



Modification No. 1 to the
50th and France
Tax Increment Finance Plan

Draft for Public Review
September 18, 2014

**50th and France City Development District Plan and
50th and France Tax Increment Finance Plan**

Modification No. 1

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[Note: Modification No. 1 only applies to the Tax Increment Finance Plan]

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Introduction

The 50th and France Tax Increment Financing (TIF) District was established in 1998 to facilitate redevelopment of a key commercial site at the northeast corner of the intersection of 50th Street West and France Avenue South through construction of a 40,000-square foot two-story retail and office center.

Modification No. 1 to the 50th and France TIF Plan amends the project budget to more accurately reflect the actual and projected revenues and expenditures over the life of the TIF District, and facilitate more thorough reporting to the State Auditor's Office for this District. No new activities are proposed and no additional financial assistance is being provided to the developer or the project.

Subsection 2.4 – Description of Financing is updated by Modification No. 1. Changes are described in italics prior to the affected section. Only those parts of the TIF Plan changed by Modification No. 1 appear below.

Subsection 2.4 Description of Financing

[The following language is added to Subsection 2.4.]

Project activities financed through TIF revenues of the District include site assembly, relocation and demolition costs. A pay-as-you-go note was issued in the amount of \$1,800,000 to pay for these costs.

The term of the renewal and renovation District is 15 years from receipt of the first tax increment revenue, which occurred in 2002. The District will decertify on December 31, 2017.

Under the terms of the redevelopment agreement, 90% of the increment generated from the District is to be applied to payment of the note through the end of the District or until the note is paid in full, whichever occurs first. At the time the TIF Plan was approved, it was estimated the District would generate \$2,724,350 in revenue. Current estimates indicate that the District will generate approximately \$3,500,000 through December 31, 2017. At that estimated level of funding, it is expected the TIF note will not be paid in full by the end of the District. The note is payable solely from TIF revenues of the District. Any outstanding balance on the TIF note at the time of decertification of the District will remain unpaid and will not be a liability of the City.

A. Project Costs

[Subsection 2.4.A. is updated as follows.]

The maximum project costs to be financed with tax increment revenues collected from the District are shown in the revised budget below.

	Current Budget	Revised Budget
Tax Increment Revenues		
Tax Increment	\$2,724,350	\$3,425,000
Interest Earnings	---	75,000
Total Revenues	\$2,724,350	\$3,500,000
Project Costs		
Land/Building Acquisition	\$1,800,000	\$1,800,000
Other Qualifying Improvements	500,000	---
Administrative Costs	230,000	70,000
Interest Expense	194,350	1,630,000
Total Costs	\$2,724,350	\$3,500,000

D. Most Recent Net Tax Capacity

[The following language is added to Subsection 2.4.D.]

For taxes payable in 2014, the Original Net Tax Capacity of the TIF District was \$21,070.

E. Estimated Captured Net Tax Capacity of the TIF District at Completion

[The following language is added to Subsection 2.4.E.]

For taxes payable in 2014, the total net tax capacity was \$179,250 and the captured net tax capacity was \$158,180, resulting in gross tax increment (before the State Auditor fee) of an estimated \$246,843.

H. Original Local Tax Rate

[Subsection 2.4.H. is replaced by the following language.]

The Original Tax Capacity Rate of the District is 147.0030%.



MCDA

50th and France TIF District
Boundary Map

LEGEND

— — — Boundary

May 1, 1998 - corrected May 4, 1998