Lucas Dahling
Finance Director
Lucas.Dahling@goodhuecountymn.gov
509 W. 5th Street
Red Wing, MN 55066

TO: Goodhue County Board of Commissioners

FROM: Lucas Dahling, Finance Director

SUBJECT: City of Wanamingo TIF District No. 3-2

DATE: November 4, 2025

Background

The Finance Department received notice of the proposed Tax Increment Financing (TIF) District No. 3-2 from the City of Wanamingo on October 17, 2025. As required by law, staff distributed the information to the County Board on October 17, 2025, via email and placed it on the November 4th County Board Agenda should the Board wish to submit written comments. The Board is not being asked to approve the project as that is solely at the discretion of the Wanamingo City Council.

Discussion

As outlined in the notification, the City of Wanamingo is proposing a 25-year redevelopment TIF district that encompasses a portion of two parcels (70.100.0650 and 70.380.0390), which are currently being replatted. The purpose of the TIF is to assist with the redevelopment of a vacant elementary school building within the city to provide space for private commercial uses, including a child daycare center, community gym, and office space, or similar uses. The 60,250 square foot (floor area) building is located at 225 3rd Avenue, at the intersection of 3rd Avenue and 2nd Street East in the City.

Scope of the Project

The vacant elementary school property has been determined to be substandard. The city has indicated in writing that the development would not reasonably be expected to occur solely through private investment within the foreseeable future. The city intends to issue a pay-go tax increment financing revenue note to reimburse the developer for public development costs. Tax increment will only be used to reimburse the developer for eligible costs.

Estimated Fiscal and Economic Implications

The County does not currently receive property taxes from these parcels as they are owned by a school district. The proposed TIF is expected to generate a total of $78,897 annually from the three major taxing jurisdictions or $24,643 from Goodhue County alone. More detailed information can be found in the attached analysis that has been completed by Northland Securities, Inc.

Again, the City of Wanamingo is not seeking approval of the proposed TIF project as the Board is limited to the actions outlined below:

Upon notification of a proposed TIF District:

1. **County Auditor** must provide copies of the authority's proposed TIF plan and estimate of fiscal and economic implications of the proposed TIF district to County Board members upon receipt from the authority. Minn. Stat. § 469.175, subd. 2(a).
2. **County Board** may adopt standard questions on information requested for fiscal and economic implications in a written policy. Minn. Stat. § 469.175, subd. 2(b)(5).
3. **County Board** may, absent standard questions, request additional information within 15 days after receipt of the proposed TIF plan. Minn. Stat. § 469.175, subd. 2(b)(5).
4. **County Board** may submit written comments within 30 days of receipt of authority's proposed TIF plan and estimate of fiscal and economic implications. Minn. Stat. § 469.175, subd. 2(a).
5. **County Commissioner** who represents the area of a proposed housing or redevelopment district may submit written comments on the proposal within 30 days of receiving written notice of the proposed district. Minn. Stat. § 469.175, subd. 2(a).
6. **County Board** may notify the authority and municipality of its intent to use tax increments to finance county road improvements within 45 days after receipt of the proposed TIF plan. Minn. Stat. § 469.175, subd. 1a(b).

Please find attached a copy of 1) Notification Letter, and 2) TIF Plan & Analysis. The city has scheduled a **public hearing for Monday, November 17th, 2025, at approximately 7:00 pm** to receive public comment on the establishment of the proposed TIF District. If the County wishes, they can submit written comments by no later than 30 days of receiving written notice of the proposed district.

Recommendation
Staff does not see any issues with the proposed TIF, however, the Board should inform staff if they have any significant comments you would like relayed to the City of Wanamingo regarding the use of their proposed TIF.

SENT VIA EMAIL

TO: **Goodhue County**
Auditor / Treasurer
Government Center
509 W. 5th. S. Second Floor
Red Wing, MN 55066
Attention: Lucas Dahling, lucas.dahling@co.goodhue.mn.us

Kenyon-Wanamingo Schools
Office of Superintendent
District Office
400 6th Street
Kenyon, MN 55946
Attention: Pat Heiderscheit, pheiderscheit@kw.k12.mn.us

FROM: **City of Wanamingo**
City Administrator
P.O. Box 224W
Wanamingo, MN 55983
Attention: Michael Boulton, cityadministrator@cityofwanamingo.com

Northland Public Finance
Managing Director, Public Finance
Northland Securities, Inc.
150 South Fifth Street, Suite 3300
Minneapolis, MN 55402
Attention: Tammy Omdal, tomdal@northlandsecurities.com

DATE: October 17, 2025

RE: Notice for City of Wanamingo Tax Increment Financing (Redevelopment) District No. 3-2

The City of Wanamingo (the "City") is considering the establishment of Tax Increment Financing District (Redevelopment) No. 3-2 (the "TIF District"). The purpose of the establishment of the TIF District is to assist with the financing of certain project costs for redevelopment of the property within the boundaries of the TIF District. The City proposes to provide tax increment financing assistance to facilitate redevelopment of a vacant elementary school building within the City to provide space for private commercial uses, including a child daycare center, community gym and office space, or similar uses. The approximate 16 story height (linear foot) and 60,250 square foot (floor area) building is located at 225 3rd Avenue, at the intersection of 3rd Avenue and 2nd Street East in the City.

Notice is hereby given that the City will meet on November 17, 2025, at 7:00 p.m. or as soon as possible thereafter, in the city council chambers at city hall located at 410 Main Street in the City to conduct a public hearing regarding modification of the Development Program for Development District No. 3 and adoption of a Tax Increment Financing Plan for the TIF District (the "TIF Plan").

We are enclosing for your review a draft of the Tax Increment Financing Plan for the TIF District (the "TIF Plan") pursuant to Minnesota Statutes, Section 469.175, Subdivision 2. Subdivision 2 requires that the County Auditor and the Clerk of the School Board be provided with a 30-day period during which to review and comment on the fiscal and economic implications of a modified or proposed tax increment financing district. Exhibit III of the TIF Plan illustrates the estimated fiscal and economic impacts on the affected local taxing jurisdictions from the TIF District. If you require further information, we request that you please let us know no later than 15 days after receipt of the TIF Plan.

Please note that the TIF Plan is a draft. The City may refine the TIF Plan prior to the public hearing. We will provide you with a revised TIF Plan if the City proposes any substantial revisions to the draft.

The City offers this notice in accordance with Minnesota Statues, Section 469.175, Subd. 1a, which addresses an election by Goodhue County to use tax increments generated by the TIF District to finance county road improvements deemed necessary because of increased use due to the redevelopment. Upon receipt of this notice the County has a 45-day period in which to notify the City of its intent to utilize tax increments and to provide an estimate of the costs.

Please direct any comments or questions to Michael Boulton, City Administrator, by email at cityadministrator@cityofwanamingo.com, or by phone at 507-824-2477.

Cc: Michael Boulton, City of Wanamingo, cityadministrator@cityofwanamingo.com
Ronald Batty, Kennedy-Graven Law Firm, rbatty@Kennedy-Graven.com

DRAFT FOR DISTRIBUTION, OCTOBER 17, 2025

CITY OF WANAMINGO, MINNESOTA

MODIFICATION OF DEVELOPMENT PROGRAM FOR

DEVELOPMENT DISTRICT NO. 3

ESTABLISHMENT OF TAX INCREMENT FINANCING PLAN FOR

TAX INCREMENT FINANCING (REDEVELOPMENT)

DISTRICT NO. 3-2

PUBLIC HEARING: __________, 2025

PLAN APPROVED: _______________, 2025

REQUEST FOR CERTIFICATION: ______________, 2025

DISTRICT CERTIFIED: _________________________, 2025

Northland Public Finance

Northland Securities, Inc.
150 South 5th Street, Suite 3300
Minneapolis, MN 55402
(800) 851-2920
Member NASD and SIPC
Registered with SEC and MSRB

TABLE OF CONTENTS

ARTICLE I – INTRODUCTION AND DEFINITIONS 1
- Section 1.01 Introduction 1
- Section 1.02 Definitions 1
- Section 1.03 Plan Preparation 2

ARTICLE II - DEVELOPMENT PROGRAM 2
- Section 2.01 Overview 2
- Section 2.02 Statement of Objectives 2
- Section 2.03 Boundaries of District 3
- Section 2.04 Activities 3
- Section 2.05 Payment of Public Development Costs 4
- Section 2.06 Environmental Controls; Land Use Regulations 4
- Section 2.07 Park and Open Space to be Created 4
- Section 2.08 Proposed Reuse of Property 4
- Section 2.09 Administration and Maintenance of District 4
- Section 2.10 Amendments 4

ARTICLE III - TAX INCREMENT FINANCING PLAN 5
- Section 3.01 Statutory Authority 5
- Section 3.02 Planned Development 5
  - 3.02.1 Project Description 5
  - 3.02.2 City Plans and Development Program 5
  - 3.02.3 Land Acquisition 5
  - 3.02.4 Development Activities 5
  - 3.02.5 Need for Tax Increment Financing 5
- Section 3.03 Tax Increment Financing District 6
  - 3.03.1 Designation 6
  - 3.03.2 Boundaries of TIF District 6
  - 3.03.3 Type of District 7
- Section 3.04 Plan for Use of Tax Increment 7
  - 3.04.1 Estimated Tax Increment 7
  - 3.04.2 Public Development Costs 8
  - 3.04.3 Estimated Sources and Uses of Funds 8
  - Figure 3-1 9
  - 3.04.4 Administrative Expense 9
  - 3.04.5 County Road Costs 9
  - 3.04.6 Bonded Indebtedness 9
  - 3.04.7 First Year of Tax Increment Election and Duration of TIF District 10
  - 3.04.8 Estimated Impact on Other Taxing Jurisdictions 10
  - 3.04.9 Prior Planned Improvements 11

ARTICLE IV – ADMINISTERING TIF DISTRICT 11
- Section 4.01 Filing and Certification 11
- Section 4.02 Modifications of the Tax Increment Financing Plan 11
- Section 4.03 Correcting Redevelopment Conditions 12
- Section 4.04 Four Year Knockdown Rule 12
- Section 4.05 Five Year Rule and Six Year Rule and Other Limitations 12
- Section 4.06 Financial Reporting and Disclosure Requirements 13
- Section 4.07 Business Subsidy Compliance 14

EXHIBITS 15

Exhibit I	Present Value Analysis	15
Exhibit II	Projected Tax Increment	16
Exhibit III	Impact on Other Taxing Jurisdictions	17
Exhibit IV	Estimated Tax Increment Over Life of District	18
Exhibit V	Map of Development District and TIF District	19
Exhibit VI	Description of Parcel within TIF District	20
Exhibit VII	Inspection Report Supporting Findings	21

ARTICLE I – INTRODUCTION AND DEFINITIONS

SECTION 1.01 INTRODUCTION

The City of Wanamingo proposes to provide tax increment financing assistance to facilitate redevelopment of a vacant elementary school building to provide space for private commercial uses, including a child daycare center, community gym and office space, or similar uses. The approximate 16 story height (linear foot) and 60,250 square foot (floor area) building is located at 225 3rd Avenue, at the intersection of 3rd Avenue and 2nd Street East.

This document contains the plan and objectives for the Development Program for Development District No. 3 through the establishment and use of Tax Increment Financing District No. 3-2 within the Development District to provide financial assistance with the redevelopment of the property.

SECTION 1.02 DEFINITIONS

For the purposes of this document, the terms below have the meanings given in this section, unless the context in which they are used indicates a different meaning:

1. "City" means the City of Wanamingo, Minnesota.
2. "City Council" means the City Council of the City.
3. "County" means Goodhue County, Minnesota.
4. "Developer" means the party undertaking construction of the Development in the TIF District, which is anticipated to be Core824 LLC, its successors or assigns.
5. "Development" means the phased redevelopment of a substandard vacant elementary school building to provide space for private commercial uses, including a child daycare center, community gym and office space, or similar uses. The approximate 16 story height (linear foot) and 60,250 square foot (floor area) building is located at 225 3rd Avenue, at the intersection of 3rd Avenue and 2nd Street East.
6. "Development District" means Development District No. 3 in the City, created, established pursuant to and in accordance with the Development District Act.
7. "Development District Act" means Minnesota Statutes, Sections 469.124 through 469.133, as amended and supplemented from time to time.
8. "Development Program" means the statement of objectives of the City for improvement of the Development District which contains a statement as to the public facilities to be constructed within the Development District, the open space to be created, the environmental controls to be applied, the proposed reuse of private property, and the proposed operations of the district after the capital improvements within the district have been completed.
9. "DOR" means the Minnesota Department of Revenue.
10. "Land Use Regulations" means all federal, state and local laws, rules, regulations, ordinances, and plans relating to or governing the use of development of land in the City, including but not limited to environmental, zoning and building code laws and regulations.
11. "OSA" means the Office of the State Auditor of the State of Minnesota.
12. "Public Development Costs" means the cost of the redevelopment activities related to the Development that will or are expected to occur within the TIF District to support redevelopment of the Project Area.

13. "Project Area" means the geographic area of the Development District.
14. "School District" means Kenyon-Wanamingo School District (ISD #2172).
15. "State" means the State of Minnesota.
16. "Tax Increment Financing Bonds" means general obligation tax increment financing bonds, and other tax increment financing bonds, including pay-as-you-go revenue notes, and interfund loans.
17. "TIF Act" means Minnesota Statutes, Sections 469.174 through 469.1794, both inclusive.
18. "TIF District" means Tax Increment Financing (Redevelopment) District No. 3-2.
19. "TIF Plan" means the tax increment financing plan for the TIF District (this document).

SECTION 1.03 PLAN PREPARATION

This document was prepared for the City by Northland Securities, Inc.

ARTICLE II - DEVELOPMENT PROGRAM

SECTION 2.01 OVERVIEW

The City has heretofore established Development District No. 3, initially established on July 28, 2014 (as amended, the "Development District") and adopted a development program therefor (the "Development Program") pursuant to the Minnesota Municipal Development District Act, Minnesota Statutes, Sections 469.124 through 469.134, and established Tax Increment Financing District No. 3-1 within the Development District pursuant to the TIF Act.

The City has determined that it is necessary to amend the Development Program to modify the boundaries to be coterminous with the City's municipal boundaries and to establish the TIF District within the Development District. Except as herein modified or restated, all other provisions of the Development Program for the Municipal Development District No. 3 shall remain unchanged and in full force and effect.

SECTION 2.02 STATEMENT OF OBJECTIVES

The establishment of the Development District in the City pursuant to the Development District Act is necessary and in the best interests of the City and its residents and is necessary to give the City the ability to meet certain public purpose objectives that would not be obtainable in the foreseeable future without intervention by the City in the normal process.

The City intends, to the extent permitted by law, to accomplish the following objectives through the implementation of the Program:

1. Provide for the construction and financing of the Public Development Costs in the Development District which are necessary for the orderly and beneficial of the Development District and adjacent areas of the City.
2. Encourage the redevelopment of blighted and under-utilized areas of the City.
3. Facilitate the removal of deteriorated structures and encourage redevelopment in commercial areas, among other areas, providing high levels of property maintenance and private investment.
4. Provide parking needed to support and encourage use of shared parking to promote additional private development.

5. Build, maintain, improve, and reconstruct public improvements and utilities needed to support development.
6. Promote and secure the prompt and unified of certain property in the Development District, which property is not now in productive use or in its highest and best use, with a minimum adverse impact on the environment, and thereby promote and secure the desirable redevelopment of other land in the City.
7. Promote and secure additional employment opportunities within the City through development of housing options in the Development District for residents of the City thereby improving living standards and reducing unemployment and the loss of skilled and unskilled labor and other human resources in the City.
8. Secure the increase in values of property subject to taxation by the City, the School District, the County, and other taxing jurisdictions in order to better enable such entities to pay for governmental services and programs that they are required to provide.
9. Promote the concentration of new unified development and redevelopment consisting of desirable housing in the Development District so as to maintain the area in a manner compatible with its accessibility and prominence in the City.
10. Encourage the expansion and improvement of local business, economic activity and redevelopment, whenever possible.
11. Create a desirable and unique character within the Development District through quality land use alternatives and design quality in new buildings.

SECTION 2.03 BOUNDARIES OF DEVELOPMENT DISTRICT

The boundaries of the Development District are contiguous with the municipal boundaries of the City depicted in Exhibit VI, as approved by the modification to the Development District.

SECTION 2.04 ACTIVITIES

The City will perform or cause to be performed, to the extent permitted by law, all development activities pursuant to the Development District Act, the TIF Act, and other applicable state laws, and in doing so anticipates that the following may, but are not required, to be undertaken by the City:

1. The making of studies, planning, and other formal and informal activities relating to the Development Program.
2. The implementation and administration of the Development Program.
3. The rezoning of land within the Development District.
4. The acquisition of property or interests in property, by purchase or condemnation, which acquisition is consistent with the objectives of the Development Program.
5. The preparation of property for use and in accordance with applicable Land Use Regulations and any development agreement, including demolition of structures, clearance of sites, placement of fill and grading.
6. The resale of property to private parties.
7. The construction or reconstruction of site improvements to property within TIF District within the boundaries of the Development District.
8. The construction, improvement and maintenance of parking facilities.
9. The construction, improvement and maintenance of streets, sidewalks, alleys, and utilities.

10. The issuance of Tax Increment Financing Bonds to finance the Public Development Costs of the Development Program, and the use of tax increments or other funds available to the City to pay or finance the Public Development Costs of a tax increment financing plan incurred or to be incurred by the City pursuant to the Development Program.
11. The use of tax increments to pay debt service on the Tax Increment Financing Bonds or otherwise pay or reimburse with interest the Public Development Costs of the TIF Plan.

SECTION 2.05 PAYMENT OF PUBLIC DEVELOPMENT COSTS

The Public Development Costs and the plan for their payment are described in the TIF Plan for the TIF District. It is anticipated that the Public Development Costs of the Development Program will be paid primarily from tax increments from the TIF District. The City may utilize other available sources of revenue, which the City may apply to pay a portion of the Public Development Costs.

SECTION 2.06 ENVIRONMENTAL CONTROLS; LAND USE REGULATIONS

All municipal actions, public improvements and private development shall be carried out in a manner consistent with existing environmental controls and all applicable land use regulations of the City.

SECTION 2.07 PARK AND OPEN SPACE TO BE CREATED

Any park and open space within the Development District if created will be created in accordance with the City's comprehensive plan and zoning and subdivision ordinances.

SECTION 2.08 PROPOSED REUSE OF PROPERTY

Pursuant to the Development District Act, the City may own or acquire property within the Development District and reconvey the same to another entity. All parcels within the Development District are eligible for acquisition. In acquiring land, the City will require the execution of a binding agreement with respect thereto and evidence that tax increments from the TIF District or other City funds will be available to pay the Public Development Costs associated with the proposed acquisition.

SECTION 2.09 ADMINISTRATION AND MAINTENANCE OF DISTRICT

Maintenance and operation of the Development District will be the responsibility of the City Administrator of the City, who shall serve as administrator of the Development District for the City pursuant to the Development District Act.

The Administrator will administer the Development District pursuant to the provisions of Section 469.131 of the Development District Act; provided, however, that such powers may only be exercised at the direction of the City Council. No action taken by the administrator pursuant to the above-mentioned powers shall be effective without authorization by the City Council.

SECTION 2.10 AMENDMENTS

The City reserves the right to alter and amend, through modification, the Development Program, subject to the provisions of the Development District Act.

ARTICLE III - TAX INCREMENT FINANCING PLAN

SECTION 3.01 STATUTORY AUTHORITY

The TIF District and this TIF Plan are established under the authority of the TIF Act.

SECTION 3.02 PLANNED DEVELOPMENT

3.02.1 Project Description

The City desires to promote redevelopment of property within the boundaries of the TIF District and the Development District. The Developer is proposing the phased redevelopment of a substandard vacant elementary school building within the TIF District to provide space for private commercial uses, including a child daycare center, community gym and office space, or similar uses. The approximate 16 story height (linear foot) and 60,250 square foot (floor area) building is located at 225 3rd Avenue, at the intersection of 3rd Avenue and 2nd Street East.

3.02.2 City Plans and Development Program

In addition to achieving the objectives of the Development Program, the proposed development is consistent with and works to achieve the development objectives of the City. The TIF Plan for the TIF District conforms to the general plan for development or redevelopment of the City as a whole. The reasons and facts supporting this finding are that the City Council has reviewed the Development Program and found that the TIF Plan is consistent with the goals of the comprehensive plan and zoning ordinances of the City and serves to promote the City's development objectives for the City.

3.02.3 Land Acquisition

The City does not anticipate acquisition of land within the TIF District but reserves the authority to acquire and sell any and all parcels within the TIF District.

3.02.4 Development Activities

As of the date of approval of this TIF Plan, there are no development activities proposed in this TIF Plan that are subject to contracts.

3.02.5 Need for Tax Increment Financing

In the opinion of the City, the Development would not reasonably be expected to occur solely through private investment within the 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 TIF District permitted by the TIF Plan.

A comparative analysis of estimated market values both with and without establishment of the TIF District and the use of tax increments has been performed as described above and is shown in Exhibit I.

The reasons and facts supporting this finding include the following:

- The Development is located in a mixed-use zoning district of the City that includes a parcel that has been found to be occupied by a blighted building and under-utilized areas which are a detriment to redevelopment by the private sector. Such conditions render properties within the TIF District unsuitable for redevelopment due to the excessive costs involved with redevelopment. It is only through a coordinated and comprehensive redevelopment effort using tax increment revenues to fund certain Public Development Costs that private redevelopment will occur.

- The building within the TIF District is a recently vacated school building. The City desires to provide tax increment financing assistance to incentivize the Developer to invest in the building and to promote occupancy so that the building does not deteriorate.
- The Development requires public financial assistance to offset the cost of redevelopment of the blighted and substandard building and construction of site improvements and preparations to allow for the Developer to proceed with redevelopment of the building, the Development, within the TIF District.

SECTION 3.03 TAX INCREMENT FINANCING DISTRICT

3.03.1 Designation

This TIF District is designated Tax Increment Financing (Redevelopment) District No. 3-2.

3.03.2 Boundaries of TIF District

The property within the TIF District will include a portion of the following two parcel identification numbers (PID), which are in the process of being replatted.

- 701000650
- 703800390

The property to be included in the TIF District is described in Exhibit as follows:

- *LEGAL DESCRIPTION: That part of the West Half of the Southwest Quarter and the Northeast Quarter of the Southwest Quarter of Section 30, Township 110 North, Range 16 West, Goodhue County, Minnesota, described as follows: Commencing at an iron monument at a southwest corner of Wanamingo East Addition, according to the recorded plat thereof, which point is 175.00 feet east of the intersection of the west line of said Northeast Quarter of the Southwest Quarter of said Section 30 with the easterly extension of the south line of Second Street, Village of Wanamingo, according to the recorded plat thereof; thence North 89 degrees 18 minutes 14 seconds East (assumed bearing), along said south line of Second Street, 485.00 feet to the west line of Hill Avenue as platted in said Wanamingo East Addition, and the point of beginning of the land to be described; thence South 01 degree 36 minutes 06 seconds East, along said west line of Hill Avenue, 333.00 feet; thence South 89 degrees 18 minutes 14 seconds West 130.00 feet; thence North 01 degree 36 minutes 06 seconds West 333.00 feet to said south line of Second Street; thence North 89 degrees 18 minutes 14 seconds East, along said south line of Second Street, 130.00 feet to the point of beginning. Together with that part ofOutlot A, Village of Wanamingo, according to the recorded plat thereof, that part of Lots 11 and 12, Block 7, A.A. Steberg's Addition to the Village of Wanamingo, and that part of the West Half of the Southwest Quarter and the Northeast Quarter of the Southwest Quarter of Section 30, Township 110 North, Range 16 West, Goodhue County, Minnesota, described as follows: Commencing at an iron monument at a southwest corner of Wanamingo East Addition, according to the recorded plat thereof, which point is 175.00 feet east of the intersection of the west line of said Northeast Quarter of the Southwest Quarter of said Section 30 with the easterly extension of the south line of Second Street, Village of Wanamingo, according to the recorded plat thereof; thence Sonth 89 degrees 18 minutes 14 seconds West (assumed bearing) along the easterly extension of the south line of Second Street a distance of 24.32 feet to the point of beginning; thence continuing South 89 degrees 18 minutes 14 seconds West, along said south line of Second Street a distance of 457.83 feet to the east line of Third Avenue, said Village of Wanamingo; thence South 00 degrees 46 minutes 50 seconds East, along said east line of Third Street, a distance of333.49 feet to the sonth line of said Outlot A; thence North 89 degrees 19 minutes 09 seconds East, along said south line of Outlot A, a distance of 201.67 feet; thence South 00 degrees 37 minutes 40 seconds East a distance of93.47 feet; thence South 87 degrees 43 minutes 57 seconds East a distance of 138.00 feet; thence North 00 degrees 42 minutes 54 seconds West a distance of 140.90 feet; thence North 89 degrees 23 minutes 32 seconds East a distance of 117.39 feet; thence North 00 degrees 34 minutes 31 seconds West a distance of293.43 feet to the point of beginning.*

The TIF District encompasses all adjacent rights-of-way and abutting roadways to the property identified on Exhibit V.

3.03.3 Type of District

The TIF District is established as a "Redevelopment" district pursuant to Section 469.174, Subd. 10 of the TIF Act. The City has determined that the property in the TIF District meets the statutory criteria for a redevelopment district.

The results of the building inspection and analysis performed by LHB, Inc. presented in the "Report of Inspection Procedures and Results for Determining Qualifications of a Tax Increment Financing District" dated July 18, 2025 (the "Report"). See Exhibit VI for key exhibits from the Report to support the findings for a redevelopment district.

As summarized in the table of data below, more than 70% of the area of the TIF District is occupied by improved parcels, and more than 50% of the buildings within the TIF District are found to be substandard. The details behind the information summarized in the table below are included in Exhibit VI.

Number of Parcels	1
Area Included (square feet)	162,032
Area of Improved Parcels (square feet)	162,032
Percent of Area Improved	100.0%
Number of Buildings	1
Number of Buildings found Substandard	1
Percent of Buildings found Substandard	100.0%

SECTION 3.04 PLAN FOR USE OF TAX INCREMENT

3.04.1 Estimated Tax Increment

The original net tax capacity of value of the TIF District will be set by the county auditor upon request for certification. For purposes of the TIF Plan, the estimated original net tax capacity is $32,662. This is based on an estimated taxable market value of $1,633,100. The certified original net tax capacity will vary from this estimate.

The estimated total tax capacity value of the property after completion of the Development (for taxes payable in 2028) is $60,458. This amount is based on a total estimated taxable market value of $3,022,900 (assessed in 2027 for taxes payable in 2028). The TIF Plan assumes the Developer completes the Development in 2026. Phasing of development will impact the estimated total tax capacity value for taxes payable in 2028.

The difference between the estimated total tax capacity value after completion of the Development and the estimated original net tax capacity value is the captured tax capacity value in the amount of $27,796 for the creation of tax increment for taxes payable in 2028.

The combined total local tax capacity rates for taxes payable in 2025 is approximately 130.499%. The TIF Plan assumes this rate for purpose of calculating tax increments for the TIF District. At the time of the certification of the original net tax capacity for the TIF District, the County Auditor will certify the original tax rate that will apply to the TIF District for its duration. The certified original tax rate may be different than the estimated rate in the TIF Plan.

The original tax rate is the sum of all the local tax rates, excluding that portion of the school rate attributable to the general education levy under Minnesota Statutes section 126C.13, that apply to a property in the TIF District. The local tax rate to be certified is the rate in effect for the same taxes payable year applicable to the tax capacity values certified as the TIF District's original tax capacity. The resulting tax capacity rate is the original local tax rate for the duration of the TIF District.

Under these assumptions, the estimated annual tax increment after completion of the Development (assessment year 2027 for taxes payable in 2028) is an estimated at $36,273. The actual tax increment will vary according to the certified original tax capacity value and original tax rate, the actual property value produced by the Development and the changes in property value and state tax policy over the duration of the TIF District.

The City will retain 100% the full captured net tax capacity for the duration of the TIF district, pursuant to Section 469.177, Subd. 2, (b), (1) of the TIF Act. Exhibit II contains the projected tax increment over the duration of the TIF District.

3.04.2 Public Development Costs

The City will use tax increment to pay Public Development Costs. The City anticipates the use of tax increment to reimburse the City and the Developer for Public Development Costs. The Public Development costs to be paid from tax increments, including financing costs, are shown in Figure 3-1 in Section 3.04.3.

3.04.3 Estimated Sources and Uses of Funds

The estimated sources and uses of funds for Public Development Costs, including the estimated financing costs, are itemized in Figure 3-1 that follows. The estimates in Figure 3-1 are based on the best available information for the sources and uses of funds. The City may administratively adjust the amount of any of the items listed in Figure 3-1, or to incorporate additional eligible items, so long as the Estimated Tax Increment Project Costs, not including estimated financing costs, is not increased. The Estimated Tax Increment Project Costs in Figure 3.1 are not to exceed amounts. The City

The amounts included in Figure 3-1 on page 9 are based on the completion of the Development in 2026, for assessment in 2027, for taxes payable in 2028. The phasing of the completion of the Development may result in less tax increment over the duration of the TIF District as compared to what is included in Figure 3.1.

Figure 3-1
Estimated Sources and Uses of Funds

	Total
Estimated Tax Increment Revenues	
Tax increment revenues distributed from the County	1,072,718
Interest and investment earnings	5,000
Sales/lease proceeds	-
Market value homestead credit	-
Total Estimated Tax Increment Revenues	1,077,718
Estimated Project/Financing Costs (to be paid or financed with Tax Increment Revenues)	
Project costs	
Land/building acquisition	350,000
Site improvements/preparation costs	131,068
Utilities	-
Other public improvements	-
Construction of affordable housing	-
Administrative costs	53,452
Estimated Tax Increment Project Costs	534,520
Estimated financing costs	
Interest expense	543,198
Total Estimated Project/Financing Costs to be Paid from Tax Increment Revenues	1,077,718
Estimated Financing	
Total amount of bonds to be issued	534,520

3.04.4 Administrative Expense

Figure 3-1 in Section 3.04.3 provides the estimated amount of administrative costs to be paid from tax increments. The TIF Act limits the percent of tax increment derived from property that may be used to pay administrative expenses to not more than 10% of the tax increment revenues distributed from the County, among other limitations. Anticipated administrative expenses of the TIF District may include annual audit of the fund for TIF District, preparation of annual reporting, legal publication of annual report, and administration of the development agreement, among other allowable administrative expense (costs).

3.04.5 County Road Costs

The proposed development will not substantially increase the use of county roads and necessitate the need to use tax increments to pay for county road improvements.

3.04.6 Bonded Indebtedness

The total amount of Tax Increment Financing Bonds estimated to be issued is shown in Figure 3-1. The City does not currently anticipate issuing any Tax Increment Financing Bonds secured by a general obligation pledge of the City.

The City plans to reimburse the Developer for Public Development Costs through issuance of a pay-go tax increment financing revenue note secured solely by net available tax increments from the TIF District. A revenue note secured by tax increments is considered to be a Tax Increment Financing Bond pursuant to the TIF Act.

The City may advance funds through an interfund tax increment financing loan to reimburse itself for administrative costs. Under Section 469.176, Subdivision 4 of the TIF Act, the City may advance or loan money to finance the administrative costs, from the general funds of the City or any other legally authorized fund to finance qualified expenditures, subject to the following provisions:

(a) Not later than 60 days after money is transferred, advanced, or spent, whichever is earliest, the loan or advance must be authorized by resolution of the City.

(b) The resolution may generally grant to the City the power to make interfund loans under one or more tax increment financing plans or for one or more districts. The resolution may be adopted before or after the adoption of the tax increment financing plan or the creation of the tax increment financing district from which the advance or loan is to be repaid.

(c) The terms and conditions for repayment of the loan must be provided in writing. The written terms and conditions may be in any form, but must include, at a minimum, the principal amount, the interest rate, and maximum term. Written terms may be modified or amended in writing by the City before the latest decertification of any tax increment financing district from which the interfund loan is to be repaid. The maximum rate of interest permitted to be charged is limited to the greater of the rates specified under Minnesota Statutes, Section 270C.40 or 549.09 as of the date the loan or advance is authorized, unless the written agreement states that the maximum interest rate will fluctuate as the interest rates specified under Minnesota Statutes, Section 270C.40 or 549.09 are from time to time adjusted. Loans or advances may be structured as draw-down or line-of-credit obligations of the lending fund.

(d) The City shall report in the annual report submitted under Section 469.175, Subdivision 6 of the TIF Act:

(1) the amount of any interfund loan or advance made in a calendar year; and

(2) any amendment of an interfund loan or advance made in a calendar year.

3.04.7 First Year of Tax Increment Election and Duration of TIF District

The duration to collect and spend tax increments on eligible purposes is set at the maximum duration of twenty-five (25) years after the date of receipt of the first tax increment or twenty-six (26) years of tax increment collection.

The City elects tax year 2028 as the first year of increment for the TIF District. Based on this election, the estimated decertification date is December 31, 2053.

3.04.8 Estimated Impact on Other Taxing Jurisdictions

Exhibit III and 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 City finds 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 City has capacity to accommodate the additional impact on city-provided services related to the proposed development. Through previous infrastructure projects, water and sewer services to the proposed development site have been installed in anticipation of increased capacity needs of redevelopment. The City does not anticipate additional strain on fire or police protection duties and is positioned with the appropriate resources to support the proposed development. The issuance of bonds payable from the TIF District would not effect the City’s ability to issue other debt for general governmental purposes.

3.04.9 Prior Planned Improvements

There have been no building permits issued in the last 18 months in conjunction with any of the properties within the TIF District. The City will include this statement with the request for certification to the County Auditor. If building permits had been issued during this time period, then the County Auditor would 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.

ARTICLE IV – ADMINISTERING TIF DISTRICT

SECTION 4.01 FILING AND CERTIFICATION

The filing and certification of the TIF Plan consists of the following steps:

1. Upon adoption of the TIF Plan, the City shall submit a copy of the TIF Plan to the DOR and the OSA
2. The City shall 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 City 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.
3. The City shall send the assessor of the County any assessment agreement, if so applicable, establishing the minimum market value of land and improvements in the TIF District, and shall request that the assessor review and certify this assessment agreement as reasonable.

SECTION 4.02 MODIFICATIONS OF THE TAX INCREMENT FINANCING PLAN

The City reserves the right to modify the TIF District and the TIF Plan. Under current state law, the following actions can only be approved only after satisfying all the necessary requirements for approval of the original TIF Plan (including notifications and public hearing):

- Reduction or enlargement in the geographic area of the Development District or the TIF District.
- Increase in the amount of bonded indebtedness to be incurred.
- Increase in the amount of capitalized interest.
- Increase in that portion of the captured net tax capacity to be retained by the City.
- Increase in the total estimated Public Development Costs, not including the cost of financing.
- Designation of additional property to be acquired by the City.

Other modifications can be made by resolution of the City. In addition, the original approval process 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 City 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 City 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 4.03 CORRECTING REDEVELOPMENT CONDITIONS

Section 469.176, Subd. 4j of the TIF Act requires that at least 90% of the revenues derived from tax increments from the TIF District be used to finance the cost of correcting conditions that allow designation as a redevelopment district. These costs include, but are not limited to, acquiring properties containing structurally substandard buildings or improvements or hazardous substances, pollution, or contaminants, acquiring adjacent parcels necessary to provide a site of sufficient size to permit development, demolition and rehabilitation of structures, clearing of the land, the removal of hazardous substances or remediation necessary to development of the land, and installation of utilities, roads, sidewalks, and parking facilities for the site. The allocated administrative expenses of the City, including the cost of preparation of the development action response plan, may be included in the qualifying costs.

SECTION 4.04 FOUR YEAR KNOCKDOWN RULE

The Four Year Knockdown Rule requires that if after four years from certification of the TIF District no demolition, rehabilitation, renovation or site improvement, including a 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 City 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 City or owner of the parcel subsequently commences any of the above activities, the City 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 4.05 FIVE YEAR RULE AND SIX YEAR RULE AND OTHER LIMITATIONS

Pursuant to Section 469.1763, Subd. 2 of the TIF Act at least 75% of the total revenue derived from tax increments paid by properties in the TIF District must be expended on activities in the in the TIF District or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities in the district or to pay, or secure payment of, debt service on credit enhanced bonds.

Not more than 25% of the total revenue derived from tax increments paid by properties in the TIF District may be expended, through a development fund or otherwise, on activities outside of the TIF District but within the defined geographic area of the project except to pay, or secure payment of, debt service on credit enhanced bonds. All administrative expenses for the TIF District will be considered to be expenditures for activities outside of the TIF District pursuant to requirements within the TIF Act.

Five Year Rule

Revenues derived from tax increments paid by properties in the TIF District that are expended on an activity within the district will instead be considered to have been expended on an activity outside the district for purposes of Section 469.1763, Subd. 2 of the TIF Act unless:

(1) before or within five years after certification of the district, the revenues are actually paid to a third party with respect to the activity;

(2) bonds, the proceeds of which must be used to finance the activity, are issued and sold to a third party before or within five years after certification of the district, the revenues are spent to repay the bonds, and the proceeds of the bonds either are, on the date of

issuance, reasonably expected to be spent before the end of the later of (i) the five-year period, or (ii) a reasonable temporary period within the meaning of the use of that term under section 148(c)(1) of the Internal Revenue Code, or are deposited in a reasonably required reserve or replacement fund;

(3) binding contracts with a third party are entered into for performance of the activity before or within five years after certification of the district and the revenues are spent under the contractual obligation;

(4) costs with respect to the activity are paid before or within five years after certification of the district and the revenues are spent to reimburse a party for payment of the costs, including interest on unreimbursed costs; or

(5) revenues are spent for housing purposes as described by Section 469.1763, Subd. 2 of the TIF Act, paragraph (b).

(b) For purposes of this subdivision, bonds include subsequent refunding bonds if the original refunded bonds meet the requirements of paragraph (a), clause (2).

It is anticipated that all tax increments collected in the TIF District will be spent or obligated before within five years after certification of the TIF District.

Six Year Rule

Pursuant to Section 469.1763, Subd. 4 of the TIF Act, beginning with the sixth year following certification of the TIF District, the use of tax increment derived from property within the TIF District is further limited. The general concept of the Six Year Rule provides that the TIF District must be decertified when the product of the applicable in-district percentage multiplied by cumulative revenues derived from tax increments paid by properties in the district that have been collected through the end of the calendar year, equals or exceeds an amount sufficient to pay costs and obligations. The City will administer the TIF District in compliance with the Six Year Rule.

Other Limitations

Pursuant to Section 469.176, Subd. 4j of the TIF Act, at least 90% of the revenues derived from tax increments from a redevelopment district or renewal and renovation district must be used to finance the cost of correcting conditions that allow designation of redevelopment and renewal and renovation districts under Section 469.174 of the TIF Act. These costs include, but are not limited to, acquiring properties containing structurally substandard buildings or improvements or hazardous substances, pollution, or contaminants, acquiring adjacent parcels necessary to provide a site of sufficient size to permit development, demolition and rehabilitation of structures, clearing of the land, the removal of hazardous substances or remediation necessary to development of the land, and installation of utilities, roads, sidewalks, and parking facilities for the site. The allocated administrative expenses of the City may be included in the qualifying costs.

SECTION 4.06 FINANCIAL REPORTING AND DISCLOSURE REQUIREMENTS

The City will comply with the annual reporting requirements of state law pursuant to the guidelines of the OSA. Pursuant to Section 469.175, Subd. 6 of the TIF Act, the City will prepare and submit a report on the TIF district on or before August 1 of each year and will annually publish in a newspaper of general circulation in the city an annual statement for the TIF District.

The reporting and disclosure requirements outlined in this section begin with the year the TIF District is certified, and shall end in the year in which both the TIF District has been decertified and all tax increments have been spent or returned to the county for redistribution. Failure to meet the OSA requirements may result in suspension of distribution of tax increment.

SECTION 4.07 BUSINESS SUBSIDY COMPLIANCE

The City will comply with the business subsidies requirements specified in Minnesota Statutes, Sections 116J.993 to 116J.995.

Exhibit I
City of Wanamingo
Tax Increment Financing District No. 3-2
Present Value Analysis [3]
Section 469.175(3)(2) of the TIF Act
Elementary School Redev Proj

1	Estimated Future Market Value w/ Tax Increment Financing	$3,441,449 [1]
2	Payable 2025 Market Value	$1,633,100
3	Market Value Increase (1-2)	$1,808,349
4	Present Value of Future Tax Increments	$534,520
5	Market Value Increase Less PV of Tax Increments	$1,273,829
6	Estimated Future Market Value w/o Tax Increment Financing	$1,849,968 [1]
7	Payable 2025 Market Value	$1,633,100
8	Market Value Increase (6-7)	$216,868
9	Increase in MV From TIF	$1,056,961 [2]

[1] *Assume 0.50% annual appreciation over 26 year duration of the TIF District.*

[2] *Statutory compliance achieved if increase in market value from TIF (Line 9) is greater than or equal to zero.*

[3] *Section 469.175(3)(2) of the TIF Act does not require this present value analysis for a housing tax increment financing district. This analysis is provided for information purposes.*

Exhibit II
City of Wanamingo
Tax Increment Financing District No. 3-2 (Redevelopment)
Elementary School Redev Proj
Projected Tax Increment Cash Flow and Property Tax Payable - All Amounts are Estimated for Planning Purposes Only

TIF District Year	Taxes Payable Year	Taxable Market Value (TMV)	Net Tax Capacity	Less Original Net Tax Capacity	Captured Net Tax Capacity	Original Tax Rate	Captured TIF	Less State Auditor Fee	TIF Revenue	Present Value of TIF Revenue
1	2028	3,022,900	60,458	32,662	27,796	130.499%	36,273	(131)	36,142	32,079
2	2029	3,038,015	60,760	32,662	28,098	130.499%	36,668	(132)	36,536	62,944
3	2030	3,053,205	61,064	32,662	28,402	130.499%	37,064	(133)	36,931	92,640
4	2031	3,068,471	61,369	32,662	28,707	130.499%	37,463	(135)	37,328	121,209
5	2032	3,083,813	61,676	32,662	29,014	130.499%	37,863	(136)	37,727	148,692
6	2033	3,099,232	61,985	32,662	29,323	130.499%	38,266	(138)	38,128	175,128
7	2034	3,114,728	62,295	32,662	29,633	130.499%	38,670	(139)	38,531	200,557
8	2035	3,130,302	62,606	32,662	29,944	130.499%	39,077	(141)	38,936	225,015
9	2036	3,145,953	62,919	32,662	30,257	130.499%	39,485	(142)	39,343	248,538
10	2037	3,161,683	63,234	32,662	30,572	130.499%	39,896	(144)	39,752	271,160
11	2038	3,177,492	63,550	32,662	30,888	130.499%	40,308	(145)	40,163	292,914
12	2039	3,193,379	63,868	32,662	31,206	130.499%	40,723	(147)	40,576	313,834
13	2040	3,209,346	64,187	32,662	31,525	130.499%	41,140	(148)	40,992	333,949
14	2041	3,225,393	64,508	32,662	31,846	130.499%	41,558	(150)	41,408	353,290
15	2042	3,241,520	64,830	32,662	32,168	130.499%	41,979	(151)	41,828	371,885
16	2043	3,257,727	65,155	32,662	32,493	130.499%	42,402	(153)	42,249	389,762
17	2044	3,274,016	65,480	32,662	32,818	130.499%	42,827	(154)	42,673	406,949
18	2045	3,290,386	65,808	32,662	33,146	130.499%	43,255	(156)	43,099	423,471
19	2046	3,306,838	66,137	32,662	33,475	130.499%	43,684	(157)	43,527	439,352
20	2047	3,323,372	66,467	32,662	33,805	130.499%	44,116	(159)	43,957	454,618
21	2048	3,339,989	66,800	32,662	34,138	130.499%	44,549	(160)	44,389	469,291
22	2049	3,356,689	67,134	32,662	34,472	130.499%	44,985	(162)	44,823	483,394
23	2050	3,373,472	67,469	32,662	34,807	130.499%	45,423	(164)	45,259	496,948
24	2051	3,390,340	67,807	32,662	35,145	130.499%	45,863	(165)	45,698	509,973
25	2052	3,407,291	68,146	32,662	35,484	130.499%	46,306	(167)	46,139	522,491
26	2053	3,424,328	68,487	32,662	35,825	130.499%	46,751	(168)	46,583	534,520
						TOTAL =	1,076,594	(3,876)	1,072,718	534,520

Key Assumptions for Cash Flow:

1 Taxable market value (TMV) annual growth assumption = 0.50%.
2 Original Tax Capacity Rate estimated based on Taxes Payable Year 2025.
3 Election for captured tax capacity is 100.00%.
4 Base Tax Capacity calculated based on a TMV = $1,633,100.
5 Present value is calculated based on semi-annual payments, 5.0% rate, and dated date 6/1/2026.
6 TMV is based on preliminary estimated valuation from the County Assessor (dated July 28, 2025) with estimated a value of $2,424,200 for a Daycare Center conversion; and $598,700 for general office rental conversation. The estimates are based on 2026 assessment. The analysis assumes the taxable market value of the property increases by 0.50% annually for the duration of the TIF District for purpose of estimating available tax increment revenue. For purpose of the TIF Plan the estimates assume the Developer completes 100% of the improvements in 2026, the actual timing may vary and will impact the actual tax increment revenue compared to the estimates in the TIF Plan.
7 City elects 2028 as the first year of tax increment collection.
8 TIF Revenue is Captured TIF less State Auditor Fee of 0.36%.
9 Property classification is commercial.
10 Analysis does not include building permits issued for installation of doors. This will increases the "Original Net Tax Capacity" for the TIF District, and the TIF Revenue, from what is estimated in the TIF Plan.

Exhibit III
City of Wanamingo
Tax Increment Financing District No. 3-2
Impact on Other Taxing Jurisdictions
(Taxes Payable 2025)
Elementary School Redev Proj

Annual Tax Increment

Estimated Annual Captured Tax Capacity (Full Development)	$32,168
Payable 2025 Local Tax Rate	130.499%
Estimated Annual Tax Increment	$41,979

Percent of Tax Base

	Net Tax Capacity (NTC)	Captured Tax Capacity	Percent of Total NTC
City of Wanamingo	1,565,945	32,168	2.05%
Goodhue County	113,629,999	32,168	0.03%
ISD 2172	16,458,517	32,168	0.20%

Dollar Impact of Affected Taxing Jurisdictions

	Net Tax Capacity (NTC)	% of Total	Tax Increment Share	Added Local Tax Rate
City of Wanamingo	75.158%	57.593%	24,177	1.544%
Goodhue County	40.760%	31.234%	13,112	0.012%
ISD 2172	14.054%	10.769%	4,521	0.027%
Other	0.527%	0.404%	170	
Totals	130.499%	100.000%	41,980	

NOTE NO. 1: Assuming that ALL of the captured tax capacity would be available to all taxing jurisdictions even if the City does not create the Tax Increment District, the creation of the District will reduce tax capacities and increase the local tax rate as illustrated in the above tables.

NOTE NO. 2: Assuming that NONE of the captured tax capacity would be available to the taxing jurisdiction if the City did not create the Tax Increment District, then the plan has virtually no initial effect on the tax capacities of the taxing jurisdictions. However, once the District is established, allowable costs paid from the increments, and the District is terminated, all taxing jurisdictions will experience an increase in their tax base.

Exhibit IV
City of Wanamingo
Tax Increment Financing (Redevelopment) District No. 3-2
Elementary School Redev Proj
Estimated Tax Increments Over Maximum Life of District

TIF District Year	Taxes Payable Year	New Taxable Market Value	New Tax Capacity	Base Tax Capacity	Captured Tax Capacity	Estimated Total Tax Increment	City TIF Related Share	County TIF Related Share	School TIF Related Share	Other TIF Related Share
1	2028	3,022,900	60,458	32,662	27,796	36,273	20,891	11,330	3,906	146
2	2029	3,038,015	60,760	32,662	28,098	36,668	21,118	11,453	3,949	148
3	2030	3,053,205	61,064	32,662	28,402	37,064	21,346	11,577	3,992	149
4	2031	3,068,471	61,369	32,662	28,707	37,463	21,576	11,701	4,034	152
5	2032	3,083,813	61,676	32,662	29,014	37,863	21,806	11,826	4,078	153
6	2033	3,099,232	61,985	32,662	29,323	38,266	22,038	11,952	4,121	155
7	2034	3,114,728	62,295	32,662	29,633	38,670	22,271	12,078	4,164	157
8	2035	3,130,302	62,606	32,662	29,944	39,077	22,505	12,205	4,208	159
9	2036	3,145,953	62,919	32,662	30,257	39,485	22,740	12,333	4,252	160
10	2037	3,161,683	63,234	32,662	30,572	39,896	22,977	12,461	4,296	162
11	2038	3,177,492	63,550	32,662	30,888	40,308	23,215	12,590	4,341	162
12	2039	3,193,379	63,868	32,662	31,206	40,723	23,453	12,719	4,386	165
13	2040	3,209,346	64,187	32,662	31,525	41,140	23,693	12,850	4,430	167
14	2041	3,225,393	64,508	32,662	31,846	41,558	23,935	12,980	4,476	167
15	2042	3,241,520	64,830	32,662	32,168	41,979	24,177	13,112	4,521	169
16	2043	3,257,727	65,155	32,662	32,493	42,402	24,421	13,244	4,566	171
17	2044	3,274,016	65,480	32,662	32,818	42,827	24,665	13,377	4,612	173
18	2045	3,290,386	65,808	32,662	33,146	43,255	24,912	13,510	4,658	175
19	2046	3,306,838	66,137	32,662	33,475	43,684	25,159	13,644	4,704	177
20	2047	3,323,372	66,467	32,662	33,805	44,116	25,407	13,779	4,751	179
21	2048	3,339,989	66,800	32,662	34,138	44,549	25,657	13,915	4,798	179
22	2049	3,356,689	67,134	32,662	34,472	44,985	25,908	14,051	4,845	181
23	2050	3,373,472	67,469	32,662	34,807	45,423	26,160	14,187	4,892	184
24	2051	3,390,340	67,807	32,662	35,145	45,863	26,414	14,325	4,939	185
25	2052	3,407,291	68,146	32,662	35,484	46,306	26,669	14,463	4,987	187
26	2053	3,424,328	68,487	32,662	35,825	46,751	26,925	14,602	5,035	189
Total						1,076,594	620,038	336,264	115,941	4,351

Note: The Estimated Total Tax Increment shown above is before deducting the State Auditor's fee, which is payable at a rate of 0.36% of the Total Tax Increment collected. Exhibit II provides Estimated Total Tax Increment after deducting for the State Auditor's fee.

EXHIBIT V

Map of Boundaries of Development District and TIF District

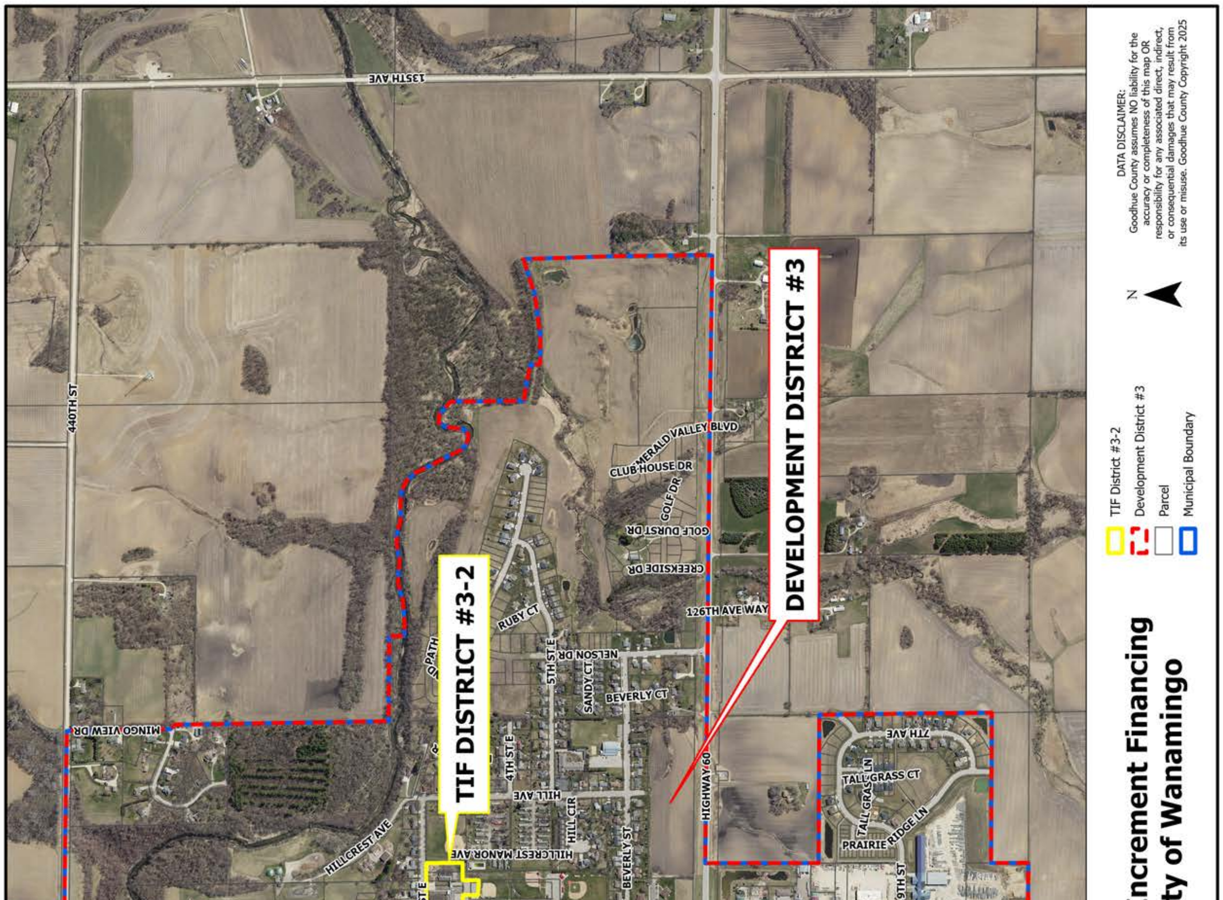

EXHIBIT VI

DESCRIPTION OF PARCEL WITHIN TIF DISTRICT

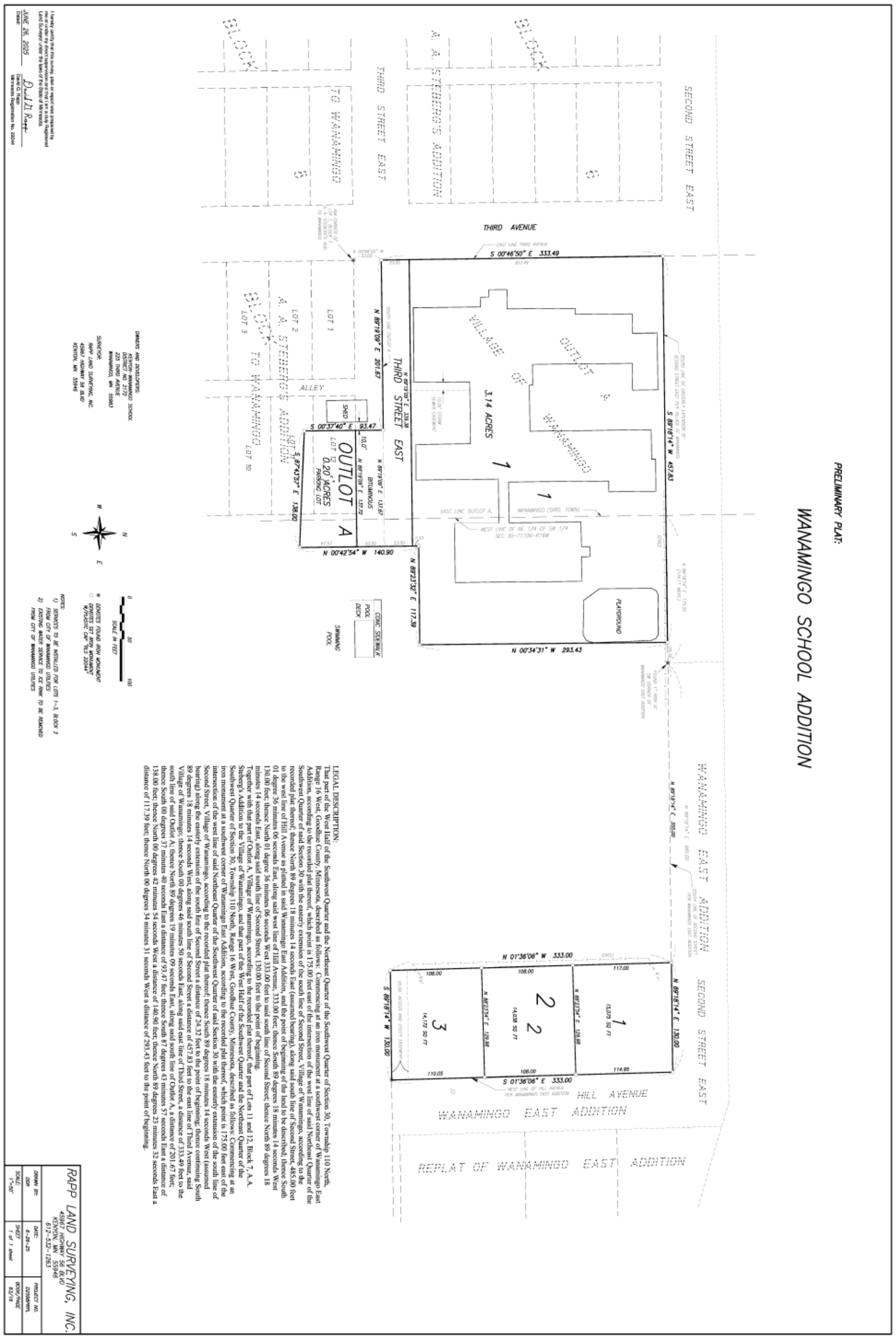

EXHIBIT VII

INSPECTION REPORT OF BUILDING FOR REDEVELOPMENT FINDINGS

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Page from Inspection Report from LHB

Wanamingo Elementary Redevelopment TIF District

Property Condition Assessment Summary Sheet

Wanamingo, Minnesota

TIF Map No.	PID #	Property Address	Improved or Vacant	Survey Method Used	Site Area (S.F.)	Coverage Area of Improvements (S.F.)	Coverage Percent of Improvements	Coverage Quantity (S.F.)	No. of Buildings	Building Replacement Cost	15% of Replacement Cost	Building Code Deficiencies	No. of Buildings Exceeding 15% Criteria	No. of buildings determined substandard
A	701000650	225 3rd Avenue	Improved	Interior/Exterior	162,032	105,320	65.0%	162,032	1	$11,822,205	$1,773,331	$1,862,460	1	1
TOTALS					162,032			162,032	1				1	1
							Total Coverage Percent:	**100.0%**						

Percent of buildings exceeding 15 percent code deficiency threshold: **100.0%**

Percent of buildings determined substandard: **100.0%**

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LHB Project Number 250394.00

Page 1 of 1

Property Condition Assessment Summary Sheet

Part 1: Executive Summary

Purpose of the Evaluation

LHB was hired by the City of Wanamingo to inspect and evaluate the properties within a Tax Increment Financing Redevelopment District ("TIF District") proposed to be established by the City. The proposed TIF District is located at 225 3rd Avenue, at the intersection of 3rd Avenue and 2nd Street East (Diagram 1). The purpose of LHB's work is to determine whether the proposed TIF District meets the statutory requirements for coverage, and whether one building on one parcel, located within the proposed TIF District, meets the qualifications required for a Redevelopment District.

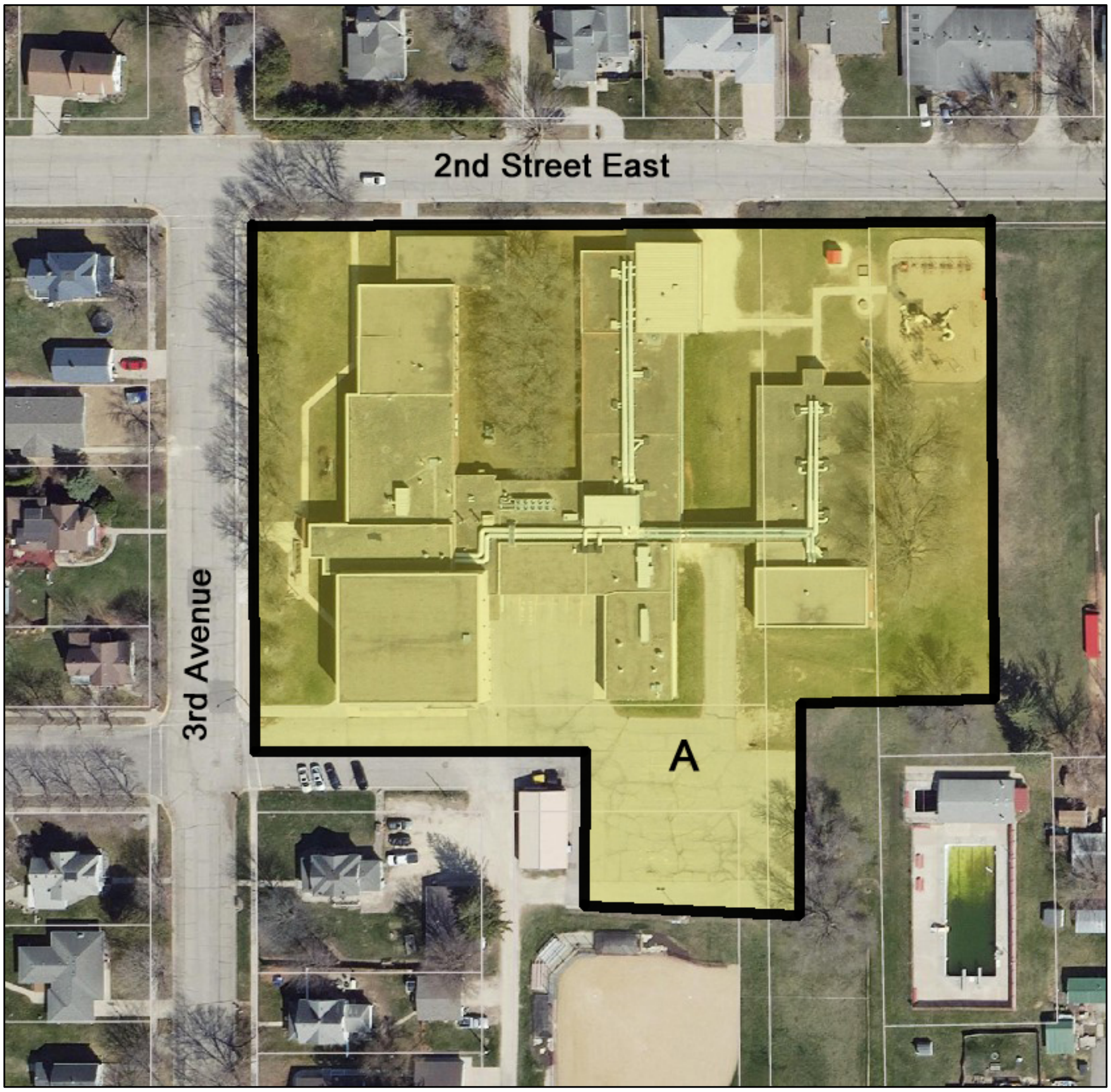

Diagram 1: Proposed TIF District

Page from Inspection Report from LHB