

## EXHIBIT A

### AMENDMENT TO TAX INCREMENT FINANCING PLAN FOR

### TAX INCREMENT FINANCING DISTRICT NO. 16

Tax Increment Financing Plan for Tax Increment Financing District No. 16 established pursuant to DEDA Resolution 94D-55 adopted July 19, 1994 and City Council Resolution 94-0585 adopted July 11, 1994, as amended by Amendment to Tax Increment Financing Plan for Tax Increment Financing Districts 3, 4, 7, 10, 11, 13, 14, 15, 16, 17, 18, 19, 20 and 21 pursuant to DEDA Resolution 02D-26 adopted May 21, 2002 (the original plan and amendment thereto hereinafter referred to as the "TIF Plan") is hereby further amended as follows:

1. The first two sentences of Section F, Estimate of Costs, is amended as follows:

The total estimated costs associated with the Project are outlined in Appendix B-1. DEDA's total contribution to achieving housing goals from this district is estimated to be \$971,885.

2. Appendix B is deleted in its entirety and replaced with Appendix B-1 attached hereto.
3. Section H, Sources of Revenue, is amended to delete the reference to Appendix C and replace it with Appendix C-1.
4. Appendix C is deleted in its entirety and replaced with Appendix C-1 attached hereto.
5. Section G, Estimated Amount of Bonded Indebtedness, is hereby amended in its entirety as follows:

DEDA reserves the right to issue bonds as defined in Minnesota Statutes, Section 469.174, subd. 3 in an amount not to exceed \$971,885.

6. The last sentence of the first paragraph of Section J, Estimated Net Tax Capacity, is amended as follows:

At the time the District No. 16 was created it was estimated by DEDA that the Captured Net Tax Capacity of District No. 16 following completion of the Project would be approximately \$16,514 annually. For purposes of estimating the impact on other taxing jurisdictions, the actual Captured Tax Capacity (CTC) of \$33,162 will be used for 2017, and will increase by 1 ½% annually in the estimates for years 2018 through 2021.

7. Section J, Estimated Net Tax Capacity, is hereby amended to reflect that amounts may be captured for up to 25 years following the first receipt of tax increment, which is 26 years of collection.

8. Section K, Duration of District No. 16, is hereby amended to reflect that housing districts terminate 25 years following the first receipt of tax increments, which is 26 years of collection, and that therefore the maximum life-span of District No. 16 is 25 years from the first receipt of tax increment, which is 26 years of collection.

9. Section L, Estimated Impact on Other Taxing Jurisdictions, is hereby amended in its entirety as follows:

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

**IMPACT ON TAX BASE**

	Pay 2017 Total Net Tax Capacity	Actual Captured Tax Capacity (CTC) at Completion*	Percent of CTC to Entity Total
St. Louis County	177,599,104	33,162	0.0187%
City of Duluth	67,739,033	33,162	0.0490%
Duluth School IDS No 709	75,902,236	33,162	0.0437%

**IMPACT ON TAX RATES**

	Pay 2017 Extension Rates	Percent of Total	CTC	Potential Taxes
St. Louis County	0.65044	47.049%	33,162	21,570
City of Duluth	0.37568	27.175%	33,162	12,458
Duluth School IDS No 709	0.29586	21.401%	33,162	9,811
Other	0.06049	4.376%	33,162	2,006
<b>Total</b>	<b>1.38247</b>	<b>100.000%</b>		<b>45,845</b>

\* Actual CTC at Completion is the Captured Tax Capacity from St. Louis County's 2017 TIF Supplement

10. Except as provided in this Amendment to Tax Increment Financing Plan for Tax Increment Financing District No. 16, the Tax Increment Financing Plan for Tax Increment Financing District No. 16 remains unchanged.

## Appendix B-1

### Sources & Uses of Tax Increment

<u>Sources</u>	<u>Original</u>	<u>Change</u>	<u>As Revised</u>
Tax Increment Received	749,832	174,023	923,855
Market Value Credit Aid	-	40,569	40,569
Investment Earnings	-	7,461	7,461
Total Sources	749,832	222,053	971,885
<u>Uses</u>			
Other Public Improvements	674,849	199,848	874,697
Administrative Costs	74,983	22,205	97,188
Total Uses	749,832	222,053	971,885

**Appendix C-1**

**Tax Increment Cash Flows - Actual & Estimated**

Number of Tax Collection Yrs.	Tax Yr.	Tax Increment Collected *	
0	1994	0	actual
0	1995	0	actual
1	1996	8,154	actual
2	1997	27,570	actual
3	1998	25,627	actual
4	1999	23,979	actual
5	2000	23,544	actual
6	2001	25,885	actual
7	2002	32,381	actual
8	2003	33,797	actual
9	2004	35,975	actual
10	2005	36,317	actual
11	2006	30,134	actual
12	2007	34,810	actual
13	2008	39,011	actual
14	2009	40,387	actual
15	2010	40,418	actual
16	2011	39,591	actual
17	2012	44,153	actual
18	2013	45,076	actual
19	2014	45,532	actual
20	2015	46,170	actual
21	2016	46,092	actual
22	2017	47,995	estimated **
23	2018	48,715	estimated **
24	2019	49,446	estimated **
25	2020	50,187	estimated **
26	2021	50,939	estimated **
		<u>971,885</u>	

\* Tax increments collected are the sum of tax increment received from St. Louis County, Market Value Tax Credits, and Investment Earnings.

\*\* Estimates are based on the previous year's collections, plus an additional 1 1/2% allowed for inflation.