

Tax Increment – Spending Plan

February 1, 2022



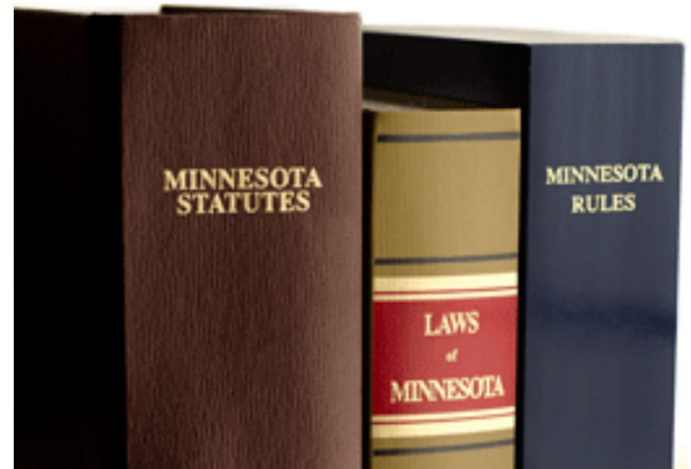
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City of Shakopee | 485 Gorman St., Shakopee MN 55379 | 952-233-9300 | www.ShakopeeMN.gov

Background

- New Minnesota Legislation allows cities to use unallocated TIF dollars that have not already been obligated.
- Intended to accelerate the economic recovery after the COVID-19 pandemic
- Intended to create new jobs
- Intended to promote new private investment



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Available Balances

- Shakopee has nine TIF Districts, unallocated monies that are eligible for this new MN Statue as of 12/31/2021 are as follows:

District	Amount
TIF District #10 (River City Center)	\$4,835
TIF District #14 (SanMar)	214,760
TIF District #15 (All Saints)	120,201
TIF District #16 (RAHR)	57,260
TIF District #17 (Amazon)	115,473
TIF District #18 (Canterbury)	-
TIF District #19 (Riverfront)	-
TIF District #20 (Enclave)	-
TIF District #21 (Southbridge Soils)	<u>2,103</u>
Total	\$514,632



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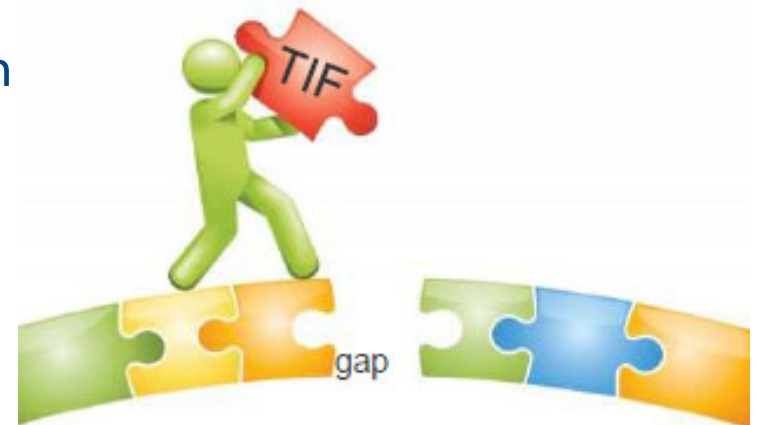
➤ Additional dollars available through 12/31/2022 also eligible for pooling.

How can Funds be Used

- TIF dollars can fill the gap in private development projects including:
 - New construction or substantial rehabilitation of existing
 - Private improvements or related public improvements

NOT for public buildings or parks

NOT for general public improvements



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How can Funds be Used

- Each project must deliver new construction or substantial rehabilitation or brick and mortar structures
- Each project must create jobs, including (at minimum) construction jobs
- Each project must be determined to be unable to proceed without public funding
- Proposed Spending Plan – Preference for financing assistance will be for private development that provides for high wage job creation or development of housing, including but not limited to, market rate and affordable multi-family, town homes and single-family units.



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Process

- Public hearing must be conducted
- Spending plan must be approved no later than 12/31/2022
- Spending plan must be provided to the State Auditor
- Consider qualified projects on a case-by-case basis
- Projects must be completed by 12/31/2025
- Any unused funds must be returned to the original TIF district OR be redistributed to the County, City and Schools in 2026.

Recommendation

- Staff recommends that the Spending Plan be adopted.
- Staff further recommends that prospective projects be identified in 2022-2023 so that work can be completed by the 2025 deadline.

Questions/Discussion