AGENDA
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
CHASKA EVENT CENTER - 3210 CHASKA BLVD. & ZOOM
Monday, April 05, 2021
7:00 PM

1. Call to Order

2. Roll Call

3. Adopt Agenda

4. Approve Previous Meeting Minutes

   A. Approve the March 15, 2021 EDA Meeting Minutes

5. Discussion Items

   A. Resolution EDA 2021-1 Recommending City Council Adopt a Modification to Development Program for Redevelopment Project Area No. 4 and Establish Tax Increment Financing (Economic Development) District No. 24 Therein and Adopt a Tax Increment Financing Plan

6. Other Business

7. Adjourn

- MINUTES -
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
MARCH 15, 2021

DRAFT

1. Call to Order
President Windschitl called the meeting to order at 8:47 pm.

2. Roll Call
Roll call was taken. Present: Commissioners Hatfield, Hubbard, Grau, Huang, and President Windschitl.
Absent: None.

Also Present: Nate Kabat, Assistant Executive Director and Matt Podhradsky, Executive Director.

3. Agenda
Motion by Commissioner Grau, second by Commissioner Huang to adopt the agenda as presented.
Motion carried.

4. Minutes
Motion by Commissioner Huang, second by Commissioner Hubbard to approve the minutes of the February 22, 2021 EDA meeting.
Motion carried.

5. Authorize Letter of Intent for TIF Assistance to Proposed Oppidan Industrial Project
Assistant Executive Director Kabat presented the item to the Commission.

Commissioner Huang looked to clarify how cost is affected if it comes in lower than expected.

Assistant Executive Director Kabat provided further detail regarding how a lower number would affect the TIF.

President Windschitl inquired about the soil correction process.

Assistant Executive Director Kabat explained how Oppidan is planning to resolve the soil issues.

Jay Moore with Oppidan spoke further regarding the soils at the site.

Executive Director Podhradsky reiterated the importance of this project moving forward.

Commissioner Huang inquired about the price difference between surcharging and helical piers.

Executive Director Podhradsky stated it is probably about $1,000,000.00.

Mr. Moore added that the difference would also be about twelve months.

The EDA continued to discuss the importance of this project moving forward.

Motion by Commissioner Hatfield, second by Commissioner Huang to authorize the EDA Director to execute the Amended Letter of Intent for TIF assistance to the proposed Oppidan industrial project.

Motion carried.

6. Other Business
There was no other business.

Commissioner Hubbard asked for an update on the Oak Ridge site.

Executive Director Podhradsky briefly updated the EDA on this site.

Commissioner Huang inquired if the closing of Oak Ridge Conference Center has any impact on the planning for the site.

Executive Director Podhradsky stated it would if it would be a different type of use was planned and discussed allowable uses for that site under current zoning.

7. Adjourn
Motion by Commissioner Hatfield, second by Commissioner Hubbard to adjourn the meeting at 9:14 pm.
Motion carried.

REQUEST FOR ACTION
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
April 5, 2021

Subject: **Resolution Recommending the City Council Adopt a Modification to the Development Program for Redevelopment Project Area No. 4 and Establish Tax Increment Financing (Economic Development) District No. 24 Therein and Adopt a Tax Increment Financing Plan**

Prepared By: Nate Kabat

Background

On January 25, 2021, the City Council approved the preliminary plans for the Oppidan industrial project in the Chaska Creek Business Park.

On March 15, 2021, The City Council approved the final plans for the Oppidan industrial project in the Chaska Creek Business Park.

The project proposes to develop two industrial buildings. Talking with the developer, Oppidan expects the first building to be built at 168,000 square feet beginning this year on Outlot E and the second building to be built on Outlot A at 133,000 square feet later, currently looking towards 2022. Both buildings will serve industrial users and are designed to accommodate multiple tenants. Per City and EDA policy, industrial projects of this nature are eligible for Tax Increment Financing (TIF) assistance.

On February 22, 2021, the Chaska City Council called for a public hearing to be held on April 5, 2021 on the establishment of TIF District No. 24.

On February 22, 2021, the Chaska EDA approved a letter of intent defining the general terms with Oppidan for TIF assistance. The Chaska EDA amended the letter of intent at its March 15, 2021 meeting to increase City assistance to address weak soils conditions identified on the site.

On March 10, 2021, the Chaska Planning Commission approved a resolution finding that the modification to the redevelopment program for Redevelopment District No. 4 and a tax increment financing plan for Tax Increment Financing District No. 24 conform to the general plans for the development and redevelopment of the City.

Analysis

Modifying Redevelopment District No. 4, Establishing TIF District No. 24, and Adopting a Tax Increment Financing Plan

For the Chaska EDA and City Council to have authority to establish a TIF District and enter into a development agreement with the developer for that assistance, a Development District or Redevelopment District must be established for the TIF District to be located within. The City of Chaska has placed all its TIF Districts for the past few decades within Redevelopment District No. 4. The Redevelopment District establishes general goals and policies that guide the creation and use of TIF Districts that get created within.

At the time the Redevelopment District No. 4 was created, it generally followed the City boundary – this was before Southwest Chaska was annexed into the City. As a result, the area proposed for TIF District No. 24 is outside of the current boundary of Redevelopment District No. 4. The goals and policies established by the district are still consistent with the City's approach to economic development. A significant portion of Southwest Chaska is guided for business/industrial development, and the Oppidan project is the first TIF eligible project in the area. As a result, staff recommends amending Redevelopment District No. 4 to follow the current City boundary thereby incorporating the Southwest Chaska area and setting the stage to support future economic development in this area of the City. A map of the modified Redevelopment District No. 4 and the proposed TIF District No. 24 is attached to this memo.

The TIF Plan for District No. 24 establishes findings such as the public purpose, objectives, need, duration and estimated public costs and revenue within the district.

The established TIF District will be an Economic Development District, which may remain in existence for eight years from the data of receipt of the first tax increment. This timeline would put expected expiration of the district in the year 2031 due to anticipated receipt of first increment being 2023.

The TIF Plan determines that conditions exist within the Redevelopment Area which have prevented further development of land by private enterprise. It has been found that the Redevelopment Area is potentially more useful and valuable for contributing to the public health, safety and welfare than has been realized under existing development. The Plan finds development of these parcels is not attainable in the foreseeable future without the intervention of the TIF in the private development process.

Objectives for the District established by the plan include:

1. Redevelopment of underutilized property.
2. Funding of eligible improvements related to the qualification of the property as an economic development district, through the use tax increment.
3. Expansion of tax base and facilitation of job growth.

The TIF Plan finds the proposed development within the district consists of the construction of three new multi-tenant buildings with square footages of 130,000, 189,000, and 221,000. Note, the 221,000 SF building is a possibility for PID 300060800 south of Creek Road. This possible building would be TIF eligible per current policy but has not yet been formally submitted to a planning process and is outside of Oppidan's project. The new facilities will be used primarily for light industrial. The Developer has requested financial assistance to write down a portion of the acquisition and site improvement costs associated with development of the site. There are also extraordinary costs related to the installation of public infrastructure. The City intends to use a portion of the tax increment to finance the public infrastructure. The Developer has provided supplemental financial information demonstrating that the development of this site would not occur without the assistance provided in this TIF Plan.

The TIF plan summarizes estimated public costs associated with this development at a total of just over $7.8 million. The estimated revenue to be generated by the TIF is also just over $7.8 million.

Recommendation

The project proposed by Oppidan aligns with the City's and EDA's goals for job growth and industrial development west of Hwy 212. The City and EDA have made previous approvals in support of this project indicating their support. The TIF established through the proposed action this evening along with the associated Redevelopment Agreement with Oppidan generates significant revenue to support Oppidan's project and support necessary City infrastructure that will open additional areas for further industrial development.

Staff recommends approval of the resolution attached to this report.

The resolution will confirm that the Redevelopment Plan modification and TIF Plan conform to State Statutes and City objectives, is necessary to support the proposed development, and recommends adoption by the City Council.

CHASKA EDA ACTION REQUESTED
Motion to approve Resolution recommending that the City Council adopt a modification to the development program for redevelopment project area No. 4 and establish tax increment financing (economic development) district No. 24 therein and adopt a tax increment financing plan therefor.

CHASKA ECONOMIC DEVLOPMENT AUTHORITY
CARVER COUNTY, MINNESOTA

RESOLUTION

DATE 04/05/2021 RESOLUTION NO. EDA 2021-01

MOTION BY COUNCILMEMBER____________ SECOND BY COUNCILMEMBER____________

RESOLUTION RECOMMENDING THAT THE CITY COUNCIL ADOPT A MODIFICATION TO THE DEVELOPMENT PROGRAM FOR REDEVELOPMENT PROJECT AREA NO. 4 AND ESTABLISH TAX INCREMENT FINANCING (ECONOMIC DEVELOPMENT) DISTRICT NO. 24 THEREIN AND ADOPT A TAX INCREMENT FINANCING PLAN THEREFOR

WHEREAS, there is a proposal to adopt a Modification to the Redevelopment Plan for Redevelopment Project No. 4 (the "Redevelopment Plan Modification") and establish Tax Increment Financing (Economic Development) District No. 24 therein (the "TIF District") and adopt a Tax Increment Financing Plan (the "TIF Plan") therefor (the Redevelopment Plan Modification and the TIF Plan are referred to collectively herein as the "Redevelopment Plan Modification and TIF Plan"), all pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.124 to 469.133, and Sections 469.174 to 469.1794, inclusive, as amended (the "Act"); and

WHEREAS, the City of Chaska, Minnesota (the "City"), has investigated the facts relating to the Redevelopment Plan Modification and TIF Plan and has caused the Redevelopment Plan Modification and TIF Plan to be prepared; and

WHEREAS, the City will perform all actions required by law to be performed prior to the adoption of the Redevelopment Plan Modification and TIF Plan, including (i) providing the proposed tax increment financing plan and the information on the fiscal and economic implications of the plan to the county auditor and the clerk of the school district board at least 30 days before a public hearing to be held by the City on the Redevelopment Plan Modification and TIF Plan and (ii) publishing notice of the public hearing as required by the Act; and

WHEREAS, the Chaska Economic Development Authority (the "EDA") has conducted an internal review of the Redevelopment Plan Modification and TIF Plan.

NOW, THEREFORE, BE IT RESOLVED, by the Chaska EDA of the City of Chaska, Minnesota, as follows:

1. The EDA hereby confirms that the Redevelopment Plan Modification and TIF Plan conforms in all aspects to the requirements of the Act and will result in the preservation and enhancement of the tax base of the State of Minnesota, and will result in the development of parcels, making the land useful and valuable for contributing to the public health, safety and

welfare of the City, and thereby serves a public purpose.

2. The EDA further recommends that the Redevelopment Plan Modification and TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of Redevelopment Project No. 4 by private enterprise in that the intent is to provide only that public assistance necessary to make the private developments financially feasible. The cost of land acquisition, and related site improvements necessary to maximize development potential, makes development of the site infeasible without City assistance.

3. The EDA hereby approves the Redevelopment Plan Modification and TIF Plan~~,~~ as presented to the EDA on this date, and recommends that they be established and adopted by the City Council of the City.

Passed and adopted by the City Council of the City of Chaska, Minnesota, this 5th day of April 2021.

____
Mark Windschitl, President

Attest:_______________________________________
Chaska Deputy Clerk

Tax Increment Financing Plan

for

Tax Increment Financing (Economic Development) District No. 24

within

Redevelopment Project Area No. 4

(Chaska Creek Industrial Project)

Chaska Economic Development Authority

City of Chaska, Minnesota

Prepared by

Baker Tilly Municipal Advisors, LLC

Draft Dated: April 5, 2021

Anticipated Public Hearing: April 5, 2021
Anticipated Approval by City Council: April 5, 2021

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SECTION I – MODIFICATION TO THE REDEVELOPMENT PLAN FOR REDEVELOPMENT PROJECT NO. 4

Foreword

The following text represents a Modification to the Redevelopment Plan for Redevelopment Project No. 4. This modification represents a continuation of the goals and objectives set forth in the Redevelopment Plan for Redevelopment Project No. 4. The changes include a change to the geographic boundaries of the Project Area and the establishment of Tax Increment Financing (Economic Development) District No. 24.

For further information, a review of the Redevelopment Plan for Redevelopment Project No. 4 is recommended. It is available from the City Administrator at the City of Chaska. Other relevant information is contained in the Tax Increment Financing Plans for the Tax Increment Financing Districts located within Redevelopment Project No. 4.

SECTION II – ESTABLISHMENT OF THE TAX INCREMENT FINANCING PLAN FOR TAX INCREMENT FINANCING (ECONOMIC DEVELOPMENT) DISTRICT NO. 24

Section A Definitions

The terms defined in this section have the meanings given herein, unless the context in which they are used indicates a different meaning:

"City" means the City of Chaska, Minnesota; also referred to as a "Municipality".

"City Council" means the City Council of the City.

"County" means Carver County, Minnesota.

"Redevelopment Project" means Redevelopment Project Area No.4 in the City, which is described in the corresponding Redevelopment Plan.

"Redevelopment Plan" means the Redevelopment Plan for the Redevelopment Project Area.

"Project Area" means the geographic area of the Redevelopment Project Area.

"School District" means Independent School District No. 112, Minnesota.

"State" means the State of Minnesota.

"TIF Act" means Minnesota Statutes, Sections 469.174 through 469.1794, both inclusive.

"TIF District" means Tax Increment Financing (Economic Development) District No. 24.

"TIF Plan" means the tax increment financing plan for the TIF District (this document).

Section B Statutory Authorization

Minnesota Statutes, Sections 469.001-469.047, as amended (Housing and Redevelopment Authority Act) grants the authority to designate redevelopment areas within the boundaries of the municipality. Within these areas, the municipality may adopt a redevelopment plan and establish a project consistent with the municipality's public purpose. The project consists of a redevelopment project as defined in Section 469.002, Subdivision 14.

Section C Statement of Need and Public Purpose

The Authority has determined that conditions exist within the Redevelopment Area which have prevented further development of land by private enterprise. It has been found that the Redevelopment Area is potentially more useful and valuable for contributing to the public health, safety and welfare than has been realized under existing development.

The development of these parcels is not attainable in the foreseeable future without the intervention of the Authority in the private development process. The Authority has prepared the Redevelopment Plan, which provides for the elimination of these conditions, thereby making the land useful and valuable for contributing to the public health, safety and welfare.

Section D Statement of Objectives

The Authority, through implementation of this plan, seeks to achieve the following objectives:
1. Redevelopment of underutilized property.
2. Funding of eligible improvements related to the qualification of the property as an economic development district, through the use tax increment.
3. Expansion of tax base and facilitation of job growth.

Section E Designation of Tax Increment Financing District as an Economic Development District

Economic development districts are a type of tax increment financing district which consist of any project, or portions of a project, which the City finds to be in the public interest because:

(1) it will discourage commerce, industry, or manufacturing from moving their operations to another state or municipality;

(2) it will result in increased employment in the state; or

(3) it will result in preservation and enhancement of the tax base of the state.

The TIF District qualifies as an economic development district in that the proposed development described in this TIF Plan (see Section I) meets the criteria listed above in (2) and (3). Without establishment of the TIF District, the proposed development would not occur within the City. The proposed development will also result in increased employment and enhancement of the tax base in both the City and the State.

Tax increments from an economic development district must be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or other assistance in which at least 85% of the square footage of the facilities to be constructed are used for any of the following purposes:

(1) manufacturing, production, or processing of tangible personal property;

(2) warehousing, storage and distribution of tangible personal property, excluding retail sales;

(3) research and development related to the activities listed in (1) or (2) above;

(4) telemarketing if that activity is the exclusive use of the property;

(5) tourism facilities (see M.S. Section 469.174, Subd. 22);

(6) space necessary for and related to the activities listed in (1) through (5) above;

(7) a workforce housing project that satisfies the requirements of paragraph (d).

Tax increments from the TIF District will be used to provide financial assistance to the proposed development (see Section I), in which over 85% of the square footage of the facilities to be constructed will be used for warehousing, storage and distribution of tangible property, excluding retail sales, or other purposes as listed in (1) through (7) above.

Section F Duration of the TIF District

Economic development districts may remain in existence 8 years from the date of receipt by the City of the first tax increment. The Authority anticipates that the TIF District will remain in existence the maximum duration allowed by law (projected to be through the year 2031, due to anticipated receipt of first increment in 2023). Modifications of this plan (see Section AA) shall not extend these limitations.

Section G Property to be Included in the TIF District

The TIF District is an area of land comprising of the parcels listed below that are located within the Project Area. A map showing the boundaries of the TIF District is shown in Exhibit I.

Parcel ID Number	Legal Description
30.1840030	OUTLOT A CHASKA CREEK CENTER 2ND ADDITION
30.2040050	OUTLOT C CHASKA CREEK CENTER
30.2040060	OUTLOT D CHASKA CREEK CENTER
30.2040070	OUTLOT E CHASKA CREEK CENTER
30.2040090	OUTLOT G CHASKA CREEK CENTER
30.0060900	SECTION 06 TOWNSHIP 115 RANGE 023 P/O SW 1/4 NE 1/4 DESC AS: COMM AT NW CORN NE 1/4 OF SECT 6 TH S 1523’ ON W LINE TO PT OF BEG THE DEFL LEFT 90* 197’ TH S PARALLEL TO W LINE NE 1/4 236’ +OR- TO CENTERLINE OF CO RD 10 TH WLY ALONG CENTERLINE TO W LINE NE 1/4 TH NLY 206’ TO PT OF BEG ANNEXED FO
30.2040080	OUTLOT F CHASKA CREEK CENTER
30.0060800	SECTION 06 TOWNSHIP 115 RANGE 023 P/O E 1/2 NW 1/4 & W 1/2 NE 1/4 DESC AS: COMM AT SE CORN W 1/2 NE 1/4 TH WLY ON S LINE 1069’ TO PT OF BEG TH CONT WLY ON S W 1/2 NE 1/4 & S LINE E 1/2 NW 1/4 1569.42’ TO SW CORN E 1/2 NW 1/4 TH NLY ON W LINE E 1/2 NW 1/4 1329.48’ TO S LINE CO RD 10 TH SELY & ELY LONG
30.0061120	P/O W1/2 NE1/4 COMM AT SE CORN W1/2 NE1/4 SECT 6 TH W ON S LINE OF SAID W1/2 1069' TH N PARALLEL WITH E LINE OF W 1/2 873.47'+OR- TO CENTERLINE OF CO RD 10 TH ELY ALONG SAID CENTERLINE TO E LINE OF W1/2 TH S ALONG E LINE 758.37' TO PT OF BEG EXC P/O E 362.11' OF W1/2 OF NE1/4 SECT 6 LYING SLY OF CENTERLINE OF CO RD 10 & N OF S 415.62' OF W 1/2 OF NE1/4 ALSO EXC THAT P/O E 429.11' OF W 1/2 NE1/4 SECT 6 LYING W OF E 362.11' OF W1/2 NE1/4 SLY OF CENTERLINE OF CO RD 10 & N OF S 415.62' OF W1/2 NE1/4 EXCEPT THAT PART OF THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 6, TOWNSHIP 115, RANGE 23, CARVER COUNTY, MINNESOTA,

	LYING SOUTHERLY OF THE CENTERLINE OF COUNTY STATE AID ROAD NO. 110 AND LYING EASTERLY OF PARCEL NO. 16, MINNESOTA DEPARTMENT OF TRANSPORATION RIGHT OF WAY PLAT NO. 10-27

The area encompassed by the TIF District shall also include all street or utility right-of-ways located upon or adjacent to the properties described above.

Section H Property to be Acquired in the TIF District

The Authority may acquire and sell any or all of the property located within the TIF District. It will not be acquiring any property at this time but will be selling the property to the developer to facilitate development.

Section I Specific Development Expected to Occur Within the TIF District

The proposed project is anticipated to consist of the acquisition and development of approximately 77.81 acres consisting of the area generally located south of Engler Boulevard, West of Highway 212, North of West Chaska Creek, and east of Wetzel Lane in the City of Chaska by Oppidan (the "Developer"). The Developer is planning to construct three large industrial multi-tenant buildings on the site with proposed square footages of 130,000, 189,000, and 221,000. The proposed uses of the buildings will be industrial, manufacturing, and/or warehousing. The square footage of the completed buildings will comply with the requirements of an economic development district with at least 85% being used for a qualifying purpose and less than 15% will be office space.

It is anticipated that the Authority will use the tax increment to finance a portion of the extraordinary acquisition and infrastructure improvement costs that are necessary for this project to proceed. In addition, the Authority may use tax increment for related administrative expenses, and any other eligible expenditures associated with development of the site that may include additional necessary public improvements.

Construction of the project is expected to commence in 2021. The 130,000 square foot building is expected to be 100% assessed and on the tax rolls as of January 2, 2022 for taxes payable in 2023. The 189,000 and 221,000 square foot buildings are expected to be fully constructed by December 31, 2022 and be 100% assessed and on the tax rolls as of January 2, 2023 for taxes payable in 2024.

At the time this document was prepared there were no signed construction contracts with regards to the above described development.

Section J Findings and Need for Tax Increment Financing

In establishing the TIF District, the City makes the following findings:

(1) The TIF District qualifies as an economic development district;

See Section E of this document for the reasons and facts supporting this finding.

(2) 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 and 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 the district permitted by the TIF Plan.

Factual basis:

Proposed development not expected to occur:

The proposed development consists of the construction of three new multi-tenant buildings with square footages of 130,000, 189,000, and 221,000. The new facilities will be used primarily for light industrial. The Developer has requested financial assistance to write down a portion of the acquisition and site improvement costs associated with development of the site. There are also extraordinary costs related to the installation of public infrastructure. The City intends to use a portion of the tax increment to finance the public infrastructure including stormwater connection The Developer has provided supplemental financial information demonstrating that the development of this site would not occur without the assistance provided in this TIF Plan.

Therefore, the City has determined that the proposed development would not occur but for the financial assistance provided in this TIF Plan because of the increased costs related to development within the TIF District. The location and condition of the property requires expenditures related to development of the site, including site development, soils correction, public improvements, and stormwater and sewer connection lines, which currently do not allow development on the property.

No higher market value expected:

The land located within TIF District No. 24 requires site improvements including site preparation, grading, and landscaping, as well as stormwater and sewer connection lines. To commence construction of the new business facility, assistance with financing a portion of those costs will be necessary. The financial assistance provided under this TIF Plan will help offset the costs of these improvements. Given the nature of this property, there is no reasonable expectation of any development occurring that would generate as much market value increase as is estimated to be generated by the proposed development by the new business. Therefore, the City has concluded that substantial development at this particular site--and hence any significant increase in market value--is not reasonably expected to occur unless the City provides tax increment assistance as described in this Tax Increment Plan.

To summarize the basis for the City's findings regarding alternative market value, in accordance with Minnesota Statutes, Section 469.175, Subd. 3(d), the City makes the following determinations:

a. The City's estimate of the amount by which the market value of the site will increase without the use of tax increment financing is $0 (for the reasons described above), except some unknown amount of appreciation.

b. If the proposed development to be assisted with tax increment occurs in the District, the total increase in market value would be approximately $52,127,573 (See Exhibit II).

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 6,065,915 (See Exhibit V).

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 $46,061,658 (the amount in clause b less the amount in clause c) without tax increment assistance.

(3) The TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for development of the Project Area by private enterprise.

Factual basis: The proposed development is the construction of a new business in the Project Area that is expected to create new jobs in the City and State, plus create new tax base for the City and the state. The development meets the City's economic development goals in terms of land use, job retention, and wage levels.

(4) The TIF Plan conforms to general plans for development of the City as a whole.

Factual basis: The City Council has determined that the development proposed in the TIF Plan conforms to the City comprehensive plan.

(5) The Authority elects the method of tax increment computation set forth in Minnesota Statutes, Section 469.177, Subdivision 3(a); therefore subdivision 3(a) shall apply which indicates the original net tax capacity and the current net tax capacity shall be determined after the application of the fiscal disparity provisions (see method (a) in Section P).

Section K Estimated Public Costs

The estimated public costs of the TIF District are listed below. Such costs are eligible for reimbursement from tax increments of the TIF District.

Estimated Public Costs	Estimated Amount
Land/Building acquisition	$
Site Improvements/Preparation costs	$1,657,621
Utilities	$0
Other public improvements	$5,801,882
Construction of affordable housing	$0
Administrative expenses	$392,606
Total Estimated Public Costs	$7,852,109
Interest expenses	$0
Total Costs	$7,852,109

The Authority reserves the right to administratively adjust the amount of any of the items listed above or to incorporate additional eligible items, so long as the total estimated public costs ($7,852,109) do not increase. The Authority also reserves the right to fund any of the identified costs with any other legally available revenues, such as grants and/or loans, but anticipates that such costs will be primarily financed with tax increments.

Section L Estimated Sources of Revenue

Estimated Sources of Revenue	Estimated Amount
Tax Increment revenue	$7,852,109
Interest on invested funds	
Total	$7,852,109

The Authority anticipates providing financial assistance to the proposed development through a combination of pay-as-you-go and upfront financing in which the Authority will provide funding to the Developer to offset a portion of the project costs and collect annual increments to pay the Developer obligation and Authority obligation. As tax increments are collected from the TIF District in future years, a portion will be retained by the Authority and the remaining funds will be provided as reimbursement for certain identified costs as necessary within the TIF District to assist with financing the public costs incurred (see Section K).

The Authority reserves the right to finance any or all public costs of the TIF District using pay-as-you-go assistance, internal funding, general obligation or revenue debt, or any other financing mechanism authorized by law. The Authority also reserves the right to use other sources of revenue legally applicable to the Project Area to pay for such costs including, but not limited to, special assessments, utility revenues, federal or state funds, and investment income. The projected tax increment report is included as Exhibit III.

Section M Estimated Amount of Bonded Indebtedness

The maximum principal amount of bonds (as defined in the TIF Act) secured in whole or part with tax increment from the TIF District is $7,852,109. The Authority currently plans to finance the improvement costs through pay-as-you-go financing. The Authority reserves the right to issue an interfund loan or issue bonds in any form, including without limitation any interfund loan with interest not to exceed the maximum permitted under Section 469.178, subd. 7 of the TIF Act.

Section N Original Net Tax Capacity

The County Auditor shall certify the original net tax capacity of the TIF District. This value will be equal to the total net tax capacity of all property in the TIF District as certified by the State Commissioner of Revenue. For districts certified between January 1 and June 30, inclusive, this value is based on the previous assessment year. For districts certified between July 1 and December 31, inclusive, this value is based on the current assessment year.

The Estimated Market Value of all property within the TIF District as of January 2, 2020, for taxes payable in 2021, is $6,468,600. Upon establishment of the TIF District, it is estimated that the original net tax capacity of the TIF District will be $109,646.

Each year the County Auditor shall certify the amount that the original net tax capacity has increased or decreased as a result of:

(1) changes in the tax-exempt status of property;

(2) reductions or enlargements of the geographic area of the TIF District;

(3) changes due to stipulation agreements or abatements; or

(4) changes in property classification rates.

Section O Original Tax Capacity Rate

The County Auditor shall also certify the original tax capacity rate of the TIF District. This rate shall be the sum of all local tax rates that apply to property in the TIF District. This rate shall be for the same taxes payable year as the original net tax capacity.

In future years, the amount of tax increment generated by the TIF District will be calculated using the lesser of (a) the sum of the current local tax rates at that time or (b) the original tax capacity rate of the TIF District.

It is anticipated the request for certification of the District will occur after June 30, 2020 and the local tax rates for taxes levied in 2020 and payable in 2021 will apply. The sum of the local tax rates for taxes levied in 2020 and payable in 2021 of 101.897% are shown below:

Taxing Jurisdiction	2020/2021 Local Tax Rate
City of Chaska	28.429%
Carver County	35.179%
ISD 112	33.006%
Other	5.282%
Total	101.897%

Section P Projected Retained Captured Net Tax Capacity and Projected Tax Increment

The Authority anticipates that the construction of the first industrial building will be completed by December 31, 2021 creating a total tax capacity for TIF District No. 24 of $311,506 as of January 2, 2022. The captured tax capacity as of that date is estimated to be $201,860 and the first full year of tax increment is estimated to be $205,689 payable in 2023. The Authority anticipates that the construction of the second and third industrial buildings will be completed by December 31, 2022 creating a total tax capacity for TIF District No. 24 of $956,586 as of January 2, 2023. The captured tax capacity as of that date is estimated to be $846,940 and the full-year tax increment for 2024 is estimated to increase to $863,002 payable in 2024. A complete schedule of estimated tax increment from the TIF District is shown in Exhibit III.

The estimates shown in this TIF Plan assume that commercial class rates remain at 1.50% of the estimated market value up to $150,000 and 2.0% of the estimated market value over $150,000; and assume 3% annual increase in market values.

Each year the County Auditor shall determine the current net tax capacity of all property in the TIF District. To the extent that this total exceeds the original net tax capacity, the difference shall be known as the captured net tax capacity of the TIF District.

For communities affected by the fiscal disparity provisions of Minnesota Statutes, Chapter 473F and Chapter 276A, the original net tax capacity of the TIF District shall be determined before the application of fiscal disparity. In subsequent years, the current net tax capacity shall either (a) be determined before the application of fiscal disparity or (b) exclude the product of any fiscal disparity increase in the TIF District (since the original net tax capacity was certified) times the appropriate fiscal disparity ratio. The method the Authority elects shall remain the same for the life of the TIF District, except that a single change may be made at any time from method (a) to method (b) above. The Authority elects method (a), or M.S. Section 469.177, Subdivision 3(a).

The County Auditor shall certify to the Authority the amount of captured net tax capacity each year. The Authority may choose to retain any or all of this amount. It is the Authority's intention to retain 100% of the captured net tax capacity of the TIF District. Such amount shall be known as the retained captured net tax capacity of the TIF District.

Exhibit II gives a listing of the various information and assumptions used in preparing a number of the exhibits contained in this TIF Plan, including Exhibit III which shows the projected tax increment generated over the anticipated life of the TIF District.

Section Q Use of Tax Increment

Each year the County Treasurer shall deduct 0.36% of the annual tax increment generated by the TIF District and pay such amount to the State's General Fund. Such amounts will be appropriated to the State Auditor for the cost of financial reporting and auditing of tax increment financing information throughout the state. Exhibit III shows the projected deduction for this purpose over the anticipated life of the TIF District.

The Authority has determined that it will use 100% of the remaining tax increment generated by the TIF District for any of the following purposes:

(1) pay for the estimated public costs of the TIF District (see Section K) and County administrative costs associated with the TIF District (see Section T);

(2) pay principal and interest on tax increment bonds or other bonds issued to finance the estimated public costs of the TIF District;

(3) accumulate a reserve securing the payment of tax increment bonds or other bonds issued to finance the estimated public costs of the TIF District;

(4) pay all or a portion of the county road costs as may be required by the County Board under M.S. Section 469.175, Subdivision 1a; or

(5) return excess tax increments to the County Auditor for redistribution to the City, County and School District.

Tax increments from property located in one county must be expended for the direct and primary benefit of a project located within that county, unless both county boards involved waive this requirement. Tax increments shall not be used to circumvent levy limitations applicable to the Authority.

Tax increment shall not be used to finance 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, or for a commons area used as a public park, or a facility used for social, recreational, or conference purposes. This prohibition does not apply to the construction or renovation of a parking structure or of a privately-owned facility for conference purposes.

If there exists any type of agreement or arrangement providing for the developer, or other beneficiary of assistance, to repay all or a portion of the assistance that was paid or financed with tax increments, such payments shall be subject to all of the restrictions imposed on the use of tax increments. Assistance includes sale of property at less than the cost of acquisition or fair market value, grants, ground or other leases at less then fair market rent, interest rate subsidies, utility service connections, roads, or other similar assistance that would otherwise be paid for by the developer or beneficiary.

Section R Excess Tax Increment

In any year in which the tax increments from the TIF District exceed the amount necessary to pay the estimated public costs authorized by the TIF Plan, the Authority shall use the excess tax increments to:

(1) prepay any outstanding tax increment bonds;

(2) discharge the pledge of tax increments thereof;

(3) pay amounts into an escrow account dedicated to the payment of the tax increment bonds; or

(4) return excess tax increments to the County Auditor for redistribution to the City, County and School District. The County Auditor must report to the Commissioner of Education the amount of any excess tax increment redistributed to the School District within 30 days of such redistribution.

Section S Tax Increment Pooling and the Five-Year Rule

At least 80% of the tax increments from the TIF District must be expended on activities within the district or to pay for bonds used to finance the estimated public costs of the TIF District (see Section E for additional restrictions). No more than 20% of the tax increments may be spent on costs outside of the TIF District but within the boundaries of the Project Area, except to pay debt service on credit enhanced bonds. All administrative expenses are considered to have been spent outside of the TIF District. Tax increments are considered to have been spent within the TIF District if such amounts are:

(1) actually paid to a third party for activities performed within the TIF District within five years after certification of the district;

(2) used to pay bonds that were issued and sold to a third party, the proceeds of which are reasonably expected on the date of issuance to be spent within the later of the five-year period or a reasonable temporary period or are deposited in a reasonably required reserve or replacement fund.

(3) used to make payments or reimbursements to a third party under binding contracts for activities performed within the TIF District, which were entered into within five years after certification of the district; or

(4) used to reimburse a party for payment of eligible costs (including interest) incurred within five years from certification of the district.

Beginning with the sixth year following certification of the TIF District, at least 80% of the tax increments must be used to pay outstanding bonds or make contractual payments obligated within the first five years. When outstanding bonds have been defeased and sufficient money has been set aside to pay for such contractual obligations, the TIF District must be decertified.

The Authority anticipates that a portion of the tax increments may be spent outside of the TIF District (including allowable administrative expenses); and the Authority reserves the right to allow for tax increment pooling from the TIF District in the future.

Section T Limitation on Administrative Expenses

Administrative expenses are defined as all costs of the Authority other than:

(1) amounts paid for the purchase of land;

(2) amounts paid for materials and services, including architectural and engineering services directly connected with the physical development of the real property in the project;

(3) relocation benefits paid to, or services provided for, persons residing or businesses located in the project;

(4) amounts used to pay principal or interest on, fund a reserve for, or sell at a discount bonds issued pursuant to section 469.178; or

(5) amounts used to pay other financial obligations to the extent those obligations were used to finance costs described in clause (1) to (3).

Administrative expenses include amounts paid for services provided by bond counsel, fiscal consultants, planning or economic development consultants, and actual costs incurred by the County in administering the TIF District. Tax increments may be used to pay administrative expenses of the TIF District up to the lesser of (a) 10% of the total tax increment expenditures authorized by the TIF Plan or (b) 10% of the total tax increments received by the TIF District.

Section U Limitation on Property Not Subject to Improvements - Four Year Rule

If after four years from certification of the TIF District no demolition, rehabilitation, renovation of property or other site preparation, including qualified improvement of an adjacent street, has commenced on a parcel located within the TIF District, then that parcel shall be excluded from the TIF District and the original net tax capacity shall be adjusted accordingly. Qualified improvements of a street are limited to construction or opening of a new street, relocation of a street, or substantial reconstruction or rebuilding of an existing street. The Authority must submit to the County Auditor, by February 1 of the fifth year, evidence that the required activity has taken place for each parcel in the TIF District.

If a parcel is excluded from the TIF District and the Authority or owner of the parcel subsequently commences any of the above activities, the Authority shall certify to the County Auditor that such activity has commenced and the parcel shall once again be included in the TIF District. The County Auditor shall certify the net tax capacity of the parcel, as most recently certified by the Commissioner of Revenue, and add such amount to the original net tax capacity of the TIF District.

Section V Estimated Impact on Other Taxing Jurisdictions

Exhibit IV shows the estimated impact on other taxing jurisdictions if the maximum projected retained captured net tax capacity of the TIF District was hypothetically available to the other taxing jurisdictions. The Authority believes that there will be no adverse impact on other taxing jurisdictions during the life of the TIF District, since the proposed development would not have occurred without the establishment of the TIF District and the provision of public assistance. A positive impact on other taxing jurisdictions will occur when the TIF District is decertified and the development therein becomes part of the general tax base.

The fiscal and economic implications of the proposed tax increment financing district, as pursuant to Minnesota Statutes, Section 469.175, Subdivision 2, are listed below.

1. The total amount of tax increment that will be generated over the life of the district is estimated to be $7,880,478.

2. To the extent the facility in the proposed TIF District generates any public cost impacts on city-provided services such as police and fire protection, public infrastructure, and borrowing costs attributable to the district, such costs will be levied upon the taxable net tax capacity of the City, excluding that portion captured by the District. The Authority anticipates issuing revenue bonds, which may be general obligation, to finance the public infrastructure improvements in conjunction with this project and reserves to finance project costs as necessary to facilitate development.

3. 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 estimated to be $2,552,656.

4. 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 estimated to be $2,720,704.

5. No additional information has been requested by the county or school district that would enable it to determine additional costs that will accrue to it due to the development proposed for the district.

Section W Prior Planned Improvements

The Authority shall accompany its request for certification to the County Auditor (or notice of district enlargement), with a listing of all properties within the TIF District for which building permits have been issued during the 18 months immediately preceding approval of the TIF Plan. The County Auditor shall increase the original net tax capacity of the TIF District by the net tax capacity of each improvement for which a building permit was issued.

There have been no building permits issued in the last 18 months in conjunction with any of the properties within the TIF District.

Section X Development Agreements

If within a project containing an economic development district, more than 10% of the acreage of the property to be acquired by the Authority is purchased with tax increment bonds proceeds (to which tax increment from the property is pledged), then prior to such acquisition, the Authority must enter into an agreement for the development of the property. Such agreement must provide recourse for the Authority should the development not be completed.

The Authority anticipates entering into an agreement with the Developer relating to the project but does not anticipate acquiring any property located within the TIF District.

Section Y Assessment Agreements

The Authority may, upon entering into a development agreement, also enter into an assessment agreement with the developer, which establishes a minimum market value of the land and improvements for each year during the life of the TIF District.

The assessment agreement shall be presented to the County or City Assessor who shall review the plans and specifications for the improvements to be constructed, review the market value previously assigned to the land, and so long as the minimum market value contained in the assessment agreement appears to be an accurate estimate, shall certify the assessment agreement as reasonable. The assessment agreement shall be filed for record in the office of the County Recorder of each county where the property is located. Any modification or premature termination of this agreement must first be approved by the City, County and School District.

The Authority anticipates entering into an assessment agreement.

Section Z Modifications of the Tax Increment Financing Plan

Any reduction or enlargement in the geographic area of the Project Area or the TIF District; increase in the amount of bonded indebtedness to be incurred; determination to capitalize interest on the debt if it was not part of original plan; increase in that portion of the captured net tax capacity to be retained by the Authority; increase in the total estimated public costs; or designation of additional property to be acquired by the Authority shall be approved only after satisfying all the necessary requirements for approval of the original TIF Plan. This paragraph does not apply if:

(1) the only modification is elimination of parcels from the TIF District; and

(2) the current net tax capacity of the parcels eliminated equals or exceeds the net tax capacity of those parcels in the TIF District's original net tax capacity, or the Authority agrees that the TIF District's original net tax capacity will be reduced by no more than the current net tax capacity of the parcels eliminated.

The Authority must notify the County Auditor of any modification that reduces or enlarges the geographic area of the TIF District. The geographic area of the TIF District may be reduced but not enlarged after five years following the date of certification.

Section AA Administration of the Tax Increment Financing Plan

Upon adoption of the TIF Plan, the Authority shall submit a copy of such plan to the Minnesota Department of Revenue. The Authority shall also request that the County Auditor certify the original net tax capacity and net tax capacity rate of the TIF District. To assist the County Auditor in this process, the Authority shall submit copies of the TIF Plan, the resolution establishing the TIF District and adopting the TIF Plan, and a listing of any prior planned improvements. The Authority shall also send the County Assessor any assessment agreement establishing the minimum market value of land and improvements in the TIF District and shall request that the County Assessor review and certify this assessment agreement as reasonable.

The County shall distribute to the Authority the amount of tax increment as it becomes available. The amount of tax increment in any year represents the applicable property taxes generated by the retained captured net tax capacity of the TIF District. The amount of tax increment may change due to development anticipated by the TIF Plan, other development, inflation of property values, or changes in property classification rates or formulas. In administering and implementing the TIF Plan, the following actions should occur on an annual basis:

(1) prior to July 1, the Authority shall notify the County Assessor of any new development that has occurred in the TIF District during the past year to ensure that the new value will be recorded in a timely manner.

(2) if the County Auditor receives the request for certification of a new TIF District, or for modification of an existing TIF District, before July 1, the request shall be recognized in determining local tax rates for the current and subsequent levy years. Requests received on or after July 1 shall be used to determine local tax rates in subsequent years.

(3) each year the County Auditor shall certify the amount of the original net tax capacity of the TIF District. The amount certified shall reflect any changes that occur as a result of the following:

    (a) the value of property that changes from tax-exempt to taxable shall be added to the original net tax capacity of the TIF District. The reverse shall also apply;

(b) the original net tax capacity may be modified by any approved enlargement or reduction of the TIF District;

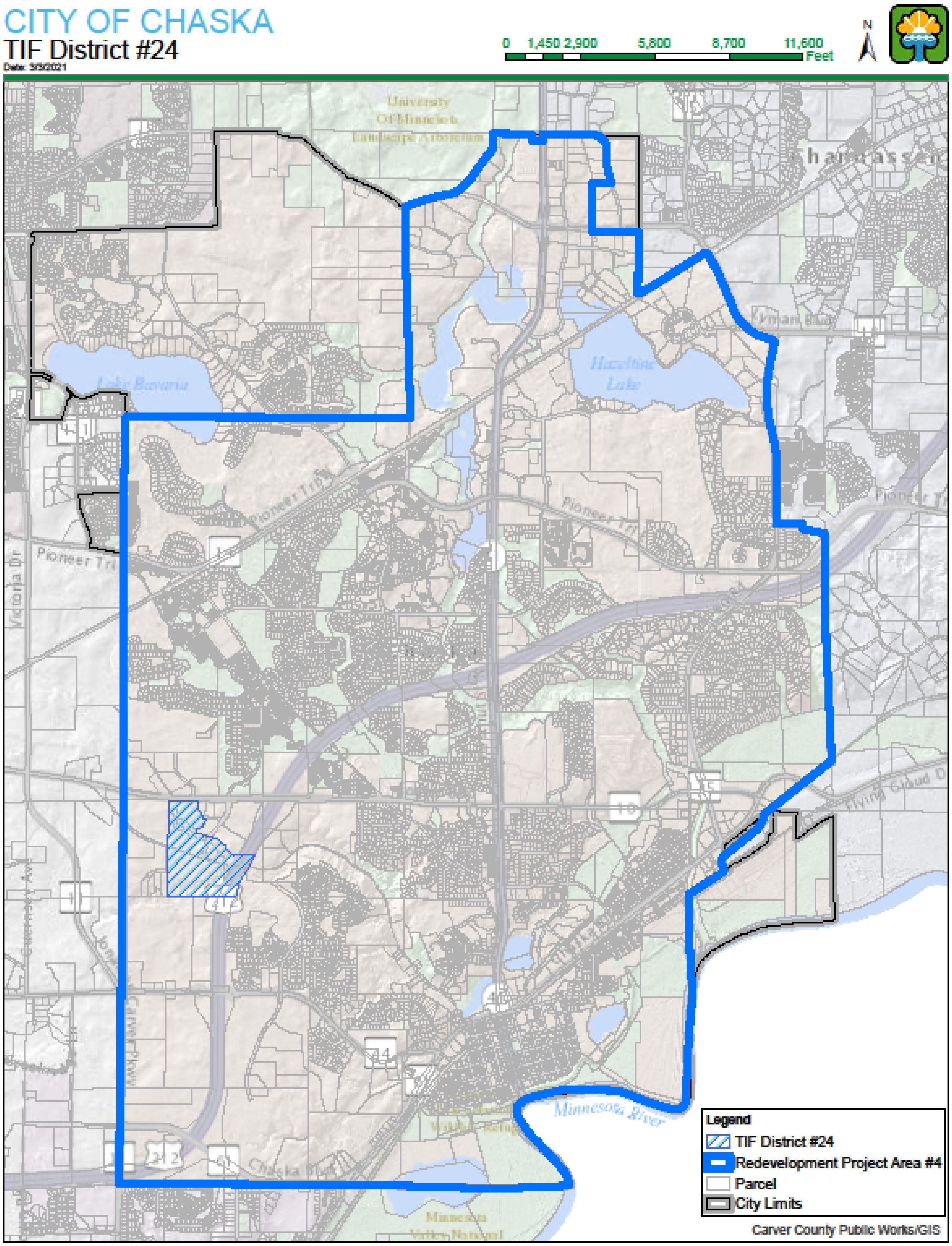
(c) if laws governing the classification of real property cause changes to the percentage of estimated market value to be applied for property tax purposes, then the resulting increase or decrease in net tax capacity shall be applied proportionately to the original net tax capacity and the retained captured net tax capacity of the TIF District.

The County Auditor shall notify the Authority of all changes made to the original net tax capacity of the TIF District.

Section AB Filing TIF Plan, Financial Reporting and Disclosure Requirements

The Authority will file the TIF Plan, and any subsequent amendments thereto, with the Commissioner of Revenue and the Office of the State Auditor pursuant to Minnesota Statutes, Section 469.175, subdivision 4A. The Authority will comply with all reporting requirements for the TIF District under Minnesota Statutes, Section 469.175, subdivisions 5 and 6.

Map of
Tax Increment Financing (Economic Development) District No. 24
within Redevelopment Project No. 4



Assumptions Report

City of Chaska, Minnesota
Tax Increment Financing (Economic Development) District No. 24
Proposed Chaska Creek Industrial Project
Final TIF Plan Exhibits: $42M new taxable value

Type of Tax Increment Financing District	Economic Development
Maximum Duration of TIF District	8 years from 1st increment

Projected Certification Request Date	07/01/21	
Decertification Date	12/31/31	(9 Years of Increment)

		2021/2022
Base Estimated Market Value *		$6,468,600
Parcels:	301840030	
	302040050	
	302040060	
	302040070	
	302040090	
	302040080	
	300060900	
	300060800	
Original Net Tax Capacity *		$109,646

	Assessment/Collection Year			
	2021/2022	2022/2023	2023/2024	2024/2025
Base Estimated Market Value	$6,468,600	$6,468,600	$6,468,600	$6,468,600
Increase in Estimated Market Value	0	10,130,508	42,384,487	43,656,022
Total Estimated Market Value	6,468,600	16,599,108	48,853,087	50,124,622
Total Net Tax Capacity	$109,646	$311,506	$956,586	$982,016

City of Chaska	28.429%	
Carver County	35.179%	
ISD 112	33.006%	
Other (TAG 3001)	5.282%	
Local Tax Capacity Rate	101.897%	2019/2020
Fiscal Disparities Contribution From TIF District	36.4956%	
Administrative Retainage Percent (maximum = 10%)	5.00%	
Pooling Percent	0.00%	

Bonds			Note	
Bonds Dated	TBD		Note Dated	06/30/21
Bond Issue @ 0.00% (NIC)	TBD		Note Rate	4.00%
Eligible Project Costs	TBD		Note Amount	$647,000
Present Value Date & Rate	06/30/21	4.00%	Present Value Amount	$4,458,725

Notes
Assumptions assume no change to future tax rates, class rates, and a 3% annual MV inflator is assumed
Calculations include payable 2021 final tax capacity rates
Total EMV upon completion based on City estimate for new building constructions
* Base EMV based on assumptions for existing land values

Projected Tax Increment Report

City of Chaska, Minnesota
Tax Increment Financing (Economic Development) District No. 24
Proposed Chaska Creek Industrial Project
Final TIF Plan Exhibits: $42M new taxable value

Annual Period Ending (1)	Total Estimated Market Value [1] (2)	Total Net Tax Capacity [2] (3)	Less: Original Net Tax Capacity [3] (4)	Less: Fiscal Disp. @ 0.0000% (5)	Retained Captured Net Tax Capacity (6)	Times: Tax Capacity Rate [4] (7)	Annual Gross Tax Increment (8)	Less: State Aud. Deduction 0.360% (9)	Subtotal Net Tax Increment (10)	Less: Admin. Retainage 5.00% (11)	Less: Developer Share PayGO (12)	Annual Net Revenue (13)	P.V. Annual Net Rev. To 06/30/21 4.00%
12/31/21	6,468,600	109,646	109,646	0	0	101.897%	0	0	0	0		0	0
12/31/22	6,468,600	109,646	109,646	0	0	101.897%	0	0	0	0		0	0
12/31/23	16,599,108	311,506	109,646	0	201,860	101.897%	205,689	740	204,949	10,247	57,902	136,800	125,232
12/31/24	48,853,087	956,586	109,646	0	846,940	101.897%	863,002	3,107	859,895	42,995	191,914	624,986	550,129
12/31/25	50,124,622	982,016	109,646	0	872,370	101.897%	888,915	3,200	885,715	44,286	194,170	647,259	547,822
12/31/26	51,434,303	1,008,210	109,646	0	898,564	101.897%	915,606	3,296	912,310	45,616	196,445	670,249	545,461
12/31/27	52,783,274	1,035,189	109,646	0	925,543	101.897%	943,097	3,395	939,702	46,985	198,746	693,971	543,045
12/31/28	54,172,714	1,062,978	109,646	0	953,332	101.897%	971,413	3,497	967,916	48,396	201,068	718,452	540,578
12/31/29	55,603,837	1,091,601	109,646	0	981,955	101.897%	1,000,578	3,602	996,976	49,849	203,415	743,712	538,062
12/31/30	57,077,894	1,121,082	109,646	0	1,011,436	101.897%	1,030,618	3,710	1,026,908	51,345	205,784	769,779	535,501
12/31/31	58,596,173	1,151,447	109,646	0	1,041,801	101.897%	1,061,560	3,822	1,057,738	52,887	208,177	796,674	532,895
							$7,880,478	$28,369	$7,852,109	$392,606	$1,657,621	$5,801,882	$4,458,725

[1] *taxable value based on estimates provided by City staff and future buildout assumptions for development of the project site*
[2] *tax capacity based on rcommercial-industrial class rate of 1.5% for value up to $150,000 and 2% for value above $150,000*
[3] *original net tax capacity will be based on existing buiilding value upon sale to private developer*
[4] *combined local tax capacity rate of City of Chaska, School District, and Carver County for payable 2021*

Estimated Impact on Other Taxing Jurisdictions Report

City of Chaska, Minnesota
Tax Increment Financing (Economic Development) District No. 24
Proposed Chaska Creek Industrial Project
Final TIF Plan Exhibits: $42M new taxable value

	Without Project or TIF District		With Project and TIF District					
Taxing Jurisdiction	2019/2020 Taxable Net Tax Capacity (1)	2019/2020 Local Tax Rate	2019/2020 Taxable Net Tax Capacity (1) +	Projected Retained Captured Net Tax Capacity =	New Taxable Net Tax Capacity	Hypothetical Adjusted Local Tax Rate (*)	Hypothetical Decrease In Local Tax Rate (*)	Hypothetical Tax Generated by Retained Captured N.T.C. (*)
City of Chaska	32,190,551	28.429%	32,190,551	$661,589	32,852,140	27.856%	0.573%	184,295
Carver County	153,059,897	35.179%	153,059,897	661,589	153,721,486	35.028%	0.151%	231,741
ISD 112	89,592,584	33.006%	89,592,584	661,589	90,254,173	32.765%	0.242%	216,767
Other (2)	---	5.282%	---	661,589	---	5.282%	---	---
Totals		101.897%				100.931%	0.966%	

* **Statement 1:** If the projected Retained Captured Net Tax Capacity of the TIF District was hypothetically available to each of the taxing jurisdictions above, the result would be a lower local tax rate (see Hypothetical Adjusted Tax Rate above) which would produce the same amount of taxes for each taxing jurisdiction. In such a case, the total local tax rate would decrease by 0.966% (see Hypothetical Decrease in Local Tax Rate above). The hypothetical tax that the Retained Captured Net Tax Capacity of the TIF District would generate is also shown above.

Statement 2: Since the projected Retained Captured Net Tax Capacity of the TIF District is not available to the taxing jurisdictions, then there is no impact on taxes levied or local tax rates.

(1) Taxable net tax capacity = total net tax capacity - captured TIF - fiscal disparity contribution, if applicable.
(2) The impact on these taxing jurisdictions is negligible since they represent only 5.18% of the total tax rate.

Market Value Analysis Report

City of Chaska, Minnesota
Tax Increment Financing (Economic Development) District No. 24
Proposed Chaska Creek Industrial Project
Final TIF Plan Exhibits: $42M new taxable value

Assumptions

Present Value Date	07/01/21
P.V. Rate - Gross T.I.	4.00%

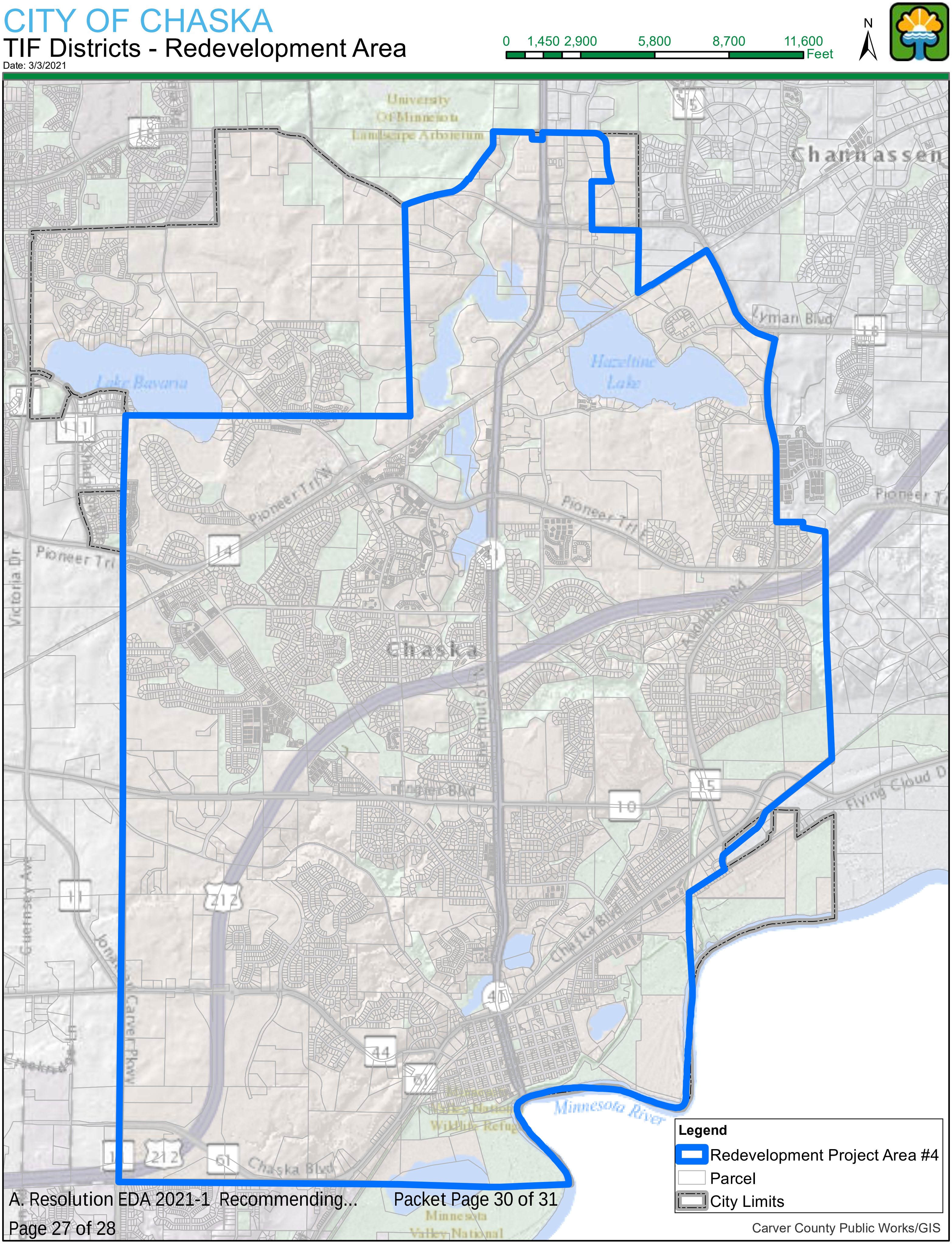
Increase in EMV With TIF District	$52,127,573
Less: P.V of Gross Tax Increment	6,065,915
Subtotal	$46,061,658
Less: Increase in EMV Without TIF	0
Difference	$46,061,658

	Year	Annual Gross Tax Increment	Present Value @ 4.00%
1	2023	205,689	188,315
2	2024	863,002	759,720
3	2025	888,915	752,434
4	2026	915,606	745,218
5	2027	943,097	738,071
6	2028	971,413	730,991
7	2029	1,000,578	723,979
8	2030	1,030,618	717,033
9	2031	1,061,560	710,154
		$7,880,478	$6,065,915

CITY OF CHASKA

TIF Districts - Redevelopment Area

Date: 3/3/2021



CITY OF CHASKA

TIF District #24

Date: 3/3/2021