



**Meeting Agenda**  
**Monday, March 2, 2019 (7:00PM)**  
**Green Isle City Hall**  
Please call 507-479-3219 if you are unable to attend

I. Call meeting to order

II. Pledge of Allegiance

III. Agendas & Minutes

1. Consider 3/2/2020 Agenda
2. Consider 2/3/2020 Minutes

IV. Bills and Communications: A. RLF Fund Balance: \$\_\_\_\_\_ (as of 2/28/2020)

V. Monthly Reports/Updates:

1. Mayor's report
2. Council Liaison report
  - i. Mark Wentzloff
  - ii. Diane Brown

VI. New Business:

1. Modification to the Development Program and TIF Plan – move to put FIRST after approving minutes
2. Update on JIT Expansion
3. ISG Proposal for Parcel 34.0037.000

VII. Unfinished business:

1. Update on areas of improvement within the City (signs, sidewalks) – Brown, Schuft
2. Consider draft of Policy to waive WAC and SAC
3. Industrial Park Lot sizes
4. Consider new prices for industrial park lots
5. Update on sunseting commercial lots policy

VIII. Board and Director Comments

IX. Adjournment



Meeting Minutes  
Monday, February 3, 2020  
Green Isle City Hall

I. Call meeting to order

**Members Present:** Mayor Joe Kruger, Diane Brown, Denise Schuft, Jason Mackenthun, Scott Vos, Mark Miller

**Members Absent:** Mark Wentzlaff, Victor Schwartz

**Staff Present:** Michael Kedrowski

**Staff Absent:** Amy Newsom

Guests in Attendance: None

II. Pledge of Allegiance

III. Election of Officer

1. Secretary – Michael Kedrowski was elected secretary, the motion was made by Schuft and seconded by Mackenthun.

IV. Agendas & Minutes

1. Consider 2/3//2020 Agenda - Motion by Vos, Second by Schuft to approve the agenda with the edit of RLF balance to correct date of 1/31/2020. Motion Carried

2. Consider 1/15/2020 Minutes - Motion by Vos, Second by Schuft, to approve the minutes with the addition of adding Kevin Riley as guest, motion carried.

V. Bills and Communications: A. RLF Fund Balance: \$2,691.43 (as of 1/31/2020)

VI. Monthly Reports/Updates:

1. Mayor's report – Mayor Kreger reported that Kevin Riley is building a house in town valued at \$420,000 and will have 2 lots, on with the home and a shed valued at \$60,000 on the other. His taxes are assessed at \$10,200 and are believed to be too high and it was discussed that a homestead option and combining lots may help the assessment of taxes go down. It was also brought up that June 9<sup>th</sup> Green Isle will be featured on Fox 9's Townball series with a 5:30 start time.

2. Council Liaison report

i. Mark Wentzlaff - none

ii. Diane Brown - none

VII. Unfinished business:

1. Green Isle Refrigerated Warehouse project – There will be a special meeting of the Planning and Zoning Committee on February 10<sup>th</sup> to review the plans for the project. It was also mentioned that a public hearing is discussed to be held at the Council meeting on the 26<sup>th</sup> of February.
2. Update on areas of improvement within the City (signs, sidewalks) – Brown, Schuft  
Schuft announced there have been zero responses from landscapers on the project thus far.
3. Parcel 34.0037.000 – It was discussed that the EDA would like to relist the parcel and Vos will be contacting ISG to get a layout of the parcel to show potential buyers what type of structure or use the lot can have. Kedrowski will look into setbacks and parking options.
4. Consider draft of Policy to waive WAC and SAC – It was discussed that a draft of the WAC/SAC waiver be presented and reviewed by the March 2<sup>nd</sup> meeting.
5. JIT expansion – no updates
6. Industrial Park Lot sizes – It was discussed that the availability to change lot size if requested by the interested party.
7. Consider new prices for industrial park lots – Lot sizes and the current price of lots were discussed. The cost of lots in other cities nearby such as Norwood Young America and Glencoe were compared to the current prices in Green Isle. There was a motion by Vos to recommend to Council the price of \$.80 per square foot and to dissolve the Commercial Lots policy. It was seconded by Miller. The motion carried.
8. Consider sunseting commercial lots policy – It was discussed in VII.7 to dissolve the Commercial Lots Policy. Motion carried to recommend it to Council.
9. Lionshead Tires and Wheels – Kedrowski mentioned a conference call was made last week with the owner of Lionshead Tires and Wheels in Norwood Young America. They are interested in a lot in Green Isle and are mentioning bringing 12 jobs to town and are in need of at least 13 acres.

VIII. New Business – None

IX. Board and Director Comments - None

X. Adjournment - Motion by Schuft to adjourn at 7:42. Second by Mackenthun. Motion carried.

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Michael Kedrowski, EDA Director

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Diane Brown, EDA Vice-President

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF GREEN ISLE  
SIBLEY COUNTY  
STATE OF MINNESOTA**

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

**RESOLUTION RECOMMENDING THE CITY COUNCIL ADOPT A  
MODIFICATION TO DEVELOPMENT PROGRAM FOR MUNICIPAL  
DEVELOPMENT DISTRICT NO. 1, AND ADOPT THE TAX INCREMENT  
FINANCING PLAN FOR TAX INCREMENT FINANCING DISTRICT NO. 1-2**

WHEREAS, there is a proposal to adopt a Modification to Development Program (the "Development Program") for Municipal Development District No. 1 and adopt a Tax Increment Financing Plan for Tax Increment Financing District No. 1-2 (the Development Program and the TIF Plan are referred to collectively herein as the "Program Modification and Plan"), all pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.124 to 469.134, and Sections 469.174 to 469.1794, inclusive, as amended (the "Act"), all as reflected in the Program Modification and Plan and presented for the Board of Commissioner's of the Economic Development Authority of the City of Green Isle's consideration (the "EDA"); and

WHEREAS, the EDA has investigated the facts relating to the Program Modification and Plan and has caused the Program Modification and Plan to be prepared; and

WHEREAS, the EDA has performed all actions required by law to be performed prior to the adoption of the Program Modification and Plan and has also requested that the City Council schedule a public hearing on the Program and Plan upon published notice as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Economic Development Authority of the City of Green Isle (the "EDA") as follows:

1. The EDA hereby recommends that the Program Modification and Plan conform in all respects to the requirements of the Act; will discourage commerce, industry, or manufacturing from moving their operations to another state or municipality; and will increase employment in the state, and preserve and enhance the tax base of the state.
2. The EDA further recommends that the Program Modification and Plan will afford maximum opportunity, consistent with the sound needs of the City of Green Isle as a whole, for the development or redevelopment of Development District No. 1 by private enterprise in that the intent is to provide only that public assistance necessary to make the private developments financially feasible.
3. The EDA hereby recommends the Program Modification and Plan, as presented to the EDA on this date, and recommends that they be established and adopted by the City Council.

Approved by the EDA this 2<sup>nd</sup> day of March, 2020.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary



**MODIFICATION TO THE DEVELOPMENT  
PROGRAM**

**Municipal Development District No. 1**

**- AND -**

**TAX INCREMENT FINANCING PLAN**

**Establishment of Tax Increment Financing District No. 1-2  
(an economic development district)**



City of Green Isle, Sibley County, Minnesota

Public Hearing: March 10, 2020

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# **Modification to the Development Program for Municipal Development District No. 1**

## **Foreword**

The following text represents a Modification to the Development Program for Municipal Development District No. 1. This modification represents a continuation of the goals and objectives set forth in the Development Program for Municipal Development District No. 1. Generally, the substantive changes include the establishment of the Tax Increment Financing District No. 1-2.

For further information, a review of the Development Program for Municipal Development District No. 1, is recommended. It is available from the Green Isle City Clerk/Treasurer at the City of Green Isle. Other relevant information is contained in the Tax Increment Financing Plans for the Tax Increment Financing Districts located within Municipal Development District No. 1.

# **Tax Increment Financing Plan for the Tax Increment Financing District No. 1-2**

## **Foreword**

The City of Green Isle (the "City"), staff and consultants have prepared the following information to expedite the establishment of the Tax Increment Financing District No. 1-2 (the "District"), an economic development tax increment financing district, located in Municipal Development District 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 City has certain statutory powers pursuant to *Minnesota Statutes ("M.S."), Sections 469.124 - 469.133*, 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 Municipal Development District No. 1.

## **Statement of Objectives**

The District currently consists of three parcels of land and adjacent and internal rights-of-way that are currently within Tax Increment Financing District No. 1-1 (the "District 1-1"). District 1-1 is being decertified and the new District is being created to facilitate the delay in construction of an approximately 80,000 square foot cold storage facility, in the City's industrial park, in order to capture the full 9 years of increment. Decertification of District 1-1 is expected to be completed prior to the certification of the new District. The City has not entered into an agreement with the developer, Bartels Trucking, at the time of preparation of this TIF Plan, but development is likely to occur in 2020. This TIF Plan is expected to achieve many of the objectives outlined in the Development Program for Municipal Development District No. 1.

TIF assistance will likely include utilities and site preparation. The initial project will be funded by a pay-as-you-go note and an interfund loan for preliminary expenses prior to the receipt of tax increments.

The activities contemplated in the Development Program 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 Municipal Development District No. 1 and the District.

## **Development Program Overview**

Pursuant to the Development Program and authorizing state statutes, the City 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 City 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 City 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 City may perform or provide for some or all necessary acquisition, construction, relocation, demolition, and required utilities and public street work within the District.
5. The City proposes both public and private infrastructure within the District. The proposed reuse of private property within the District will be for a cold storage facility for Bartels Trucking, and there will be continued operation of Municipal Development District No. 1 after the capital improvements within Municipal Development District No. 1 have been completed.

### **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 number	Address	Owner
34.0158.010	GI Industrial Park	GIRW, LLC
34.0158.020	GI Industrial Park	GIRW, LLC
34.0158.030	GI Industrial Park	GIRW, LLC

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

The City 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 City 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 City 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.

The Developer currently owns the property to be included in the District.

## **Classification of the District**

The City, 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 an economic development district pursuant to *M.S., Section 469.174, Subd. 12*.

The District is in the public interest because it will meet the statutory requirement of resulting in increased employment in the State and resulting in preservation and enhancement of the tax base of the State.

Pursuant to *M.S., Section 469.176, Subd. 4c*, revenue derived from tax increment from an economic development district may not be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or assistance in any form to developments consisting of buildings and ancillary facilities, if more than 15 percent of the buildings and facilities (determined on the basis of square footage) are used for a purpose other than:

- (1) The manufacturing or production of tangible personal property, including processing resulting in the change in condition of the property;
- (2) Warehousing, storage, and distribution of tangible personal property, excluding retail sales;
- (3) Research and development related to the activities listed in items (1) or (2);
- (4) Telemarketing if that activity is the exclusive use of the property; or
- (5) Tourism facilities;
- (6) Space necessary for and related to the activities listed in items (1) to (5); or
- (7) A workforce housing project that satisfies the requirements of *M.S., Section 469.176, Subd. 4c(d)*.

In meeting the statutory criteria the City relies on the following facts and findings: The facilities in the District meet the conditions of Purposes 2 and 6.

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 M.S., Section 469.176, Subd. 1*, the duration 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 8 years after receipt of the first increment by the City. The date of receipt by the City of the first tax increment is expected to be 2022.

Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2030, or when the TIF Plan is satisfied. If increment is received in 2022, the term of the District will be 2030. The City 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 2019 for taxes payable 2020.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2020) 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 City.

The original local tax rate for the District will be the local tax rate for taxes payable 2020, assuming the request for certification is made before June 30, 2020. 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 Municipal 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 City requests 100 percent of the available increase in tax capacity for repayment of its obligations and current expenditures, beginning in the tax year payable 2022. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

Project Tax Capacity	
Project estimated Tax Capacity upon completion	\$233,453
Original estimated Net Tax Capacity	<u>\$2,949</u>
<b>Estimated Captured Tax Capacity</b>	<b>\$230,504</b>
Original Local Tax Rate	<u>231.5050%</u> Prelim Pay 2020
<b>Estimated Annual Tax Increment</b>	<b>\$587,112</b>
Percent Retained by the City	100%

Note: Tax capacity includes a 2.00% 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. The tax capacity of the District in year one is estimated to be \$199,250.

Pursuant to *M.S., Section 469.177, Subd. 4*, the City 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 City is reviewing the area to be included in the District to determine if any 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:

SOURCES	
Tax Increment	\$ 4,422,133
Interest	442,213
<b>TOTAL</b>	<b>\$ 4,864,346</b>

The costs outlined in the Uses of Funds will be financed primarily through the annual collection of tax increments. The 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 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 City to incur debt. The City will issue bonds or incur other debt only upon the determination that such action is in the best interest of the City.

The 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 \$4,076,899. 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 construction of an approximately 80,000 square foot cold storage facility in the City's industrial park. The City has determined that it will be necessary to provide assistance to the project(s) for certain District costs, as described.

The City 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	\$ 200,000
Site Improvements/Preparation	2,000,000
Utilities	1,050,000
Other Qualifying Improvements	384,686
Administrative Costs (up to 10%)	442,213
<b>PROJECT COSTS TOTAL</b>	<b>\$ 4,076,899</b>
Interest	787,447
<b>PROJECT AND INTEREST COSTS TOTAL</b>	<b>\$ 4,864,346</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 capital and administrative costs listed above are subject to change among categories by modification of the TIF Plan without hearings and notices as required for approval of the initial TIF Plan, so long as the total capital and administrative costs combined do not exceed the total listed above. Further, the City may spend up to 20 percent of the tax increments from the District for activities (described in the table above) located outside the boundaries of the District but within the boundaries of the Project (including administrative costs, which are considered to be spend outside the District), subject to all other terms and conditions of this TIF Plan.

**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 City 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:

<b>Impact on Tax Base</b>			
<b>Entity</b>	<b>Proposed 2019/Pay 2020 Total Net Tax Capacity</b>	<b>Estimated Captured Tax Capacity (CTC) upon completion</b>	<b>Percent of CTC to Entity Total</b>
County	28,967,802	230,504	<b>0.7957%</b>
City	398,890	230,504	<b>57.7864%</b>
ISD	11,700,478	230,504	<b>1.9700%</b>

Impact on Tax Rates				
Entity	Proposed Pay 2020 Extension Rate	Percent of Total	CTC	Potential Taxes
County	51.2560%	22.14%	230,504	\$ 118,147
City	156.6360%	67.66%	230,504	361,052
ISD	22.9500%	9.91%	230,504	52,901
Other	0.6630%	0.29%	230,504	1,528
	<b>231.5050%</b>	<b>100.00%</b>		<b>\$ 533,628</b>

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the Proposed Pay 2020 rate. The total net capacity for the entities listed above are based on Proposed Pay 2020 figures. The District will be certified under the Pay 2020 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 \$4,422,133;
- (2) Probable impact of the District on city provided services and ability to issue debt. An impact of the District on police protection is not expected. New developments add an increase in traffic, and additional overall demands to the call load. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

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 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. Based on the development plans, there are no additional costs associated with street maintenance, sweeping, plowing, lighting and sidewalks. However, lighting operating costs are yet to be determined. The development in the District is expected to contribute to sanitary sewer (SAC) and water (WAC) connection fees.

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 \$438,383;

- (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 \$979,075;
- (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 in the TIF application and request for tax increment assistance; 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 Clerk/Treasurer.

**Appendix A: Map of Municipal Development District No. 1 and the TIF District**



TAX INCREMENT FINANCING DISTRICT NO. 1-2  
MUNICIPAL DEVELOPMENT DISTRICT NO. 1

CITY OF GREEN ISLE  
SIBLEY COUNTY, MINNESOTA

N

Tax Increment  
Financing District  
No. 1-2

180th

361st

365th

7th

8th

Church

South

Lake Erin

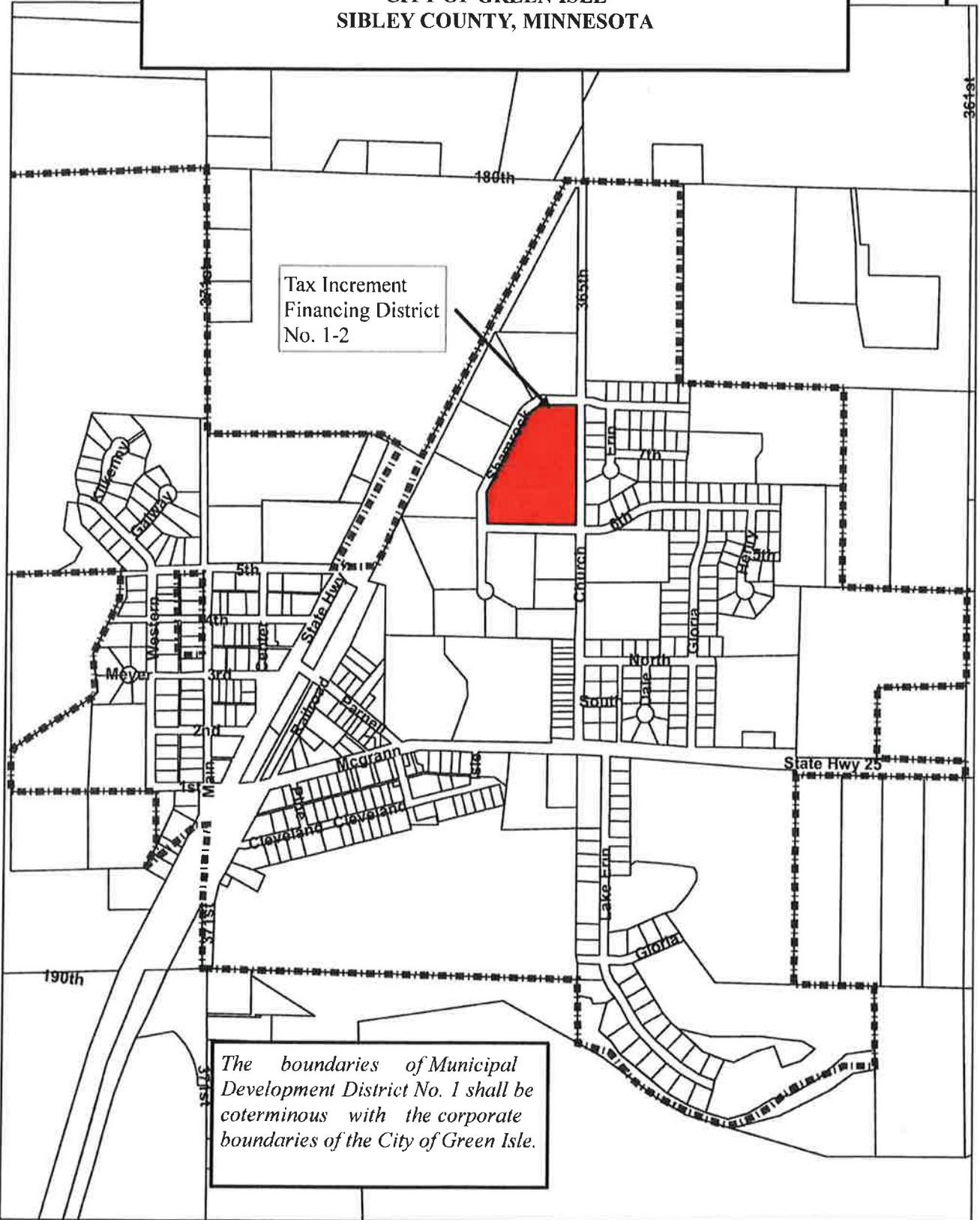
Gloria

190th

State Hwy 25

190th

*The boundaries of Municipal  
Development District No. 1 shall be  
coterminous with the corporate  
boundaries of the City of Green Isle.*



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



**Green Isle Industrial Park - 2.00% Inflation**  
 City of Green Isle, Minnesota

80,000 SF Bartels Trucking Cold Storage Commercial/Industrial Facility

**ASSUMPTIONS AND RATES**

District Type:	Economic Development
District Name/Number:	1-2
County District #:	TBD
First Year Construction or Inflation on Value	2020
Expiring District - Specify No. Years Remaining	
Inflation Rate - Every Year:	2.00%
Interest Date:	4.25%
Present Value Date:	1-Aug-21
First Period Ending:	1-Feb-22
Tax Year District was Certified:	Pay 2020
Cashflow Assumes First Tax Increment For Development:	2022
Years of Tax Increment:	9
Assumes Last Year of Tax Increment:	2030
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	NA
Incremental or Total Fiscal Disparities	
Fiscal Disparities Continuation Ratio	0.0000%
Fiscal Disparities Metro-Wide Tax Rate	0.0000%
Maximum/Frozen Local Tax Rate:	231.505% Prelim Pay 2020
Current Local Tax Rate. (Use lesser of Current or Max.)	231.505% Prelim Pay 2020
State-wide Tax Rate (Comm /Ind. only used for total taxes)	42.416% Prelim Pay 2020
Market Value Tax Rate (Used for total taxes)	0.124% Prelim Pay 2020

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 \$182,000		0.75%
Over \$182,000		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)**

Map ID	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	Area/Phase
1	34 0158 010	GIRW, LLC	GI Industrial Park	62,800	0	62,800	100%	62,800	Pay 2019	C/I Pref.	942	C/I Pref.	942	1
2	34 0158 020	GIRW, LLC	GI Industrial Park	64,000	0	64,000	100%	64,000	Pay 2019	C/I Pref.	960	C/I Pref.	960	1
3	34 0158 030	GIRW, LLC	GI Industrial Park	59,800	0	59,800	100%	59,800	Pay 2019	C/I Pref.	1,047	C/I Pref.	1,047	1
						<b>196,600</b>					<b>2,949</b>		<b>2,949</b>	

**Note:**

1. Base values are for taxes payable in 2019 based upon County Auditor Certification on June 19, 2019.



**Green Isle Industrial Park - 2.00% Inflation**

City of Green Isle, Minnesota

80,000 SF Barrels Trucking Cold Storage Commercial/Industrial Facility

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 2020	Percentage Completed 2021	Percentage Completed 2022	Percentage Completed 2023	First Year Full Taxes Payable	
TOTAL	Industrial	125	125	80,000	10,000,000	C/I Pref.	199,250	2	100%	100%	100%	100%	2022	
Subtotal Residential				0	0		0							
Subtotal Commercial/Ind.				80,000	10,000,000		199,250							

**Note:**

1. Market values are inflated per Developer's request from County Assessor's estimate of \$5,280,000 for taxes payable in 2020 made subsequent to the estimate of \$4,800,000 on August 10, 2018. Includes land and building. Does not include equipment.

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
Industrial	199,250	0	199,250	461,274	0	83,878	12,422	557,573	6.97
TOTAL	199,250	0	199,250	461,274	0	83,878	12,422	557,573	

**Note:**

- Taxes and tax increment will vary significantly from year to year depending upon values, rates, state law and other factors which cannot be predicted.
- If tax increment is received in 2021, then the district will be one year shorter.

WHAT IS EXCLUDED FROM TIF?	
Total Property Taxes	557,573
less State-wide Taxes	(83,878)
less Fiscal Disp. Adj.	0
less Market Value Taxes	(12,422)
less Base Value Taxes	(6,827)
Annual Gross TIF	454,447

MARKET VALUE BUT / FOR ANALYSIS	
Current Market Value - Est.	199,000
New Market Value - Est.	10,000,000
Difference	9,801,000
Present Value of Tax Increment	3,560,008
Difference	6,241,392
Value likely to occur without Tax Increment is less than	



## Appendix C: Findings Including But/For Qualifications

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan for Tax Increment Financing District No. 1-2 as required pursuant to *M.S., Section 469.175, Subd. 3* are as follows:

1. *Finding that Tax Increment Financing District No. 1-2 is an economic development district as defined in M.S., Section 469.174, Subd. 12.*

Tax Increment Financing District No. 1-2 is a contiguous geographic area within the City's Municipal Development District No. 1, delineated in the TIF Plan, for the purpose of financing economic development in the City through the use of tax increment. The District is in the public interest because it will facilitate the construction of an approximately 80,000 square foot cold storage facility in the City's industrial park which will increase employment in the State and preserve and enhance the tax base of the state.

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 and that 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 Tax Increment Financing District No. 1-2 permitted by the TIF Plan.*

*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 cold storage facility that meets the City's objectives for economic development. The cost of land acquisition, related site and public improvements and utilities necessary to maximize development potential, makes development of the facility infeasible without City assistance. 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:* The City supported this finding on the grounds that the cost of land acquisition, site and public improvements and utilities add to the total development cost. Historically, site development costs in this area have made development infeasible without tax increment assistance. The City has been working to develop the industrial park for many years. The development absorption rate has been slow and impacted by a lack of sufficient infrastructure and slow market demand in rural areas for property. 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.

Therefore, the City concludes as follows:

- a. The City's estimate of the amount by which the market value of the entire District will increase without the use of tax increment financing is \$0.

- b. If the proposed development occurs, the total increase in market value will be \$9,803,400 (see Appendix B of the TIF Plan)
  - c. The present value of tax increments from the District for the maximum duration of the district permitted by the TIF Plan is estimated to be \$3,560,008 (see Appendix B of the TIF Plan).
  - d. Even if some development other than the proposed development were to occur, the Council finds that no alternative would occur that would produce a market value increase greater than \$6,243,392 (the amount in clause b less the amount in clause c) without tax increment assistance.
3. *Finding that the TIF Plan for Tax Increment Financing District No. 1-2 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 Tax Increment Financing Plan for Tax Increment Financing District No. 1-2 will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development of Municipal Development District No. 1 by private enterprise.*

The project to be assisted by the District will result in increased employment in the City and the State of Minnesota, increased tax base of the State, and add a high-quality development to the City.

# DRAFT

## SAC/WAC Fee Waiver for Residential Construction Policy

The City of Green strives to promote growth in the community. The intention of this policy is to stimulate housing growth and offset the increase in construction costs. The goal of the City of Green Isle is to increase tax base for the city. The City believes that the development of single family and twins homes on vacant lots in the City of Green Isle is in the best interest of the City. It is the purpose of this policy to outline the terms and conditions for waiving SAC and WAC connection fees for residential construction.

1. Waiving of the SAC/WAC connection fees will be approved by the Green Isle City Council.
2. The SAC/WAV connection fees will be waived for up to 2 (two) residential building permits for new construction during 2020.) (See line 9 for eligibility)
  - A. The City will waive no more than \$\_\_\_\_\_ per lot for combined SAC/WAC connection fees in conjunction with the construction of homes on vacant lots.
  - B. Funds to cover the connection fees will be paid from\_\_\_\_\_
  - C. The SAC/WAC connection fees will be issued on a first come, first served bases until funds are extinguished
3. The Developer must agree promptly pay all other fees and charges imposed by the City in conjunction with constructing of a dwelling on the vacant lot, and shall not otherwise be delinquent on City fees and charges.
4. To be eligible for a SAC/WAC connection fee waiver, developer must construct home that will have a market value exceeding \$195,000.
5. Waivers will only be offered for single family and twin home units.
6. The SAC/WAC connection fee will be waived at the time the permit is issued, and construction must begin within 365 days of receiving the SAC/WAC waiver.
7. This program will end on December 31, 2020.
8. Any SAC/WAC connection fee waiver will be documented in a written agreement signed by the City and the developer.
9. The SAC/WAC will be based on an incentive program for builders. Once the builder has constructed a home in Green Isle and paid WAC/SAC fees, the next home constructed will be eligible for the waiver of fees.





## Commercial Lots Policy

The City of Green Isle has acquired lots for the purpose of economic development. The intention of this policy is to set the price of commercial lots. The goal of the City of Green Isle is to increase the tax base for the City. It is the purpose of this policy to outline the terms and conditions of the sale of lots.

1. Sale of lots will be approved by the Green Isle City Council.
2. Commercial Lots will be sold for \$1 per lot when the business meets the following criteria:
  - A. Will create at least 2 full-time equivalent (FTE) positions based in the City of Green Isle.
3. Commercial Lots will be sold for \$5,000 when the business meets the following criteria:
  - A. Will create at least 2 full-time equivalent (FTE) positions.
4. If a lot(s) is purchased for \$1 or \$5,000 and construction is not started within 180 days of closing, the lot(s) will be returned to the City of Green Isle. Purchase price will be refunded, minus closing costs.
5. Commercial Lots that do not meet any of the above criteria will be sold at the Assessed Value.
6. Closing will occur within 4 months of signing the purchase agreement.
7. A Development Agreement must be approved by City Council and both parties must adhere to the terms of the agreement.