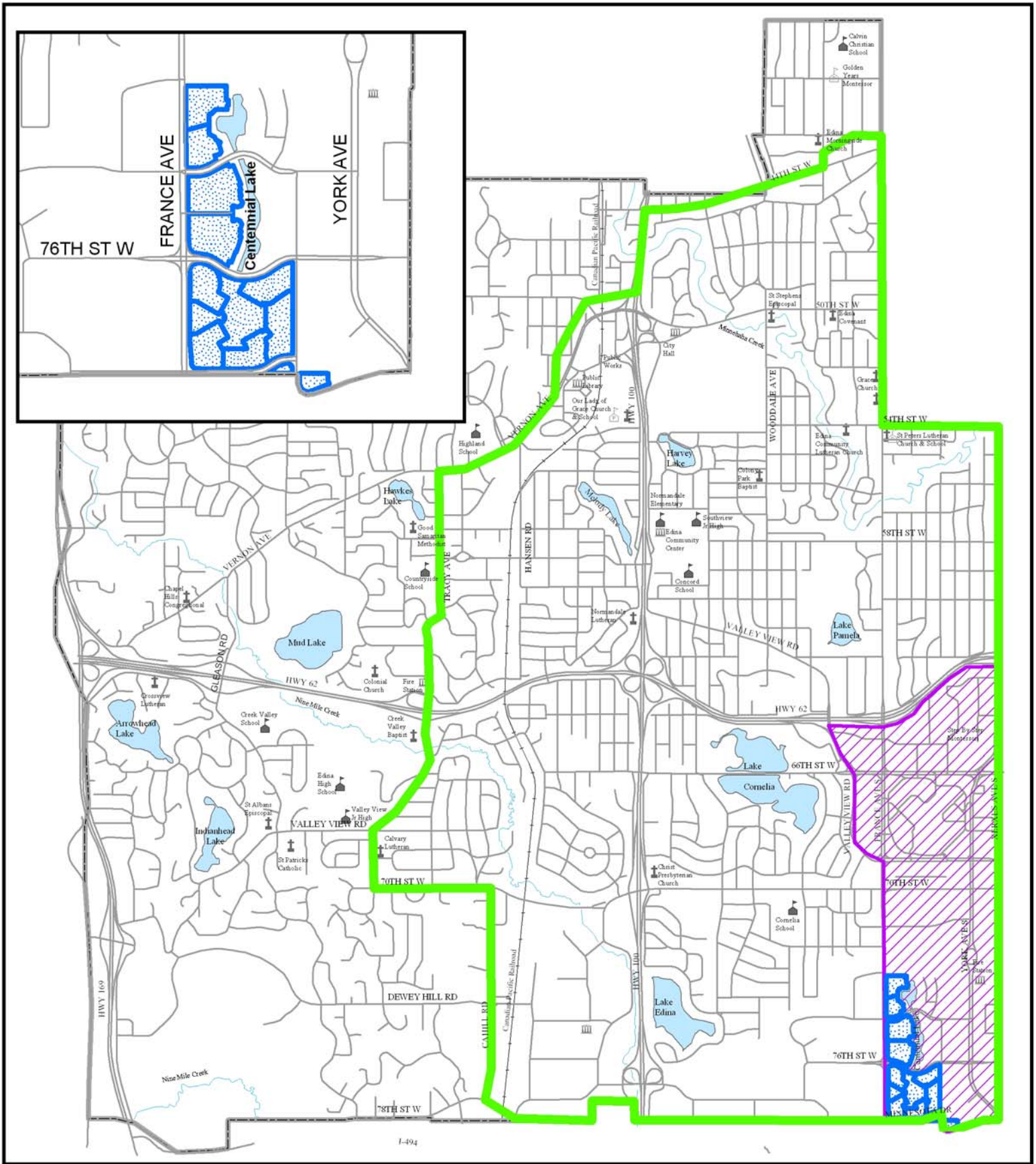
The District was established in March, 1988 to redevelop parcels in the southeastern portion of Edina. The redevelopment consisted of office buildings, retail housing units, a restaurant, parking facilities and related improvements. Tax increment financing assistance was provided pursuant to two development agreements described in Section 2-3 of the Plan. The development is commonly referred to today as Centennial Lakes.

Modification #7 to the District is being undertaken to accomplish the following:

- 1) Revise the District budget to be consistent with current statutory definitions of “tax increment” and the Office of the State Auditor tax increment reporting forms.
- 2) Authorize tax increment from the District to be used to undertake redevelopment of commercial areas and to pay for the installation of public improvements in the expanded Southeast Edina Redevelopment Project Area. All redevelopment will be consistent with the City’s normal planning process, including the Comprehensive Plan and the use of Small Area Plans or other planning tools deemed appropriate by the City Planning Commission and City Council.
- 3) Authorize the HRA and City to use increment to acquire property in the expanded Southeast Edina Redevelopment Project Area as shown in Appendix B. This does not obligate the HRA or City to purchase any property.

Appendix B

Map of the Southeast Edina Redevelopment Project Area and the District



Southeast Edina Project Area Modification and Centennial Lakes TIF District



- Centennial Lakes TIF District
- Southeast Edina Project Area
- Modified Project Area



Appendix C

Description of Property to be Included in the District

(From Original TIF Plan)

The District encompassed all property and adjacent rights-of-way and abutting roadways identified by the parcels listed below when certified in 1988. These parcel numbers vary from the Hennepin County frozen value list.

<u>Parcel Numbers</u>
32.028.24.32.0002
32.028.24.33.0001
32.028.24.33.0002
32.028.24.33.0003
32.028.24.33.0004
5.27.24.21.0004
5.27.24.21.0005

(As Modified February 21, 2012)

The District currently encompasses all property and adjacent rights-of-way and abutting roadways identified by the parcels listed below. No parcels are being added as part of this modification. The list below includes parcel splits that have occurred over the life of the District.

<u>Parcel Numbers</u>	<u>County Code</u>	<u>Address</u>	<u>Owner</u>
32.028.24.23.0283	1203	3821 Gallagher Drive	Miner Investment Group LP
32.028.24.32.0005	1203	7373 France Avenue South	Aurora - Centennial Lakes LLC
32.028.24.32.0399	1203	7401 France Avenue South	Centennial Lakes Plaza LLC
32.028.24.32.0400	1203	7501 France Avenue South	Centennial Lakes Plaza LLC
32.028.24.33.0010	1203	Address Unassigned	Rick Webb Real Estate LLC
32.028.24.33.0011	1203	7701 France Avenue South	Centennial Lakes I LLC
32.028.24.33.0012	1203	7651 France Avenue South	Centennial Lakes Grill LLC
32.028.24.33.0013	1203	7605 France Avenue South	Centennial Lakes II LLC
32.028.24.33.0015	1203	3601 76 th Street West	Centennial Lakes III LLC
32.028.24.33.0016	1203	7650 Edinborough Way	Centennial Lakes IV LLC
32.028.24.33.0019	1203	3600 Minnesota Drive	Centennial Lakes V LLC
32.028.24.33.0020	1203	Address Unassigned	Edina HRA
05.027.24.21.0004	1249	Address Unassigned	Shaner Spe Associates LLP

Appendix D

Estimated Cash Flow for the Remaining Term of District



Centennial Lakes

City of Edina

County number 1249

ASSUMPTIONS AND RATES

District Type:
District Name/Number: 49
County District #: 2010
First Year Construction or Inflation on Value Existing District - Specify No. Years Remaining 3
Inflation Rate - Every Year: 0.00%
Interest Rate: 0.00%
Present Value Date: 1-Feb-12
First Period Ending: 1-Aug-12
Tax Year District was Certified: Pay 1989
Cashflow Assumes First Tax Increment For Development: 2012
Years of Tax Increment: 3
Assumes Last Year of Tax Increment: 2014
Fiscal Disparities Election [Outside (A), Inside (B), or NA] Outside(A)
Incremental or Total Fiscal Disparities: 34.7413%
Fiscal Disparities Contribution Ratio: 141.9450%
Fiscal Disparities Metro-Wide Tax Rate: Pay 2012 Prelim.
 Pay 2012 Prelim.

Redevelopment
 Maximum/Frozen Local Tax Rate: 108.127% Pay 2012 Prelim.
 Current Local Tax Rate: (Use lesser of Current or Max.) 108.127% Pay 2012 Prelim.
 State-wide Tax Rate (Comm./Ind. only used for total taxes) 52.0000% Pay 2012 Prelim.
 Market Value Tax Rate (Used for total taxes) 0.158600% Pay 2012 Prelim.

PROPERTY TAX CLASSES AND CLASS RATES:

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

BASE VALUE INFORMATION (Original Tax Capacity)

Map #	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Tax Year		Property Tax Class	Current Original Tax Capacity	Class After Conversion	Area/Phase
								Original Market Value	Pay 1989				
05-027-24-21-0004				371,000	0	371,000	100%	371,000	Pay 1989	C/I Pref.	6,670	C/I Pref.	6,670
				371,000	0	371,000		371,000	Pay 1989	C/I Pref.	6,670	C/I Pref.	6,670

Note:
 1. Base values are based upon Frozen Increment report dated 12/5/2011.



PROJECT INFORMATION (Project Tax Capacity)											
PID	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2010	Percentage Completed 2011	Percentage Completed 2012	Percentage Completed 2013	First Year Full Taxes Payable
05-027-24-21-0004		899,000	899,000	C/I	17,980	17,980	100%	100%	100%	100%	2012
TOTAL			899,000		17,980	17,980					
Subtotal Residential			0		0						
Subtotal Commercial/Ind.			899,000		17,980						

Note:

1. Market values are based upon pay 2012 values per county, New Increment Finance Valuations report dated 12/5/2011

TAX CALCULATIONS

New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local		Fiscal Disparities		State-wide		Market Value	Total Taxes
			Property Taxes	Tax Capacity	Taxes	Property Taxes	Property Taxes	Market Taxes		
0	17,980	6,246	12,687	11,734	8,867	9,350	9,350	1,426	32,329	
TOTAL	17,980	6,246	12,687	11,734	8,867	9,350	9,350	1,426	32,329	

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	32,329
less State-wide Taxes	(9,350)
less Fiscal Disp. Adj.	(2,112)
less Market Value Taxes	(1,426)
less Base Value Taxes	(7,212)
Annual Gross TIF	12,229



Centennial Lakes
City of Edina
County number 1249

TAX INCREMENT CASH FLOW

% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor	Admin. at 10%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date		
															0.36%	10%
100%	17,980	(6,670)	-	11,310	108.127%	12,229	6,115	(22)	(609)	5,483	5,483	0.5	2011	08/01/12		
100%	17,980	(6,670)	-	11,310	108.127%	12,229	6,115	(22)	(609)	5,483	10,967	1	2012	02/01/13		
100%	17,980	(6,670)	-	11,310	108.127%	12,229	6,115	(22)	(609)	5,483	16,450	1.5	2013	08/01/13		
											21,933	2	2013	02/01/14		
											27,417	2.5	2014	08/01/14		
											32,900	3	2014	02/01/15		
Total											36,687	(132)	(3,656)	32,900		
											36,687	(132)	(3,656)	32,900		



Centennial Lakes

City of Edina

County number 1203

ASSUMPTIONS AND RATES

DistrictType: Redevelopment
District Name/Number: 1203
County District #: 2010
First Year Construction or Inflation on Value Existing District - Specify No. Years Remaining: 3
Inflation Rate - Every Year: 0.00%
Interest Rate: 0.00%
Present Value Date: 1-Feb-12
First Period Ending: 1-Aug-12
Tax Year District was Certified: Pay 1989
Cashflow Assumes First Tax Increment For Development: 2012
Assumes Last Year of Tax Increment: 2014
Fiscal Disparities Election (Outside (A), Inside (B), or NA) Incremental or Total Fiscal Disparities: Outside(A)
Fiscal Disparities Contribution Ratio: 34.7413%
Fiscal Disparities Metro-Wide Tax Rate: 141.9450%
 Pay 2012 Prelim.
 Pay 2012 Prelim.

Maximum/Frozen Local Tax Rate: 114.022%
Current Local Tax Rate: (Use lesser of Current or Max.): 114.022%
State-wide Tax Rate (Comm./Ind. only used for total taxes): 52.0000%
Market Value Tax Rate (Used for total taxes): 0.15860%
 Pay 2012 Prelim.
 Pay 2012 Prelim.
 Pay 2012 Prelim.

PROPERTY TAX CLASSES AND CLASS RATES:

Exempt Class Rate (Exempt)	0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)	1.50%
First	2.00%
Over	2.00%
Commercial Industrial Class Rate (C/I)	1.25%
Rental Housing Class Rate (Rental)	0.75%
Affordable Rental Housing Class Rate (Aff. Rental)	1.25%
Non-Homestead Residential (Non-H Res.)	1.00%
Homestead Residential Class Rate (Hmstd. Res.)	1.25%
First	1.00%
Over	1.25%
Agricultural Non-Homestead	1.00%

BASE VALUE INFORMATION (Original Tax Capacity)

Map #	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Tax Year		Property Tax Class	Current		Class After Conversion	
								Original Market Value	Pay 1989		Original Tax Capacity	Tax	Original Tax Capacity	Conversion
32-028-24-33-0001	1,718,000			1,718,000	0	1,718,000	100%	1,718,000	Pay 1989	Rental	21,475	21,475	Rental	21,475
32-028-24-32-0002	3,640,000			3,640,000	100	3,640,100	100%	3,640,100	Pay 1989	C/I Pref.	72,052	72,052	C/I Pref.	72,052
32-028-24-33-0001	3,436,000			3,536,000	100,000	3,536,000	100%	3,536,000	Pay 1989	C/I Pref.	69,970	69,970	C/I Pref.	69,970
32-028-24-33-0002	1,288,000			1,288,000		1,288,000	100%	1,288,000	Pay 1989	Rental	16,100	16,100	Rental	16,100
32-028-24-33-0003	584,000			584,000		584,000	100%	584,000	Pay 1989	Rental	7,300	7,300	Rental	7,300
32-028-24-33-0004	584,000			584,000		584,000	100%	584,000	Pay 1989	Rental	7,300	7,300	Rental	7,300
				0		0	100%	0	Pay 1989	Exempt	-	-	Exempt	-
				11,250,000	100,100	11,350,100		11,350,100				194,197		194,197

Note:

- 1. Property Identification Numbers are based on Hennepin County's Frozen Increment report dated 12/5/2011.
- 2. Base values are based upon Frozen Increment report dated 12/5/2011.



PROJECT INFORMATION (Project Tax Capacity)

PID	Parcel Number	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value	Total Taxable Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2010	Percentage Completed 2011	Percentage Completed 2012	Percentage Completed 2013	First Year Full Taxes Payable
32-028-24-23-0283	1	7,200,000	7,200,000	7,200,000	C/I Pref.	143,250	#DIV/0!	100%	100%	100%	100%	2012
32-028-24-32-0005	2	14,000,000	14,000,000	14,000,000	C/I Pref.	279,250	#DIV/0!	100%	100%	100%	100%	2012
32-028-24-32-0399	3	17,062,400	17,062,400	17,062,400	C/I Pref.	340,498	340,498	100%	100%	100%	100%	2012
32-028-24-32-0400	4	16,937,600	16,937,600	16,937,600	C/I	338,752	338,752	100%	100%	100%	100%	2012
32-028-24-33-0010	5	464,700	464,700	464,700	C/I	9,294	9,294	100%	100%	100%	100%	2012
32-028-24-33-0011	6	16,959,000	16,959,000	16,959,000	C/I Pref.	338,430	338,430	100%	100%	100%	100%	2012
32-028-24-33-0012	7	2,598,700	2,598,700	2,598,700	C/I Pref.	51,224	51,224	100%	100%	100%	100%	2012
32-028-24-33-0013	8	16,957,000	16,957,000	16,957,000	C/I Pref.	338,390	338,390	100%	100%	100%	100%	2012
32-028-24-33-0015	9	17,884,000	17,884,000	17,884,000	C/I Pref.	356,930	356,930	100%	100%	100%	100%	2012
32-028-24-33-0016	10	28,052,000	28,052,000	28,052,000	C/I Pref.	560,290	560,290	100%	100%	100%	100%	2012
32-028-24-33-0019	11	28,606,000	28,606,000	28,606,000	C/I Pref.	571,370	571,370	100%	100%	100%	100%	2012
32-028-24-33-0020	12	-	-	0	Exempt	0	-	100%	100%	100%	100%	2012
TOTAL				166,721,400		3,327,678						
Subtotal Residential				0		0						
Subtotal Commercial/Ind.				166,721,400		3,327,678						

Note:
1. Market values are based upon pay 2012 values per county. New Increment Finance Valuations report dated 12/5/2011

TAX CALCULATIONS

Parcel Number	Total Tax Capacity	Local		Fiscal		State-wide		Market		Total Taxes	Taxes Per Sq. Ft./Unit
		Property Taxes	Disparities	Property Taxes	Disparities	Property Taxes	Disparities	Value	Taxes		
1	143,250	93,483	49,767	106,591	70,642	74,490	11,419	263,142	263,142	1,845	
2	279,250	182,235	97,015	207,788	137,708	145,210	22,204	512,910	512,910	1,837	
3	340,498	222,205	118,293	253,362	167,912	177,059	27,061	625,394	625,394	1,837	
4	338,752	221,065	117,687	252,063	167,051	176,151	26,863	622,128	622,128	1,837	
5	9,294	6,065	3,229	6,916	4,583	4,833	737	17,069	17,069	1,837	
6	338,430	220,855	117,575	251,823	166,892	175,984	26,897	621,596	621,596	1,837	
7	51,224	33,428	17,796	38,115	25,260	26,636	4,122	94,134	94,134	1,837	
8	338,390	220,829	117,561	251,794	166,872	175,963	26,894	621,522	621,522	1,837	
9	356,930	232,928	124,002	265,589	176,015	185,604	28,364	655,571	655,571	1,837	
10	560,290	365,638	194,652	416,908	276,299	291,351	44,490	1,029,048	1,029,048	1,837	
11	571,370	372,869	198,501	425,152	281,763	297,112	45,369	1,049,397	1,049,397	1,837	
12	0	0	0	0	0	0	0	0	0	0	
TOTAL	3,327,678	2,171,599	1,155,079	2,476,101	1,640,996	1,730,393	264,420	6,111,910	6,111,910		

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	6,111,910
less State-wide Taxes	(1,730,393)
less Fiscal Disp. Adj.	(322,812)
less Market Value Taxes	(264,420)
less Base Value Taxes	(221,427)
Annual Gross TIF	3,572,858



Centennial Lakes
City of Edina
County number 1203

TAX INCREMENT CASH FLOW															
% of OTC	Project Tax Capacity	Original Tax Capacity (194,197)	Fiscal Disparities Incremental	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	
															114.022%
100%	3,327,678	(194,197)	-	3,133,481	114.022%	3,572,858	1,786,429	(6,431)	(178,000)	1,601,998	1,601,998	0.5	2012	08/01/12	
100%	3,327,678	(194,197)	-	3,133,481	114.022%	3,572,858	1,786,429	(6,431)	(178,000)	1,601,998	3,203,996	1	2012	02/01/13	
100%	3,327,678	(194,197)	-	3,133,481	114.022%	3,572,858	1,786,429	(6,431)	(178,000)	1,601,998	4,805,994	1.5	2013	08/01/13	
100%	3,327,678	(194,197)	-	3,133,481	114.022%	3,572,858	1,786,429	(6,431)	(178,000)	1,601,998	6,407,992	2	2013	02/01/14	
100%	3,327,678	(194,197)	-	3,133,481	114.022%	3,572,858	1,786,429	(6,431)	(178,000)	1,601,998	8,009,990	2.5	2014	08/01/14	
100%	3,327,678	(194,197)	-	3,133,481	114.022%	3,572,858	1,786,429	(6,431)	(178,000)	1,601,998	9,611,988	3	2014	02/01/15	
											11,213,986	3.5	2015	08/01/15	
											12,815,984	4	2015	02/01/16	
Total											12,815,984				
Present Value From 02/01/2012											(51,449)				
Present Value Rate											0.00%				
Present Value Rate											(1,423,998)				
Present Value Rate											12,815,984				

Appendix E

Minnesota Business Assistance Form

(Minnesota Department of Employment and Economic Development)

A Minnesota Business Assistance Form (MBAF) should be used to report and/or update each calendar year's activity by April 1 of the following year.

Please see the Minnesota Department of Employment and Economic Development (DEED) website at <http://www.deed.state.mn.us/Community/subsidies/MBAFForm.htm> for information and forms.