

River City Centre Improvements – Funding Sources

April 4, 2023



SHAKOPEE | MN

COMMUNITY PRIDE SINCE 1857

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

Pooled Tax Increment Funds

- In 2021, the Minnesota Legislation expanded the use of tax increment dollars that have not already been obligated on a temporary basis
- Intended to create new jobs & promote new private investment
- Required a public hearing and the adoption of a Spending Plan
 - Adopted November 1, 2022
 - Authorized improvements of existing commercially owned or utilized buildings
- Projects must be completed by December 31, 2025

Available Balances

- Estimated unobligated pooled funds as of 12/31/2022 were derived from the following:

District	Amount
TIF District #10 (River City Center)	\$1,357
TIF District #14 (SanMar)	248,938
TIF District #15 (All Saints)	116,523
TIF District #16 (RAHR)	54,330
TIF District #17 (Amazon)	210,220
TIF District #18 (Canterbury)	-
TIF District #19 (Riverfront)	-
TIF District #20 (Enclave)	-
TIF District #21 (Southbridge Soils)	<u>2,752</u>
Total	\$634,120*



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*Unaudited balance

Future Tax Increments

- Redevelopment district allowed to spend up to 25% of tax increment “out of district”
- Future tax increments from the administrative fund of TIF No. 18 (Canterbury) plus 5 percent interest.
- Administrative fund annual allocation (10%)
 - Current \$120K (\$1.2 million * 10%)
 - Estimate at full build out \$530k (\$5.3 million * 10%)
 - Estimated pay back period of 8 – 15 years