



ANNUAL INFORMATIONAL REPORT ON TAX INCREMENT DISTRICTS

Prepared October, 2016

Summary of TIF Districts

- For Pay 2016, there are 41 HRA TIF Districts and 11 Port TIF Districts generating increment, as follows:

	No. of Districts	Total Captured Tax Capacity	Percent of Total	Total Increment to TIF Authority	Percent of Total
HRA Districts	41	\$19,383,386	88%	\$23,509,289	87%
Port Districts	11	\$2,710,518	12%	\$3,564,888	13%
TOTALS	52	\$22,093,904		\$27,074,177	

Summary of TIF Districts

- For Pay 2017, there are 43 HRA TIF Districts and 13 Port TIF Districts projected to generate increment, as follows:

	No. of Districts	Total Captured Tax Capacity	Percent of Total	Total Increment to TIF Authority	Percent of Total
HRA Districts	43	\$18,101,056	86%	\$22,328,490	85%
Port Districts	13	\$2,943,277	14%	\$3,877,554	15%
TOTALS	56	\$21,044,333		\$26,206,044	

Changes from Pay 2016 to Pay 2017

- Seven (7) TIF districts will start collections in 2017:
 - Globe* – established in 2007
 - Hamline Station East, Hamline Station West and Southport* – established in 2013
 - 2700 University, Custom House/Post Office, and East 7th & Bates Housing – established in 2014
- And three (3) TIF districts were decertified at the end of 2016: Scattered Sites, Snelling University and Penfield

* Port Districts

Districts Established in 2015/2016

- The following four (4) TIF districts were established in 2015/2016, and will commence collections in 2018 or beyond:
 - Wabasha and Sixth Street Redevelopment (Port)
 - Schmidt Keg House Redevelopment (HRA)
 - Ford Site Redevelopment (HRA)
 - Wilson II Housing (HRA)

TIF Activities – Proposed

- Proposed activities of the HRA include the following:
 - West Side Flats Phase IIIA and IIIB - A proposal has been received to create a Housing TIF district for this project which includes mixed income housing with 264 total rental units and 5,000 sf of commercial space

Tax Capacity Captured in TIF

City has an informal policy to capture less than 10% of total tax capacity in TIF districts

(5 year history)

Pay Year	Total Tax Capacity	Total % Change	TIF Tax Capacity	TIF % Change	% Captured
2012	226,059,848	-8.6%	22,376,701	-2.0%	9.90%
2013	213,623,497	-5.5%	20,826,310	-6.9%	9.75%
2014	214,507,992	0.4%	20,796,378	-0.1%	9.69%
2015	228,674,475	6.6%	20,745,465	-0.2%	9.07%
2016	239,055,061	4.5%	22,093,775	6.5%	9.24%

Projected Tax Capacity Captured in TIF

Projections include preliminary values from Ramsey County for Pay 2017, projected values for Pay Years 2018 & 2019 for new TIF districts, projected values from the adopted Ford TIF Plan*, plus released tax capacity from decertified TIF districts.

Pay Year	Total Tax Capacity	Total % Change	TIF Tax Capacity	TIF % Change	% Captured
2016	239,055,061	4.5%	22,093,775	6.5%	9.24%
2017	257,803,367	7.8%	21,044,333	-4.7%	8.16%
2018	259,323,499	0.6%	22,422,282	6.5%	8.65%
2019	259,787,915	0.2%	22,886,698	2.1%	8.81%
2023*	261,624,184	NA	24,661,643	NA	9.43%

** The captured TIF for Ford begins in 2021 and increases each year through 2035; 2023 represents the year with the greatest impact, each year thereafter the percentage would be lower*

Tax Increment Collections

- HRA & Port collected 97% of expected tax increment for Pay 2015:
 - \$24,357,912 total collected
 - \$25,055,169 total expected
- Total increment collections are slightly down from Pay 2014 (-4.2%)

TIF District Cash Flow Review

Cash flow shortfall to cover bond payments occurring within next five years:

- North Quadrant Phase I Essex TIF Revenue Bonds, Series 2002
(outstanding principal on 12/31/2015 of \$838,000)
 - ✓ Pay 2016 tax increments projected to be insufficient to cover bond interest payments, deficit due to one year reduction in taxable market value in the TIF district
 - ✓ Preliminary Pay 2017 increment projected to cover the Pay 2016 deficit and meet then current interest obligations
 - ✓ HRA has no obligation to cover any TIF revenue shortfall for the Bonds
(Special obligation of the HRA, only pledged source are tax increment collections)
- Prior reports included JJ Hill TIF Bonds (#236) and Emerald Gardens TIF Bonds (#228 & #266) – no deficits projected