



Tax Increment Financing District 31: Voyageur Lakewalk Inn and the Modification to the Development Program for Development District No. 17

City of Duluth

The following summary contains an overview of the basic elements of the Tax Increment Financing Plan for Tax Increment Financing District 31: Voyageur Lakewalk Inn and the Modification to the Development Program for Development District No. 17. More detailed information on each of these topics can be found in the Tax Increment Financing Plan.

Proposed action: Establishment of Tax Increment Financing District 31: Voyageur Lakewalk Inn (“TIF District 31”) and the adoption of a Tax Increment Financing Plan (“TIF Plan”).

Modification to the Development Program for Development District No. 17 to include the establishment of Tax Increment Financing District No.31, which represents a continuation of the goals and objectives set forth in the Development Program for Development District No. 17.

Type of TIF District: Redevelopment District

Parcel Numbers*: 010-3830-00170 010-3830-00180
 010-3830-00190 010-3830-00200

*The parcels are being removed from TIF District No. 22.

Proposed Development: TIF District 31 is being created to redevelop four parcels in the City. The new development includes a multi-family rental building with approximately 204 units of housing and approximately 20,000 square feet of retail and commercial space. See Appendix A of the TIF Plan for a more detailed project description.

Maximum duration: The duration of TIF District 31 will be 25 years from the date of receipt of the first increment (26 years). The City expects to receive the first tax increment in 2021. It is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after December 31, 2046, or when the TIF Plan is satisfied.

Estimated annual tax increment: \$1,084,108



Authorized uses: The TIF Plan contains a budget that authorizes the maximum amount that may be expended:

Land / Building Acquisition	\$3,800,000
Site Improvements / Preparation.....	\$3,600,000
Utilities	\$2,500,000
Other Qualifying Improvements	\$1,809,248
Administrative Costs (up to 10%).....	<u>\$1,936,390</u>
Project Total Costs.....	\$13,645,638
Interest	<u>\$7,654,648</u>
Project & Interest Total Costs	\$21,300,286

See Subsection 2-10 of the TIF Plan for the full budget authorization.

Form of financing: The project is proposed to be financed by a pay-as-you-go note and interfund loan.

Administrative fee: Up to 10% of annual increment, if costs are justified.

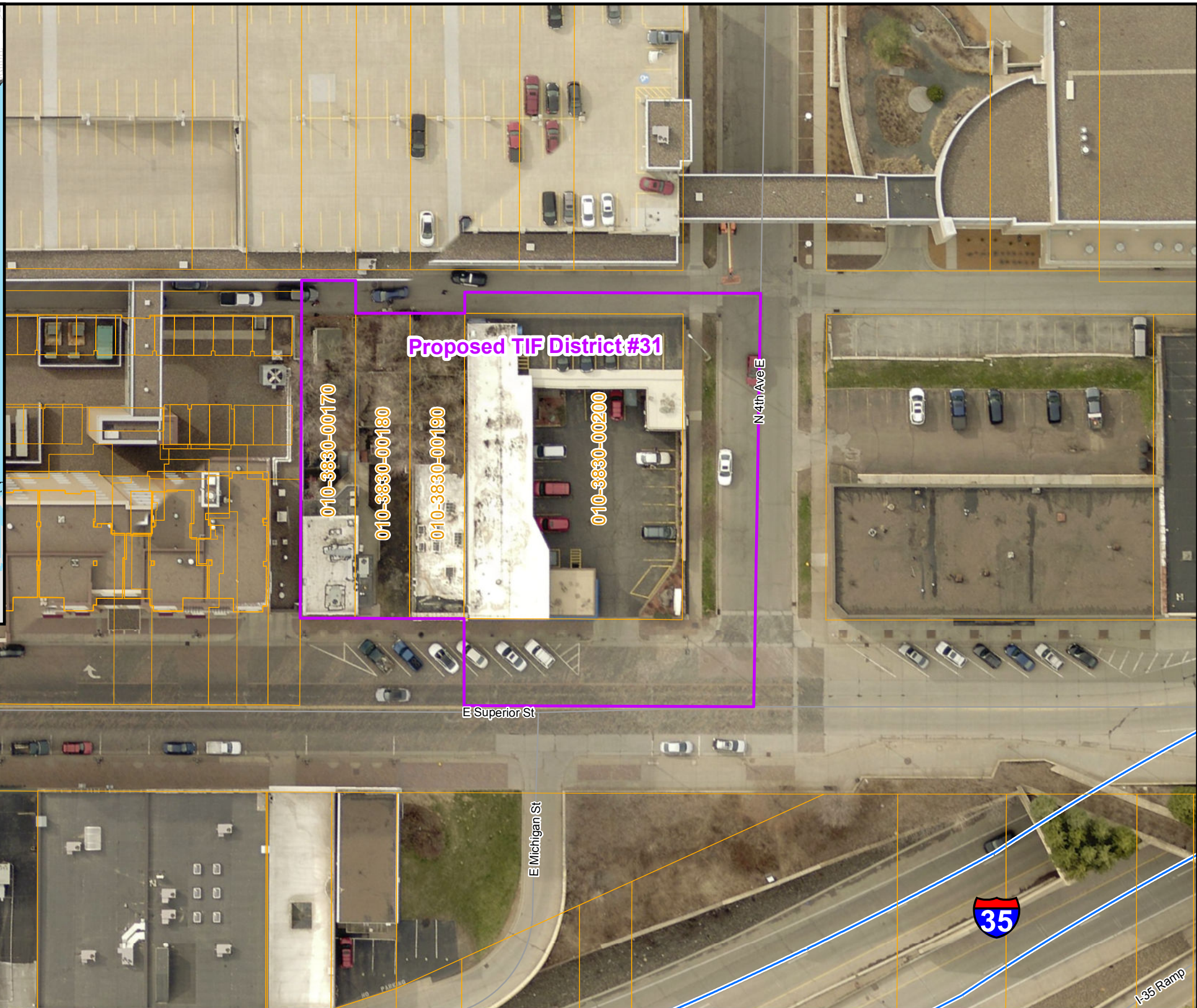
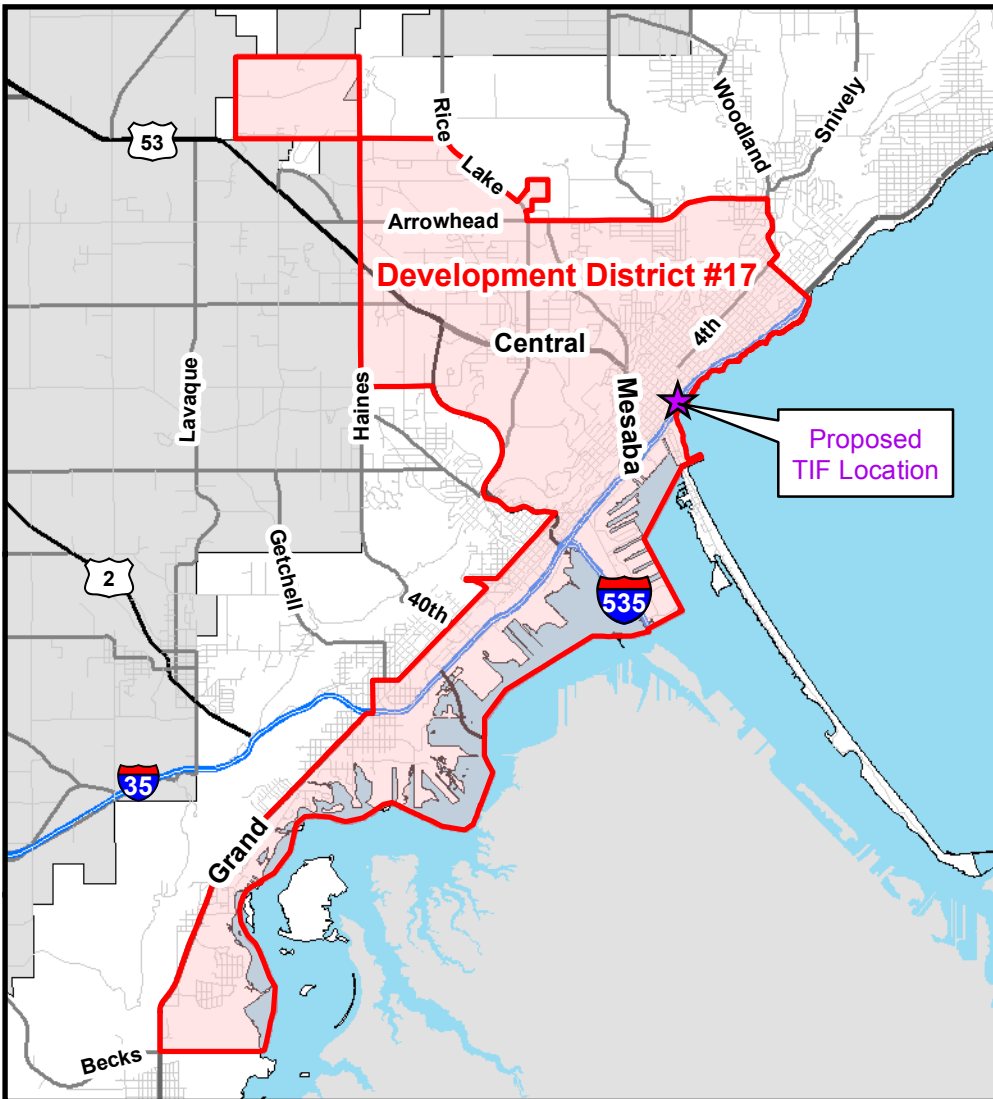
Interfund Loan Requirement: If the City wants to reimburse itself for administrative expenditures from the tax increment fund when tax increment becomes available, it must pass a resolution authorizing a loan from another fund *within 60 days of* the expenditure or reimbursement will not be allowed.




4 Year Activity Rule: After four years from the date of certification of the District one of the following activities must have been commenced on each parcel in the District (§ 469.176 Subd. 6):

- Demolition
- Rehabilitation
- Renovation
- Other site preparation (not including utility services such as sewer and water)

If the activity has not been started by approximately December 2022, no additional tax increment may be taken from that parcel until the commencement of a qualifying activity.

The reasons and facts supporting the findings for the adoption of the TIF Plan for the District, as required pursuant to *M.S., Section 469.175, Subd. 3*, are included in Exhibit A of the City resolution.

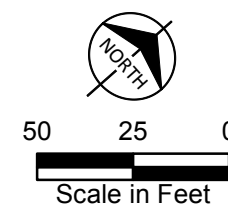


-  Proposed TIF District #31 Boundary
-  Development District #17 Boundary
-  Parcel Boundary



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Proposed TIF District #31