



**PORT AUTHORITY MEETING
TUESDAY, FEBRUARY 17, 2026
COUNCIL CHAMBERS
BLOOMINGTON CIVIC PLAZA
1800 W. OLD SHAKOPEE RD.
BLOOMINGTON, MN 55431
5:15 PM**

ANNOUNCEMENT

Some Port Authority members and presenters may participate electronically as permitted by Minnesota Statutes. Members of the public may attend in person or watch on the City's YouTube channel: blm.mn/YouTube.

CALL TO ORDER

The Port Authority Commission requests attendees silence their cell phones during the meeting. A paper copy of the full agenda packet is available for viewing in the 3-ring binder at the entrance of Council Chambers.

1. INTRODUCTORY

- 1.1 Commissioners Oath of Office
- 1.2 Appointment of Officers

2. APPROVAL OF MINUTES

- 2.1 Approval of Port Authority Meeting Minutes

3. CONSENT BUSINESS

The following items are considered to be routine by the Port Authority Commission and will be acted on by one motion. There will be no separate discussion of these items unless a Commissioner so requests, in which case the item will be removed from the consent agenda and considered at the end of Consent Business or at another stated time on the agenda as determined by the Commission. If you desire to have an item removed from the consent agenda, please alert the Port Authority Administrator prior to the start of the meeting. The Port Administrator will notify the Commission of a request to remove an item from the consent agenda.

- 3.1 Designation of Official Depositories and Investment Brokers
- 3.2 Designation of Electronic Funds Transfer
- 3.3 Appointment of External Auditor
- 3.4 Appointment of Municipal Advisor
- 3.5 Approve Appointment of Bond Counsel

- 3.6 Acknowledgement of Financial Management Policies
- 3.7 Appointment of Official Newspaper
- 3.8 Approve Appointment of General Counsel and Special Counsel

4. NEW BUSINESS

- 4.1 American Square TIF Plan Amendment
- 4.2 Small Business Assistance Grant Program

5. ORGANIZATIONAL BUSINESS

- 5.1 Preliminary Year End Financials and Budget Adjustments
- 5.2 Port Authority 2026 Workplan

6. ADMINISTRATOR UPDATES

- 6.1 Administrator Updates

ADJOURNMENT

BloomingtonMN.gov: A yearly meeting schedule, agendas, and the official minutes once approved are available. If you require a reasonable accommodation, please call 952-563-8733 (MN Relay 711) as soon as possible, but no later than 9:00 a.m. one business day before the meeting day.

Our mission is to cultivate an enduring and remarkable community where people want to be.



Commission Agenda Item

Originator Port Authority	Item 1.1 Commissioners Oath of Office
Agenda Section INTRODUCTORY	Date February 17, 2026

Requested Action:

Oath of Office administered by City Clerk Jamy Hanson to Commissioner Busse and Commissioner Nelson.

Description:

At the City Council meeting on January 5, 2026, Mayor Busse was appointed to the Port Authority Board of Commissioners for a term from date of appointment through December 31, 2027 to coincide with his elected term, and Councilmember Nelson was appointed to the Port Authority Board of Commissioners for a term from the date of appointment through December 31, 2029 to coincide with his elected term.



Commission Agenda Item

Originator Port Authority	Item 1.2 Appointment of Officers
Agenda Section INTRODUCTORY	Date February 17, 2026

Requested Action:

Motion by _____, second by _____ to approve the Port Authority Board of Commissioners' 2026 slate of officers.

Description:

The Port Authority is statutorily required to elect from its membership the following officers for 2026:

- President
- Vice President
- Secretary
- Treasurer
- Assistant Treasurer*

*The position of Assistant Treasurer does not need to be held by a Commission member.

These positions were held by the following Commissioners in 2025:

- President - Robert Erickson
- Vice President - Tim Busse
- Secretary - Shawn Nelson
- Treasurer - Cynthia Hunt
- Assistant Treasurer - Lori Economy-Scholler



Commission Agenda Item

Originator Port Authority	Item 2.1 Approval of Port Authority Meeting Minutes
Agenda Section APPROVAL OF MINUTES	Date February 17, 2026

Requested Action:

Motion by _____, second by _____ to approve the minutes of the December 16, 2025 Port Authority Commission meeting.

Description:

Attached for Port Authority Commission approval, are the draft minutes of the meeting held December 16, 2025.

Attachments:

[2025 December 16 PA Unapproved Minutes](#)

Port Authority Commission Meeting
Tuesday, December 16, 2025 - 5:15PM
Council Chambers
Bloomington Civic Plaza
1800 West Old Shakopee Road
Bloomington, MN 55431

**To watch the meeting video, please
click [HERE](#)**

CALL TO ORDER

President Erickson called the Port Authority Commission meeting to order at 5:15pm. Commissioners present: Erickson, Busse, Hunt, Nelson, Peterson, Santana. Commissioner Lunz arrived at 5:21pm.

Staff Present:

- Holly Masek, Port Authority Administrator
- Priscilla Mayowa, Business Assistance Specialist
- Marit Rasmusson, Office Support Specialist

APPROVAL OF MINUTES

Item 1.1

Approval of Port Authority Meeting Minutes

M/Peterson, S/Busse: to approve the minutes of the November 18, 2025 Port Authority Commission meeting.

Motion carried 6-0. (Lunz had not yet arrived.)

ORGANIZATIONAL BUSINESS

Item 2.1

2026 Contract for Staff Services Between the City and the Port Authority

Masek presented the 2026 staff services agreement between the City and Port, which was approved by City Council at its December 8, 2025 regular meeting.

M/Busse, S/Hunt: to approve and authorize the execution of the 2026 Contract for Staff Services between the City of Bloomington and the Port Authority of the City of Bloomington.

Motion carried 6-0. (Lunz had not yet arrived.)

NEW BUSINESS

Item 3.1

Port Authority's CRM Update Presentation

Mayowa presented an overview of the Port's effort to secure and implement a Customer Relationship Management (CRM) system in order to support efforts to build strong relationships with the Bloomington business community. By utilizing the ExecutivePulse CRM, the Port will be able to record and track business interactions and retention visits, improve institutional record keeping, and begin building data collection practices around our business assistance work.

Commissioner Busse mentioned an update on the Bloomington Economic Partnership quarterly meetings.

ADMINISTRATOR UPDATES

Item 4.1

Administrator Updates

Commissioner Busse discussed his attendance at the Governor's Trade Mission to Switzerland and Germany, particularly meeting with SICK at their headquarters in Waldkirch, Germany. He also provided an update on the CEO Roundtable meeting held December 11 at the new SICK HQ in Bloomington where a variety of topics were discussed: immigration and ICE enforcement, tax policy, and workforce development.

Masek provided a recap of past events: the Broker Breakfast, and the Bloomington Economic

Partnership Meeting, including efforts to map the workforce development ecosystem with input from Hennepin County, Normandale Community College and Aeon.

Additional updates:

- reiterated the changes in the Open Meeting Laws as applied to remote attendance, which appeared in the Port Weekly on December 12, 2025.
- Advised potential concurrent meetings will be forthcoming regarding the water park; one meeting to discuss, and another meeting to vote.
- Reiterated the board and commission openings available which appeared in the Port Weekly on December 12, 2025.

ADJOURNMENT

The meeting was adjourned by President Erickson at 5:50pm.



Commission Agenda Item

Originator Finance	Item 3.1 Designation of Official Depositories and Investment Brokers
Agenda Section CONSENT BUSINESS	Date February 17, 2026

Requested Action:

Motion by _____, seconded by _____, to designate and approve the entities listed as Port Authority depositories and Investment Brokers for 2026.

Description:

The Port Authority is asked to consider and approve the following depositories for calendar year 2026:

- U.S. Bank
- PMA Financial Network, (4M Fund)

The Port Authority is asked to consider and approve the following Investment Brokers for calendar year 2026:

- Great Pacific Securities, Andy Fuller
- Moreton Capital Markets, Lynn Cornwell
- Northland Securities, Michelle Johnson
- PMA Financial Network, Kent Johnson
- RBC Capital Markets, LLC, Michael Meyer
- Stifel Fixed Income Capital Markets, Josh Gorham
- US Bank, Ryan Morse

The following depositories are requested to be approved for Certificate of Deposit investments for calendar year 2026:

Alerus Financial	Great Western Bank
American Investors Bank and Mortgage	Highland Bank
American National Bank	Home Federal Savings Bank
Associated Bank	Huntington Bank

Bank of America	MidWestOne Bank
Bank of the West	Minnesota Bank & Trust
Beal Bank USA	Minnwest Bank
Bell Bank	My Credit Union
BMO Harris	Old National Bank
Bremer Bank	Premier Bank Minnesota
Bridgewater Bank	Prime Security Bank
Choice Financial Group	SharePoint Credit Union
Commerce Bank	Star Bank
CorTrust Bank	Sterling State Bank
Crown Bank	Think Mutual Bank
Eaton Employees Credit Union	Toro Employees Federal Credit Union
Fidelity Bank	United Bankers' Bank
Firefly Credit Union	Unity Bank
First Bank & Trust	US Bank
First Independence Bank	Wells Fargo Bank
First Western Bank & Trust	Woodlands National Bank
Flagship Bank Minnesota Gateway Bank	Ziegler Federal Credit Union
Great Southern Bank	



Commission Agenda Item

Originator Finance	Item 3.2 Designation of Electronic Funds Transfer
Agenda Section CONSENT BUSINESS	Date February 17, 2026

Requested Action:

Motion by _____, seconded by _____, to approve the Electronic Funds Transfer Designation for 2026.

Description:

In accordance with Minnesota Statute 471.38 governing electronic funds transfers, the City of Bloomington must meet all of the following provisions:

- The governing body on an annual basis will delegate the City Manager as the designee to make electronic funds transfers;
- The disbursing bank(s) of the City of Bloomington will keep on file a certified copy of the delegation of authority;
- The authorized person(s) initiating the electronic funds transfer are the following:
 1. Lori Economy-Scholler, Chief Financial Officer
 2. Amy Sevig, Deputy Finance Officer
 3. Kari Carlson, Deputy Finance Officer
 4. Mary Lee, Finance Manager
 5. Mary Kay Heinen, Treasury Manager
 6. Kyle Johannes, IT Manager - Infrastructure Services (i.e. transmitting payroll direct deposit file)
- All electronic funds transfers shall have proper approvals and supporting documentation as required of all City disbursements;
- Written confirmation of all transactions must be made within one business day after the transaction; and
- City Council notifications of all disbursement types are governed by City Charter Section 52.



Commission Agenda Item

Originator Finance	Item 3.3 Appointment of External Auditor
Agenda Section CONSENT BUSINESS	Date February 17, 2026

Requested Action:

Motion by _____, seconded by _____, to designate Redpath and Company as the Port Authority's External Auditor for the fiscal year ending 2025.

Description:

The Port Authority is asked to reaffirm Redpath and Company as the City's External Auditor for the fiscal year ending 2025.

On November 14, 2022, the City Council approved a contract with Redpath as the City's External Auditor for the fiscal year ending 2022 through year ending 2026 financials.

Redpath and Company's not-to-exceed amount is \$667,600.00 through 01/01/2027. (\$469,500.00 City services, \$133,100.00 for HRA services, and \$65,000 for Port services)



Commission Agenda Item

Originator Finance	Item 3.4 Appointment of Municipal Advisor
Agenda Section CONSENT BUSINESS	Date February 17, 2026

Requested Action:

Motion by _____, seconded by _____, to approve Baker Tilly as the Port Authority’s Municipal Advisor for 2026.

Description:

The Board is asked to reaffirm Baker Tilly US, LLP (Baker Tilly) as the City’s Municipal Advisor for 2026.

The 2023-2027 Services Agreement was approved by City Council on December 19, 2022. The not to exceed amount is \$750,000.00 for the five year agreement. It is expected that all municipal advisor services for Bloomington will be led by Elizabeth Bergman.

As part of the normal annual organization business, the Municipal Advisor must be named.



Commission Agenda Item

Originator Finance	Item 3.5 Approve Appointment of Bond Counsel
Agenda Section CONSENT BUSINESS	Date February 17, 2026

Requested Action:

Motion by _____, seconded by _____ to reaffirm Kutak Rock as the Port Authority's Bond Counsel.

Item presented by: Holly Masek, Port Authority Administrator

Description:

The board is asked to reaffirm Kutak Rock LLP as the Port Authority's Bond Counsel for 2026.

The 2025-2028 Services Agreement was approved by City Council on June 16, 2025, and by the Port Authority on June 17, 2025. This is a three-year agreement with an option to renew two more times for one year each.

Fees

Attorneys - \$400/hour

Paralegals - \$260/hour

It is expected that all bond counsel services for Bloomington will be performed by Julie Eddington.



Board Agenda Item

Originator Finance	Item 3.6 Acknowledgement of Financial Management Policies
Agenda Section CONSENT BUSINESS	Date February 17, 2026

Requested Action:

Motion by _____, seconded by _____, to acknowledge the City's Financial Management Policies document as it appears on the City's Finance Department webpage, last updated October 20, 2025.

Description:

The City made revisions to seven policies in the Financial Management Policies document in 2025.

Policy Name	Revision Date
Revenue Policy	1/6/2025
Forfeited Funds Policy	6/2/2025
Self-Insurance Reserve Policy	6/2/2025
External Auditor Independence Policy	9/29/2025
Purchasing Policy	9/29/2025
Purchasing Card (P-Card) Policy	10/13/2025
Fund Balance Year-End Classification Policy	10/20/2025

Staff requests the board acknowledge the Financial Management Policies document as it appears on the City's Finance Department webpage: blm.mn/fin

Direct link to document:

https://www.bloomingtonmn.gov/sites/default/files/2025-10/Financial_Management_Policies_10-20-2025.pdf

Summary of changes:

Revenue Policy (1/6/25)

In addition to expanding sections from the previous policy, the following enhancements were made:

- A new purpose statement emphasizing the City's commitment to fiscal responsibility, transparency, and long-term financial health.
- Three new sections were introduced to address:
 - Grant Revenue and Intergovernmental Aid

- Revenue Monitoring and Adjustment
- Long-term Financial Planning

Forfeited Funds Policy (6/2/25)

Revisions were administrative and not substantial to the policy meaning or impact:

- Created sections including Purpose, Scope, Policy, and Reference to support readability of the document.
- Language and format clean up.

Self-Insurance Reserve Policy (6/2/25)

The changes aim to make the policy clearer, more flexible, and better aligned with the City's ongoing financial and risk management practices including:

- Clarified that the Self-Insurance Fund was established for both operational stability and needs from unforeseen events.
- Removed redundancy and tightened the language on protection from fluctuating insurance premiums.
- Added flexibility for planned drawdowns for operational purposes (e.g., extraordinary expenditures or increased premiums/claims).
- Stated that surplus above the minimum may be used for broader city-wide initiatives.

External Auditor Independence Policy (9/29/25)

This revised policy adds a purpose and scope section and is aligned with broader standards (GAO, OSA, GFOA). It also emphasizes Council oversight and adds best practice recommendations (e.g. multiyear contracts).

Purchasing Policy (9/29/25)

The updated Purchasing Policy revision changes the previous title "Assistant City Manager" to "Deputy City Manager."

Purchasing Card (P-Card) Policy (10/13/25)

The revisions to the policy clarify the following:

- Who is eligible to hold cards, purchase limits, and enforcement;
- All cardholders must sign an agreement before card issuance;
- The oversight process with transaction and monthly limits, and penalties for misuse.
- List of authorized vs. prohibited purchases, with clearer restrictions on IT equipment, capital purchases, and personal expenses.

Fund Balance Year-End Classification Policy (10/20/25)

The revisions to the policy include removing inactive funds and adding in newer funds along with the associated description and assignment of fund balance.



Commission Agenda Item

Originator Port Authority	Item 3.7 Appointment of Official Newspaper
Agenda Section CONSENT BUSINESS	Date February 17, 2026

Requested Action:

Motion by _____, second by _____ to approve the Bloomington Sun-Current as the Port Authority's official legal newspaper for 2026.

Description:

The Port Authority Commission is requested to consider designating an official legal newspaper for 2026. The Bloomington Sun-Current is the present legal newspaper, and staff recommends continued use of this publication.



Commission Agenda Item

Originator Port Authority	Item 3.8 Approve Appointment of General Counsel and Special Counsel
Agenda Section CONSENT BUSINESS	Date February 17, 2026

Requested Action:

Motion by _____, second by _____ to reaffirm Kennedy & Graven as the Port Authority's General Counsel.

Motion by _____, second by _____ to reaffirm Kutak Rock as the Port Authority's Special Counsel.

Description:

Background from the October 21, 2025 Port Authority Meeting:

On October 21, 2025, the board authorized the Administrator and President to enter into professional services agreements with Kennedy and Graven for General Counsel and Kutak Rock for Special Counsel to the Port Authority.

In June 2025, the Port's long-term legal counsel Julie Eddington changed law firms, which necessitated an interim agreement and the issuance of a Request for Proposals (RFP) to select new legal counsel. The HRA and Port issued the RFP jointly and received 7 proposals. Based on a combination of cost, experience, and references, Kennedy & Graven as General Counsel and Kutak Rock as Special Counsel were recommended for selection.

The Port Authority Board of Commissioners approved the execution of a General Counsel agreement with Kennedy & Graven and a Special Counsel agreement Kutak Rock LLP as the Port's legal counsel through December 31, 2026. Each agreement has an option to renew for up to five total years, with annual renewals required.

Request:

The board is asked to reaffirm Kennedy & Graven as the Port Authority's General Counsel and Kutak Rock as the Port Authority's Special Counsel for 2026.

It is expected that general counsel services for Bloomington will be performed by Rachel Tierney.



Board Agenda Item

Originator Port Authority	Item 4.1 American Square TIF Plan Amendment
Agenda Section NEW BUSINESS	Date February 17, 2026

Requested Action:

Motion by _____, second by _____ to adopt resolution No. ____ - BPA- 2026, a resolution modifying the Tax Increment Financing Plan for Tax Increment Financing District No. 1K.

Description:

Staff request approval to proceed with an amendment to the Tax increment Financing Plan for the American Square Development project as detailed in the staff report attached to this item.

Attachments:

- [Resolution](#)
- [American Square Modification of TIF District](#)
- [American Square Staff Report](#)

RESOLUTION NO. ___-BPA-26

A RESOLUTION MODIFYING THE TAX INCREMENT FINANCING PLAN FOR TAX INCREMENT FINANCING DISTRICT NO. 1-K

WHEREAS, the Port Authority of the City of Bloomington (the “Port Authority”) is an established body politic and corporate pursuant to Minnesota Statutes, section 469.071; and

WHEREAS, the Port Authority previously created Industrial Development District No. 1 South Loop (the “Project”) within the City of Bloomington (the “City”), pursuant to Minnesota Statutes, Chapter 458, as amended, subsequently recodified as Minnesota Statutes, sections 469.048 through 469.068, as amended, and Minnesota Statutes, section 469.071, as amended, and the Board of Commissioners of the Port Authority (the “Board of Commissioners”) and the City Council of the City (the “City Council”) adopted a development plan therefor, which has subsequently been amended and restated (the “Development Plan”); and

WHEREAS, on August 3, 2020, following a duly noticed public hearing, the City Council approved a modification to the Development Plan and approved a tax increment financing plan (the “TIF Plan”) for Tax Increment Financing District No. 1-K (the “TIF District”), a housing district within the Project, pursuant to Minnesota Statutes, sections 469.174 through 469.1794, as amended (the “TIF Act”); and

WHEREAS, on August 18, 2020, the Board of Commissioners approved the modification to the Development Plan and approved the TIF Plan for the TIF District; and

WHEREAS, Hennepin County certified the original tax capacity and original tax capacity rate for the TIF District on March 16, 2021; and

WHEREAS, in 2021, the Port Authority and the City approved an administrative amendment to the TIF Plan to extend the date of first receipt of tax increment from the TIF District; and

WHEREAS, the Port Authority and the City have received a proposal that the affordable housing intended to be constructed within the TIF District be located on different property than was originally planned; and

WHEREAS, the new proposed location of the affordable housing is not currently within the TIF District and the boundaries of the TIF District must be expanded to accommodate the new location; and

WHEREAS, expansion of the boundaries of the TIF District is permissible within five years of the date of certification of the TIF District but must be accomplished through a formal amendment to the TIF Plan; and

WHEREAS, the Port Authority has determined that it is necessary and in the best interests of the Port Authority to adopt the proposed amendment to the TIF Plan set forth herein;

NOW THEREFORE BE IT RESOLVED BY THE PORT AUTHORITY OF THE CITY OF BLOOMINGTON that, based upon the foregoing,

1. The amended TIF Plan, which adds additional parcels to the TIF District, is hereby adopted.
2. Port Authority staff and consultants are authorized to take all actions necessary or convenient to implement the amended TIF Plan, including requesting that Hennepin County certify the original net tax capacity of the property added to the TIF District.

Passed and adopted this ____ day of _____, 2026.

Port Authority President

ATTEST:

Secretary to the Port Authority



February 17, 2026

Port Authority of the City of Bloomington

City of Bloomington, Minnesota

Modification to Tax Increment Financing Plan for Tax Increment Financing (Housing)
District No. 1-K within Industrial Development District No. 1 South Loop District

(American Square Development Project)

Port Authority Review Date: February 17, 2026

City Council Review and Anticipated Approval Date: March 2, 2026

PREPARED BY
Baker Tilly Municipal
Advisors, LLC
30 E Seventh St
Suite 3025
St. Paul, MN 55101

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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:

"Authority" means the Port Authority of the City of Bloomington, established pursuant to the Enabling Act.

"Board of Commissioners" means the Board of Commissioners of the Authority.

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

"City Council" means the City Council of the City; also referred to as the "Governing Body".

"County" means Hennepin County, Minnesota.

"Development District" or "South Loop District" means Industrial Development District No. 1 South Loop District

"Development Plan" means the Amended and Restated Development Plan adopted for the redevelopment of the South Loop District, as it has been amended and may be amended.

"Enabling Act" means Minnesota Statutes, Section 469.071, the special law applicable to the City that authorizes the city to exercise powers under the Port Authority Act.

"Project Area" means the geographic area of the Development District.

"School District" means Independent School District No. 271, 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 (Housing) District No. 1-K.

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

Section B

Statutory authorization

See Section E of the Amended and Restated Development Plan for Industrial Development District No. 1 South Loop District for a description of the Statutory Authorization.

Section C

Statement of need and public purpose

See Section F of the Amended and Restated Development Plan for Industrial Development District No. 1 South Loop District for the Statement and Findings of Public Purpose

Section D

Statement of objectives

See Section G of the Amended and Restated Development Plan for Industrial Development District No. 1 South Loop District for the Statement of Objectives.

Section E

Designation of Tax Increment Financing District as a Housing District

Pursuant to the TIF Act, the City and the Authority seek to create the TIF District and adopt a TIF Plan for the TIF District. The City will review the TIF Plan prior to City adoption and the Authority will review the TIF Plan prior to Authority adoption. The TIF District is a housing district.

Housing Districts are a type of tax increment financing district that consists of a project intended for occupancy, in part, by persons or families of low and moderate income. Low and moderate income is defined in federal, state and municipal legislation. A project does not qualify if more than 20% of the square footage of buildings that receive assistance from tax increments consist of commercial, retail or other nonresidential use.

In addition, housing districts are subject to various income limitations and requirements for residential property. For owner-occupied residential property, 95% of the housing units must be initially purchased and occupied by individuals whose family income is less than or equal to the income requirements for qualified mortgage bond projects under section 143(f) of the Internal Revenue Code. For residential rental property, the property must satisfy the income requirements for a qualified residential rental project as defined in section 142(d) of the Internal Revenue Code.

The TIF District meets the above qualifications for these reasons:

1. The planned improvement to receive assistance from tax increment consists of the following:
 - o Approximately ~~86-unit~~ **75-unit housing units** ~~apartment complex~~ where 100% of the rental units will be occupied by persons with incomes no greater than 60% of the county median income
2. At least 80% of the proposed building receiving assistance from tax increment will be used for residential purposes.
3. The Authority will require in the development agreement that the income limitations for the rental units in the apartment project will apply for the duration of the TIF District.
4. In addition to the building receiving assistance, also proposed for development within the boundaries of the TIF District are a proposed 242-unit market rate apartment building that will not be income restricted, ~~and a 313-stall parking garage~~. While these two developments will occur within the TIF District, no tax increment will be used to provide assistance for these projects.

Tax increments derived from a housing district must be used solely to finance the cost of housing projects as defined in sections 469.174, subdivision 11 and 469.176 of the TIF Act. The cost of public improvements directly related to housing projects and the allocated administrative expenses of the Authority and City may be included in the cost of a housing project. The Authority and the City anticipate using tax increment

revenues to finance a portion of the extraordinary costs associated with providing the 86-unit affordable housing complex.

Section F

Duration of the TIF District

Housing districts may remain in existence 25 years from the date of receipt of the first tax increment. Modifications of this Plan (see Section AB) shall not extend these limitations.

Pursuant to Minnesota Statutes section 469.175, subdivision 1(b), the Authority specified 2022 as the first year in which it elects to receive tax increment from the TIF District, which is no later than four years following the year of approval of the TIF District. Thus, the Authority may collect increment from the district through December 31, 2047 and anticipates that the TIF District may be active for the maximum duration allowed. All tax increments from taxes payable in the year the TIF District is decertified shall be paid to the Authority.

Section G

Property to be Included in the TIF District

The Original TIF District is an approximately 6.74-acre area of land located within the Project Area. **The expanded boundaries of the TIF District include 2 additional parcels.** The total area of the TIF District also includes adjacent streets and right-of-way located within the Project Area. A map showing the location of the TIF District is shown in Exhibit I. The boundaries and area encompassed by the TIF District are described below:

Original TIF District Parcel IDs*	Modified TIF District Parcel IDs*	Legal Description
0602723240014		Lot 1, Block 1 Appletree Square 4 th Addition
0602723240015		Outlot A Appletree Square 4 th Addition
0602723240009		Lot 4, Block 1 Appletree Square 2nd Addition
	0602723240008	Lot 3, Block 1 Appletree Square 2nd Addition
	0602723240010	Lot 5, Block 1 Appletree Square 2nd Addition

**The parcels within the TIF District Area may be split or replatted as part of the development. However, the entirety of each of the three parcels identified above will be included within the boundaries of the TIF District.*

The area encompassed by the TIF District shall also include all street or utility rights-of-way located upon or adjacent to the property described above, as illustrated in the boundary map included in Exhibit I.

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; however, the Authority does not anticipate acquiring any such property at this time.

Section I

Specific Development Expected to Occur Within the TIF District

Original

The proposed affordable housing project will include the development of an approximately ~~86-unit~~ **75-unit** ~~workforce~~ **senior** housing project. The building is proposed to consist of approximately ~~33~~ **15** efficiency units, ~~30~~ **50** 1-bedroom units, and ~~23~~ **10** 2-bedroom units, ~~with approximately 80,165 square feet of rentable space not including additional common areas and tenant amenity spaces. Additionally, the building will include underground parking.~~ The affordable **senior** housing units are proposed to be constructed from an underutilized office tower within the City of Bloomington. The Authority anticipates using tax increment to finance eligible costs associated directly with development of the ~~86-unit~~ **75-unit** affordable housing project, as well as related administrative expenses. Construction of the ~~86-unit~~ **75-unit** ~~workforce~~ **senior** affordable housing development is projected to start in ~~2024~~ **2027**. The ~~workforce~~ **senior** housing project is expected to be fully constructed by December 31, ~~2022~~ **2028** and be 100% assessed and on the tax rolls as of January 2, ~~2023~~ **2029** for taxes payable ~~2024~~ **3030**.

In addition to the proposed affordable housing project the development will also include the construction of an approximately 242-unit market rate housing project. ~~Additionally, a 313-stall parking ramp is proposed to be constructed within the boundaries of the TIF District as well.~~ Construction on the market rate housing project is anticipated to commence in ~~2020~~ **2022**, with the project 100% completed in ~~2022~~ **2024** and be 100% assessed and on the tax rolls as of January 2, ~~2023~~ **2025** for taxes payable ~~2024~~ **2026**. Neither the market rate apartment project nor the parking ramp will be eligible to receive tax increment assistance.

Modification

The project originally started with the conversion of part of the Crown Hotel into apartments and then the construction of the 235-unit market rate Ardor Apartment. The modification includes the conversion of 5 floors of the Riverview tower into 75 Senior affordable units which is the most cost effective. The building is proposed to consist of 15 efficiency, 50 1-bedroom and 10 2-bedroom units.

Section J

Findings and Need for Tax Increment Financing

In establishing the TIF District, the City and the Authority make the following findings:

- (1) The TIF District qualifies as a housing district.

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

- (2) The proposed affordable housing development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future.

The proposed affordable housing development is expected to consist of approximately ~~86~~ **75** total apartment units, of which 100% of the units will be occupied by persons with incomes no greater than 60% of the county median income. The City and the Authority's finding that the proposed development would be unlikely to occur solely through private investment within the reasonably foreseeable future is based on an analysis of the project pro forma and other materials submitted to the City and the Authority by the developer. These documents have indicated that the reduction in annual revenues due to the lower rents associated with providing affordable housing units will result in returns that are not sufficient to support development, thereby making this housing

development infeasible without public assistance. Therefore, the developer has indicated in communications with the City and submitted financial data that the development as proposed would not move forward without tax increment assistance.

(3) The TIF Plan 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 of the City and the Board of Commissioners of the Authority have found the TIF Plan consistent with the general plan for development of the City as a whole and will generally complement and serve to implement policies adopted in the City's comprehensive plan.

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

Through the implementation of the TIF Plan, the City and the Authority will provide an impetus for an affordable apartment complex, which complements the overall housing needs of the City and helps support other private types of development by providing a range of housing opportunities for residents and workers within the City.

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.

Direct construction of affordable housing	\$10,088,000
Pooling for eligible affordable housing	2,388,063
Administrative expenses	<u>2,388,063</u>
Estimated Tax Increment Project Costs	14,864,126
Interest Expense	<u>9,016,507</u>
Total Estimated Project/Financing Costs	\$23,880,633

The Authority anticipates using tax increment to the extent available to finance affordable housing costs and related administrative expenses, as well as other TIF-eligible expenditures as deemed necessary and related to development of the project site.

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 cost (\$23,880,633) is not increased and the dollar amount of interest expense is not moved to another category. 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

Tax Increment revenue	\$23,880,633
Interest on invested funds	0
Land Sale proceeds	0
Other	0
Total	\$23,880,633

The Authority anticipates providing financial assistance on a pay-as-you-go basis for site improvement and affordable housing costs, as well as other TIF-eligible expenses related to the proposed development. As tax increments are collected from the TIF District in future years, a portion of these taxes will be used by the Authority to reimburse the developer/owner for public costs incurred (see Section K). The Authority also anticipates providing additional funding to the project via pooled tax increment revenue to assist with the development of affordable housing.

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 available for 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 Authority reserves the right to pool tax increment from the TIF District to assist in financing other affordable housing projects within the City.

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 \$23,880,633. The Authority currently plans to finance the affordable housing costs in the form of a pay-as-you go revenue note as reimbursement to the developer for certain redevelopment costs. The Authority reserves the right to 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 original TIF District is comprised of three parcels, all of which will be included within the boundaries of the TIF District and it is anticipated that one of the parcels is likely to be split to accommodate two different components of the development. For purposes of estimating the original net tax capacity for the TIF District we have assumed the market value of the parcel to be split will be done on a pro-rata basis on the area of each development component. The TIF revenue projections assume the property within the TIF District has a value as of January 2, 2020, for taxes payable in 2021, of \$3,838,000. Upon establishment of the TIF District and reclassification of the portions of the property to the rental class rate and 4d low-income classifications, the estimated original net tax capacity of the TIF District is expected to be \$51,258. **The original net tax capacity of the TIF District as certified by the County is \$75,260. The proposed modification to the original TIF District may increase the original net tax capacity of the TIF District due to the addition of two parcels.**

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. The final sum of all local tax rates that apply to property in the TIF District, for taxes levied in 2020 and payable in 2021, is not available at the time of drafting of this TIF Plan. The County Auditor shall certify the amount for taxes payable 2021 as the original tax capacity rate of the TIF District once available. For purposes of estimating the tax increment generated by the TIF District we have utilized the final tax rates for taxes levied in 2019 and payable in 2020 of 110.817% as a baseline rate which we have assumed will increase by 2% resulting in an estimated certified tax rate for the district for taxes levied in 2020 and payable in 2021 of 113.033% as shown below.

Taxing Jurisdiction	Projected 2020/2021 Local Tax Rate
City of Bloomington	41.904%
Hennepin County	41.906%
ISD #271	20.255%
Other	<u>8.969%</u>
Total	113.033%

The original tax capacity rate for the TIF District as certified as the frozen tax capacity rate is 108.159% based on a certification date of March 16, 2021.

Section P

Project Retained Captured Net Tax Capacity and Projected Tax Increment

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 (b), 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 one or more pay-as-you-go notes, 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 Minnesota Statutes section 469.175, subdivision 1a;

- (5) pool tax increment for other affordable housing projects; or
- (6) 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 the county board involved waives this requirement. Tax increments shall not be used to circumvent levy limitations applicable to the City.

Tax increment derived from the TIF District must be used solely to finance the cost of housing projects (including administrative expenses and public improvement costs) as defined in section 469.174, subdivision 11 of the TIF Act and subject to the requirements set forth in section 469.1761 of the TIF Act.

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. Further, tax increments may not be used to finance: a commons area used as a public park; facilities used for social or recreational purposes (whether public or private); or publicly-owned facilities used for conference purposes; provided that tax increment may be used for a privately-owned conference facility, and for parking structures whether public or privately owned and whether or not they are ancillary to one of the otherwise prohibited uses described above.

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 than 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

Beginning with the sixth year after certification of the TIF District, 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;
- (4) pool tax increment for other affordable housing projects; or
- (5) 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

As permitted under Minnesota Statutes section 469.1763, subdivision 2(b) and subdivision 3(a)(5), any expenditures of increment from the TIF District to pay the cost of a “housing project” as defined in Minnesota statutes section 469.174, subdivision 11 will be treated as an expenditure within the district for the purposes of the “pooling rules” and the “five-year rule”. The Authority may expend tax increments outside the TIF District (including allowable administrative expenses), and such expenditures are expressly authorized in this TIF Plan.

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 proposed development within the TIF District;
- (3) relocation benefits paid to, or services provided for, persons or businesses residing or located within the TIF District; or
- (4) amounts used to pay interest on, fund a reserve for, or sell at a discount, tax increment bonds.

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 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, or 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 TIF 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 TIF District is estimated to be \$23,966,914.
2. To the extent the project in the TIF District generates any public cost impacts on City-provided services such as police and fire protection, public infrastructure, and the impact of any general obligation tax increment bonds attributable to the district upon the ability to issue other debt for general fund purposes, such costs will be levied upon the taxable net tax capacity of the City, excluding that portion captured by the TIF District. The Authority and City do not plan to issue bonds but reserve the right to the use of internal financing and pay-as-you-go reimbursement financing, as necessary, to finance a portion of the project costs attributable to the TIF District.
3. The amount of tax increments over the life of the TIF 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 \$4,210,572.
4. The amount of tax increments over the life of the TIF 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 \$8,711,206.
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 TIF 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 a housing 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 for development with the proposed developer 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 any person, 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 may enter 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; increase in the amount of capitalized interest; increase in that portion of the captured net tax capacity to be retained by the City or the Authority; increase in the total estimated capital and administrative costs; or designation of additional property to be acquired by the City or 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 and 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 Authority or 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 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 and the Office of the State Auditor. 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 the TIF District is classified as an economic development district, then the original net tax capacity shall be increased by the amount of the annual adjustment factor; and
 - (d) 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.

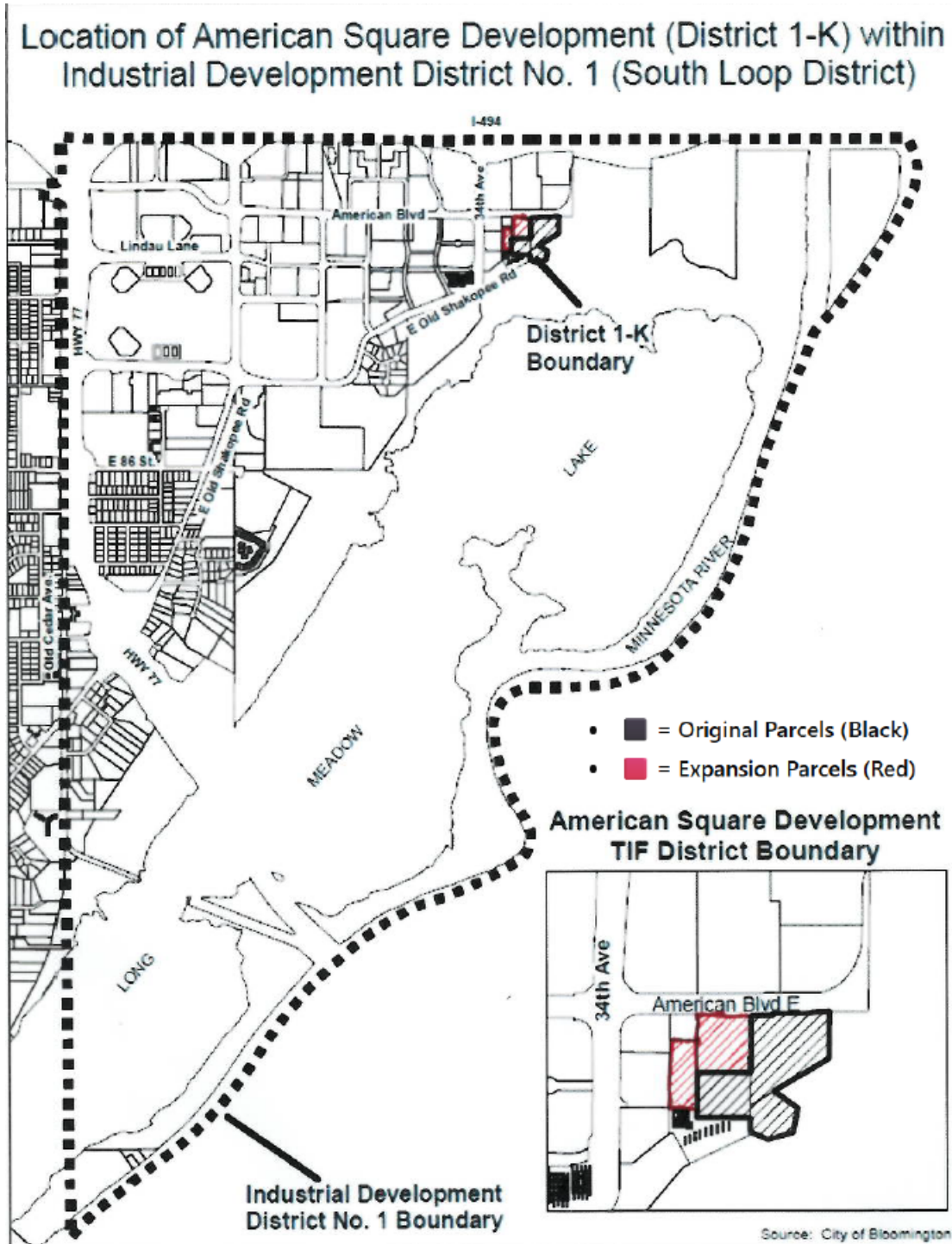
The County Auditor shall notify the Authority of all changes made to the original net tax capacity of the TIF District.

Section AB

Filing TIF Plan, Financial Report and Disclosure Requirements

The Authority will comply with all reporting requirements for the TIF District under Minnesota Statutes section 469.175, subdivisions 5 and 6.

Map of Proposed Modification of American Square Tax Increment Financing Housing District



Projected Tax Increment Report

**Port Authority for Bloomington, Minnesota
 Tax Increment Financing (Housing) District No. 1-K
 American Square Project
 TIF Projections 242-Unit Market Rate - 86 Units Workforce - 1% Inflation**

Annual Period Ending (1)	Total Market Value (2)	Total Net Tax Capacity (3)	Less: Original Net Tax Capacity (4)	Less: Fiscal Disp. @ 35.2886% (5)	Retained Captured Net Tax Capacity (6)	Times: Tax Capacity Rate (7)	Annual Gross Tax Increment (8)	Less: State Aud. Deduction 0.360% (9)	Subtotal Net Tax Increment (10)	Less: Pooling Retainage 10.00% (11)	Less: Admin Retainage 10.00% (12)	Annual Net Revenue (12)	P.V. Annual Net Rev. To 07/01/20 5.00%
12/31/20	3,838,000	51,258	51,258	0	0	113.033%	0	0	0	0	0	0	0
12/31/21	3,838,000	51,258	51,258	0	0	113.033%	0	0	0	0	0	0	0
12/31/22	16,459,000	209,020	51,258	0	157,763	113.033%	178,324	642	177,682	17,768	17,768	142,146	128,930
12/31/23	52,046,000	634,016	51,258	7,287	575,471	113.033%	650,474	2,342	648,133	64,813	64,813	518,506	447,905
12/31/24	71,497,000	830,574	51,258	25,142	754,175	113.033%	852,469	3,069	849,400	84,940	84,940	679,520	559,043
12/31/25	72,200,000	838,676	51,258	25,360	762,058	113.033%	861,379	3,101	858,278	85,828	85,828	686,623	537,987
12/31/26	72,926,000	847,072	51,258	25,579	770,235	113.033%	870,623	3,134	867,489	86,749	86,749	693,991	517,867
12/31/27	73,653,000	855,475	51,258	25,798	778,420	113.033%	879,874	3,168	876,706	87,671	87,671	701,365	498,447
12/31/28	74,381,000	863,918	51,258	26,024	786,637	113.033%	889,162	3,201	885,961	88,596	88,596	708,769	479,723
12/31/29	75,108,000	872,336	51,258	26,243	794,836	113.033%	898,430	3,234	895,196	89,520	89,520	716,157	461,641
12/31/30	75,868,000	881,096	51,258	26,461	803,377	113.033%	908,084	3,269	904,815	90,481	90,481	723,852	444,382
12/31/31	76,628,000	889,870	51,258	26,687	811,926	113.033%	917,746	3,304	914,442	91,444	91,444	731,554	427,724
12/31/32	77,388,000	898,644	51,258	26,906	820,481	113.033%	927,417	3,339	924,078	92,408	92,408	739,263	411,649
12/31/33	78,148,000	907,426	51,258	27,125	829,044	113.033%	937,096	3,374	933,722	93,372	93,372	746,978	396,138
12/31/34	78,908,000	916,224	51,258	27,351	837,615	113.033%	946,785	3,408	943,377	94,338	94,338	754,701	381,175
12/31/35	79,700,000	925,343	51,258	27,569	846,516	113.033%	956,845	3,445	953,400	95,340	95,340	762,720	366,881
12/31/36	80,493,000	934,469	51,258	27,788	855,424	113.033%	966,914	3,481	963,433	96,343	96,343	770,746	353,088
12/31/37	81,285,000	943,604	51,258	28,007	864,340	113.033%	976,992	3,517	973,475	97,347	97,347	778,780	339,779
12/31/38	82,078,000	952,754	51,258	28,233	873,264	113.033%	987,079	3,553	983,526	98,353	98,353	786,820	326,940
12/31/39	82,895,000	962,205	51,258	28,452	882,496	113.033%	997,515	3,591	993,924	99,392	99,392	795,139	314,664
12/31/40	83,720,000	971,686	51,258	28,670	891,758	113.033%	1,007,984	3,629	1,004,355	100,436	100,436	803,484	302,825
12/31/41	84,546,000	981,194	51,258	28,896	901,041	113.033%	1,018,476	3,667	1,014,809	101,481	101,481	811,848	291,406
12/31/42	85,371,000	990,691	51,258	29,115	910,319	113.033%	1,028,964	3,704	1,025,260	102,526	102,526	820,208	280,388
12/31/43	86,221,000	1,000,509	51,258	29,334	919,918	113.033%	1,039,814	3,743	1,036,071	103,607	103,607	828,857	269,852
12/31/44	87,080,000	1,010,365	51,258	29,560	929,547	113.033%	1,050,699	3,783	1,046,916	104,692	104,692	837,533	259,692
12/31/45	87,938,000	1,020,209	51,258	29,778	939,173	113.033%	1,061,579	3,822	1,057,757	105,776	105,776	846,206	249,887
12/31/46	88,796,000	1,030,062	51,258	29,997	948,807	113.033%	1,072,468	3,861	1,068,607	106,861	106,861	854,886	240,429
12/31/47	89,679,000	1,040,236	51,258	30,216	958,762	113.033%	1,083,721	3,901	1,079,820	107,982	107,982	863,856	231,382
							\$23,966,914	\$86,281	\$23,880,633	\$2,388,063	\$2,388,063	\$19,104,507	\$9,519,824

Estimated Impact on Other Taxing Jurisdictions Report

**Port Authority for Bloomington, Minnesota
 Tax Increment Financing (Housing) District No. 1-K
 American Square Project
 TIF Projections 242-Unit Market Rate - 86 Units Workforce - 1% Inflator**

Taxing Jurisdiction	Without Project or TIF District		With Project and TIF District					
	Final 2019/2020 Taxable Net Tax Capacity (1)	Projected 2020/2021 Local Tax Rate	Projected 2020/2021 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 Bloomington	152,822,954	41.904%	152,822,954	\$958,762	153,781,716	41.643%	0.261%	399,255
Hennepin County	1,941,694,561	41.906%	1,941,694,561	958,762	1,942,653,323	41.885%	0.021%	401,581
ISD #271	150,873,003	20.255%	150,873,003	958,762	151,831,765	20.127%	0.128%	192,966
Other	-	8.968%	-	-	-	8.968%	-	-
Totals		113.033%				112.623%	0.410%	

*** 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 0.410% (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 7.93% of the total tax rate.

American Square TIF Plan Amendment – Staff Report

February 17, 2026 Port Authority Commission Meeting

This Action

Staff requests approval to proceed with a modification to the Tax increment Financing Plan for the American Square Development Project. This amendment would expand the district to include two new adjacent parcels: (1) 8009 34th Ave S – River Office Tower and (2) 3601 American Blvd E – Riverview Office Tower Ramp which the developer, Bloomington QOZ Ventures LLC (QOZ), in a joint venture between Ron Clark Construction and Kaeding Development, acquired in December 2025. No budgetary changes are being made with this modification. While this modification adds new tax producing parcels to the district which increase tax increment that is offset by changes to the original development plans and statutory changes that reduced the tax class rate for affordable rental property.

This amendment would expand the boundaries of the tax increment financing district to allow the staff to continue to negotiate with the developer regarding the provision of financing for conversion of 5-stories of the office tower into 75-units of senior affordable housing to households at or below 60% of area median income (AMI). This amendment must be made before March 16, 2026 in compliance with the 5-year rule (Minn. Stat. § 469.1763, subd. 3) which prevents any modifications to TIF plans thereafter.

Background

On August 3, 2020, the City Council held a public hearing to approve the “American Square Development Project” Tax Increment Financing (Housing) District No. 1-K within Industrial Development District No. 1 South Loop District. On August 12, 2020, the Port Authority authorized staff and consultants to file a request for certification of the TIF District with the County. The County certified the TIF district on March 16, 2021.

The district was created to support the 2nd phase of a 2-phased housing development project by the developer. The plan was to capture the tax increment from both Phase 1 and Phase 2, and utilize the TIF increment generated from both phases via a PayGO Note provided to the developer only on Phase 2, if assistance is warranted.

Phase 1 and Phase 2

Since then, the developer completed Phase I, which is a 242-unit market rate apartment building (The Ardor on the Bluffs), in late 2024 at 3701 American Blvd E. The developer chose to comply with the City’s Opportunity Housing Ordinance (OHO) by making an in-lieu payment of \$1,594,598.50 instead of having 9% of units affordable onsite. As

allowed per OHO, they obligated the payment in lieu to Phase 2 which was planned to be an 86-unit affordable apartment building with 100% of the units affordable at the 60% area median income (AMI) at 6 Appletree Square. They had until August 15, 2025 to utilize the payment for Phase 2 before funds were unobligated and released into the Affordable Housing Trust Fund (AHTF). Phase 2 was to include a separate new underground 365 stall parking ramp to be used by 2 Appletree and overflow guest parking for the two apartment projects. The developer had hoped to apply for tax credits from Minnesota Housing and determine the financing package for phase 2 in early 2021. However, the developer was not able to proceed with phase 2 as planned.

Since that time, the developer has been negotiating with the owner of 6 Appletree Square to acquire the property to develop the Phase 2 affordable building. Those conversations stalled as the parties were not able to come to an agreement. The developer looked for other options to develop the affordable housing building.

In December 2025, Kaeding Development Group purchased the Riverview Office Tower and adjacent 1,200 stall parking ramp for \$5 million.

Phase 2 Pivot

In late December, the developer approached staff to discuss options to build affordable housing in the Riverview Office Tower, which they had recently acquired, instead of the originally planned 6 Appletree Square site. Since then, staff, City consultants, and the developer have been meeting to discuss the ability to use TIF generated by the district for the affordable housing conversion project in Riverview Office Tower which is estimated to cost approximately \$18 million. Staff and the developer are negotiating the terms for providing the amount of TIF assistance, as well as the possibility of providing the payment in-lieu amount to the development project. Completing the amendment to expand the TIF plan is necessary now, before negotiations are completed, due to statutory requirements of the 5-year rule. If the TIF plan amendment is approved, staff will continue working with the developer to negotiate the terms of financial assistance. Any future financial assistance package would be brought before the Port Authority for review and approval. If approval of the TIF Plan modification is granted by the Port Authority Commission, this item will go before the City Council for a public hearing on March 2nd.



Commission Agenda Item

Originator Community Development	Item 4.2 Small Business Assistance Grant Program
Agenda Section NEW BUSINESS	Date February 17, 2026

Requested Action:

Motion by _____, second by _____ to adopt Resolution NO. ____ - BPA-26 approving the Small Business Assistance Grant Program.

Description:

Port Authority staff are seeking approval to allocate up to \$400,000 from the Port Authority General Fund for the accelerated creation and deployment of a small business assistance grant program, and authorization to enter into partner agreements for the administration of such a program.

Background

From December 2025 through February 2026, federal immigration actions within Minnesota have negatively impacted small business operations in the region, resulting in reduced revenues and ability for business owners to pay operational expenses. Port Authority staff are seeking accelerated approval to build a program that can be rapidly deployed to help Bloomington small businesses respond to these hardships and avoid permanent closure.

Funding Source

On November 18, 2025, the Port Authority Board of Commissioners approved \$570,000 for direct business assistance programs (grants and loans) as part of its 2026 budget. The 2026 budget approval anticipated allocation of the \$570,000 across several planned programs but also allowed for flexibility should economic conditions demand that programs be adjusted. Staff are seeking the Port Authority Commission’s authorization to use up to \$400,000 of those funds for current immediate economic relief.

Program Partner

The Port Authority intends to partner with Bloomington-based non-profit NextStage for designing and deploying an initial \$200,000 grant program. NextStage is currently a contracted partner of the Port Authority through an agreement with Hennepin County and provides business advising services and technical assistance to Bloomington businesses. NextStage currently administers lending programs on behalf of the State of Minnesota, Scott County, and Hennepin County.

Program Parameters

The program will provide funds to assist Bloomington-based small businesses that have been negatively impacted by recent federal immigration actions in Minnesota, with the goal of preventing permanent closures. Examples of impacts might include lost revenue due to staffing challenges, reduced customer traffic, or unplanned temporary closures. The program is likely to cover rent or mortgage payments but may consider other assistance. Any application for funding through this grant program would require a brief underwriting process by NextStage,

similar to the City's 2020 pandemic relief programs. Eligible applicants will be awarded a one-time grant up to \$10,000 per business.

Following the initial \$200,000 grant fund cycle, Port Authority staff will assess whether additional funds should be dedicated to this program or if other programs are needed.

Attachments:

[Small Business Grant Assistance Program Resolution](#)

RESOLUTION NO. ___ BPA- 26

A RESOLUTION APPROVING A SMALL BUSINESS GRANT ASSISTANCE PROGRAM

WHEREAS, the Port Authority of the City of Bloomington (the “Port Authority”) is an established body politic and corporate pursuant to Minnesota Statutes, Section 469.071, as amended, with the powers of a port authority pursuant to Minnesota Statutes, Sections 469.048 through 469.068, as amended (the “Port Authority Act”); and

WHEREAS, pursuant to applicable sections of Minnesota Statutes, Sections 469.048 - 469.068, 469.071, 469.049, 469.084, and 469.192, the Port Authority is authorized to utilize economic development powers and may provide grant funds to businesses for purposes of preventing blight and preventing substantial and persistent unemployment; and

WHEREAS, the Port Authority wishes to establish a Small Business Assistance Grant Program in order address economic hardships resulting from recent federal immigration actions in Minnesota (the “Program”); and

WHEREAS, the Port Authority on November 18, 2025, through RESOLUTION ADOPTING 2026 PORT AUTHORITY GENERAL FUND BUDGET AND SOUTH LOOP SPECIAL REVENUE FUND BUDGET, 15-BPA-25 allocated a total of \$570,000 (the “Total Allocation”) for direct business assistance in the form of several grant and loan programs; and

WHEREAS, the Port Authority desires to allocate up to \$400,000 of the Total Allocation to be used for the Program; and

WHEREAS, Staff recommends that the Program provide Grants in the maximum amount of \$10,000 per recipient to pay business rent or mortgage payments; and

WHEREAS, Staff recommends that the Program be offered to all small businesses in Bloomington that meet the eligibility criteria, such as a brick-and-mortar location in Bloomington and demonstrated impact by federal immigration enforcement; and

WHEREAS, Staff seek to enter into a professional services agreement with NextStage and other organizations to assist in administering the Program.

NOW THEREFORE BE IT RESOLVED BY THE PORT AUTHORITY OF THE CITY OF BLOOMINGTON that, based upon the foregoing,

1. That the Port Authority hereby allocates up to \$400,000 of the Total Allocation to the Program.
2. That the Port Authority hereby approves the staff recommendations related to the Program as generally outlined in this Resolution, including the maximum grant amount and eligibility criteria.
3. That the Administrator of the Authority, or the Administrator's designee is hereby authorized, empowered and directed to establish Program Guidelines and supporting documents necessary and consistent with the purposes and intent of this Resolution.
4. That the Authority authorizes, empowers and directs the Administrator or the Administrator's Designee of the Authority to create and execute all agreements, including a professional services agreement with NextStage, and other documents necessary to implement and carry out the Program, subject to the approval of the General Counsel, including documents as may be required to complete the transactions contemplated thereby.

Passed and adopted this 17th day of February 2026.

Port Authority President

ATTEST:

Secretary to the Port Authority

Reviewed by General Counsel



Board Agenda Item

Originator Finance	Item 5.1 Preliminary Year End Financials and Budget Adjustments
Agenda Section ORGANIZATIONAL BUSINESS	Date February 17, 2026

Requested Action:

Motion by _____, seconded by _____ to approve 2025 and 2026 budget adjustments for the Port Authority's General Fund.

Description:

Included with the agenda materials are the Port Authority 2025 preliminary year-end financial reports for the General Fund and the South Loop Special Revenue Fund, as well as a request for budget adjustments as listed on the presentation.

Attachments:

[Presentation](#)



Preliminary Year End Financials and Budget Adjustments

Mary Kay Heinen, Treasury Manager and Port Authority Accountant

February 17, 2026

Preliminary Year End Financials

2025 General Fund Budget



	Current Budget 2025	Preliminary Actuals 2025	Variance - Current Budget vs Actual	Requested Budget Adjustment 2025	Carry Forward to 2026	Final 2025 Budget
Revenues and Other Financing Sources						
Property Taxes	2,500,000	2,454,373	(45,627)	-	-	2,500,000
Other Revenue	300,000	300,000	-	-	-	300,000
Intergovernmental (Henn Co - Façade grant)	-	35,000	35,000	35,000 *1	-	35,000
Donations (Hatch Bloomington)	50,000	50,000	-	-	-	50,000
Interest and Investment Income	-	30,188	30,188	-	-	-
Total Revenues and Other Sources	2,850,000	2,869,561	19,561	35,000	-	2,885,000
Expenditures and Other Financing Uses						
Salaries, Wages, and Benefits	606,376	688,250	(81,874)	90,000 *2	-	696,376
Materials, Supplies and Services	302,015	176,438	125,577	-	-	302,015
Commercial Nodes	100,000	-	100,000	-	-	100,000
Small Business Center Lease	101,146	-	101,146	-	-	101,146
Small Business Center Operating Cost	204,311	-	204,311	(90,000) *2	(18,400) *3	95,911
Development Project Grants	100,000	-	100,000	-	-	100,000
Business Assistance - Façade Program	264,642	162,416	102,226	35,000 *1	(137,226) *4	162,416
Business Assistance - Retention Program	90,000	-	90,000	-	(90,000) *5	-
Business Assistance - Hatch Bloomington	100,000	-	100,000	-	(100,000) *6	-
Support Services/Space and Occupancy	128,190	123,933	4,257	-	-	128,190
Transfer Out to Creative Placemaking	200,000	200,000	-	-	-	200,000
Total Expenditures and Other Uses	2,196,680	1,351,037	845,643	35,000	(345,626)	1,886,054
Net Increase / Decrease in Fund Balance	653,320	1,518,524	865,204	-	345,626	998,946
Beginning Fund Balance	423,984	423,984				
Ending Fund Balance	1,077,304	1,942,508				

2025 Adjustments to Budget

*1 - In 2025, received a grant from Hennepin County for the façade program. Requesting increase for revenue and related expense.

*2 - Reallocating unspent budget from the small business center to salaries, wages, and benefits. Less staff time was allocated to TIF districts than originally planned, which caused increased salary expense to the General Fund.

Request to Carryforward Unspent 2025 Budget to 2026

*3 - Work study intern with University of St. Thomas

*4 - Façade Program (2025 budget amount remaining)

*5 - Business Retention Program (2025 budget amount remaining)

*6 - Hatch Bloomington Program (2025 budget amount remaining)

2026 General Fund Budget



	Current Budget 2026	Carry Forward from 2025	Final Budget 2026
Revenues and Other Financing Sources			
Property Taxes	2,900,000	-	2,900,000
Interest and Investment Income	10,000	-	10,000
Total Revenues and Other Sources	2,910,000	-	2,910,000
Expenditures and Other Financing Uses			
Salaries, Wages, and Benefits	872,729	18,400 *1	891,129
Materials, Supplies and Services - General	60,161	-	60,161
Marketing	51,500	-	51,500
Bloom in Bloomington Services	20,000	-	20,000
Business Retention Services	100,000	-	100,000
Development & Redevelopment Services	400,000	-	400,000
Small Business/Entrepreneurship Services	100,000	-	100,000
Business Assistance - Façade Program	150,000	137,226 *2	287,226
Business Assistance - Retention Program	45,000	90,000 *3	135,000
Business Assistance - Hatch Bloomington	100,000	100,000 *4	200,000
Business Assistance - SAC Fee	75,000	-	75,000
Business Assistance - Micro Loans	200,000	-	200,000
Support Services/Space and Occupancy	153,390	-	153,390
Transfer Out to Creative Placemaking	240,000	-	240,000
Total Expenditures and Other Uses	2,567,780	345,626	2,913,406
Net Increase / Decrease in Fund Balance	342,220	(345,626)	(3,406)
Beginning Fund Balance (Preliminary)	1,942,508		1,942,508
Ending Fund Balance	2,284,728		1,939,102

Request to Carryforward Unspent 2025 Budget to 2026

*1 - Work study intern with University of St. Thomas

*2 - Façade Program (2025 budget amount remaining)

*3 - Business Retention Program (2025 budget amount remaining)

*4 - Hatch Bloomington Program (2025 budget amount remaining)

Preliminary Year End Financials

2025 South Loop Special Rev. Fund Budget



	Current Budget 2025	Preliminary Actuals 2025	Variance - Current Budget vs Actual	Requested Budget Adjustment	Final Budget 2025
Revenues and Other Financing Sources					
Transfer from South Loop - Operating	894,000	750,000	(144,000)	-	894,000
Interest and Investment Income	-	5,490	5,490	-	-
Total Revenues and Other Sources	894,000	755,490	(138,510)	-	894,000
Expenditures and Other Financing Uses					
Salaries, Wages, and Benefits	527,622	514,759	12,863	-	527,622
Materials, Supplies and Services	272,179	167,965	104,214	-	272,179
Support Services / Space and Occupancy	89,751	89,109	642	-	89,751
Total Expenditures and Other Uses	889,552	771,833	117,719	-	889,552
Net Increase / Decrease in Fund Balance	4,448	(16,343)	(20,791)	-	4,448
Beginning Fund Balance	291,435	291,435			
Ending Fund Balance	295,883	275,092			

Budget Adjustments



Budget Line Description	Amount	Increase or Decrease	Explanation
General Fund - 2025 Budget Adjustments			
Intergovernmental Revenue	35,000.00	Increase	Grant received from Hennepin County for façade program
Salaries, Wages, and Benefits	90,000.00	Increase	Re-allocate unspent budget to cover increased payroll costs
Small Business Center - Operating Costs	(90,000.00)	Decrease	Re-allocate unspent budget to cover increased payroll costs
Business Assistance - Façade Program	35,000.00	Increase	Grant received from Hennepin County for façade program
Small Business Center - Operating Costs	18,400.00	Decrease	Carry forward unspent budget to 2026 to be used for work-study intern
Business Assistance - Retention Program	90,000.00	Decrease	Carry forward unspent budget to 2026 to be used for business retention
Business Assistance - Façade Program	137,226.00	Decrease	Carry forward unspent budget to 2026 to be used for façade program
Business Assistance - Hatch Bloomington	100,000.00	Decrease	Carry forward unspent budget to 2026 to be used for Hatch Bloomington
General Fund - 2026 Budget Adjustments			
Salaries, Wages, and Benefits	18,400.00	Increase	Carry forward unspent budget to 2026 to be used for work-study intern
Business Assistance - Retention Program	90,000.00	Increase	Carry forward unspent budget to 2026 to be used for business retention
Business Assistance - Façade Program	137,226.00	Increase	Carry forward unspent budget to 2026 to be used for façade program
Business Assistance - Hatch Bloomington	100,000.00	Increase	Carry forward unspent budget to 2026 to be used for Hatch Bloomington

Motion



Motion by _____, seconded by _____ to approve 2025 and 2026 budget adjustments for the Port Authority's General Fund.



Board Agenda Item

Originator Port Authority	Item 5.2 Port Authority 2026 Workplan
Agenda Section ORGANIZATIONAL BUSINESS	Date February 17, 2026

Requested Action:

Motion by _____, seconded by _____, to approve the 2026 Port Authority Work Plan.

Description:

The Port Authority Administrator will provide a summary of the 2026 Port Authority Work Plan, which will guide allocation of staff time and resources and be responsive to market conditions.

Attachments:

[Port Authority Work Plan 2026](#)



BEST OF
BLOOMINGTON
PORT AUTHORITY
WORK PLAN
2026

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New SICK Inc. expansion October 2025.

INTRODUCTION

In 2026, the Port Authority of the City of Bloomington will continue to lead Bloomington’s economic development efforts in four focus areas of Real Estate and Development, Business Assistance—including both small and large businesses, Creative Placemaking, and Workforce Development.

In collaboration with internal and external partners, the Port Authority’s team will:

- Continue to execute strategies and activities laid out in the Economic Development Strategic Plan, adopted in early 2025.
- Follow anticipated annual calendars for each team, while being responsive to market conditions, development inquiries, and community needs.
- Serve as responsible stewards of public resources and strive to maximize impact of public investment in economic development.
- Serve as leaders in providing excellent, proactive customer service to Bloomington’s business community.

The workplan below is supported by the Port Authority’s 2026 Budget, which was approved at the November 18, 2025 Port Authority Commission meeting.

REAL ESTATE AND DEVELOPMENT

- 2026 themes and priorities
 - Remain responsive to development inquiries and activity
 - 2026 likely to include: Mall of America Waterpark, Southtown, American Square, Wixon site
 - Track and advance potential tourism projects in South Loop District
 - Review Opportunity Housing Ordinance and update as necessary
- Start
 - Develop and launch cross-departmental plans to advance Commercial Nodes Toolkit projects
- Continue
 - Networking and relationship building
 - Annual Broker Breakfast
 - Tracking potential funding sources for project assistance, and advocating for relevant policy changes.
 - Providing responsive assistance for business expansion requests, including GreaterMSP and DEED site selection inquiries, grant application guidance, etc.
 - Operational improvements
 - Phase II of TIF Management Plan
 - Review of Business Subsidy Policy
 - Streamlining grant processes and tracking
 - Operationalizing work with new legal teams

BUSINESS ASSISTANCE; BUSINESS ATTRACTION, RETENTION, AND EXPANSION

- 2026 themes and priorities
 - Provide responsive programming and customer service to small and large businesses looking to locate, grow, or overcome operational hurdles in Bloomington
 - Grow relationships with key partners who promote Bloomington as a place to do business or offer technical assistance
 - Minnesota Department of Employment and Economic Development (DEED), Hennepin County, GreaterMSP, NextStage, etc.



TKDA ribbon cutting.

- Start
 - New supportive programs
 - Bloom and Grow networking and technical assistance program, CEO Roundtable mentorship program, local purchasing programs with City's Finance department
 - New financial assistance programs
 - Updated SAC grants and deferrals, microloan and microgrant programs
- Continue
 - Collaborative programs and technical assistance
 - Elevate Hennepin referrals, Zawadi Center programs, Hatch Bloomington, CEO Start, CEO Start Bootcamp, Bloomington Economic Partnership,
 - Direct assistance programs
 - Façade Improvement Grants, Business Retention Program
 - Relationship building and networking



2025 Bloom in Bloomington graduation.

- Annual Business Forum, CEO Summits
- Promotion and marketing
- Collaborate with Communications to market Bloomington as a place to do business
- Participate in DEED, Minnesota Trade Office, and GreaterMSP events to promote the region when appropriate
- System and operational improvements
- Customer Relationship Management (CRM) implementation

WORKFORCE

- 2026 Themes and priorities
 - Strengthen and streamline Bloom in Bloomington internship program
 - With hiring of a permanent Workforce Development Program Coordinator, expand Bloomington's knowledge and connections in the workforce development ecosystem



2025 Bloomington Business Forum.

- Start
 - Creating an annual internal and external marketing/communications calendar
 - Ensuring grant compliance for DEED Youth at Work grant
 - Building external workforce development relationships
- Continue
 - Emphasizing early employer recruitment (summer 2026 outreach for 2027 intern class)

CREATIVE PLACEMAKING

- 2026 themes and priorities
 - Implementation of citywide creative placemaking efforts, following the 2025 adoption of the Citywide Creative Placemaking Plan



"Evening Primrose" by Mariela Ajras

- Projects Citywide and in South Loop in 2026 include the following themes: public art and placemaking, artist and creative economy development, youth and community engagement, cross-department and partnership initiatives, community events and cultural programming, and creative gardens and environmental stewardship
- Build capacity amongst partners and stakeholders to reduce burden on CP staff, particularly for events
- Start
 - Call for art/RFQ for Community Health and Wellness Center mural
 - Call for art/RFQ for Pond Dakota Mission Park sculpture
 - Planning for activation of vacant lot to the south of SICK
 - Updated Arts Impact Study and an Arts Space Feasibility Study
- Continue
 - Installation of Bryant Park Sculpture by Craig David
 - Support of various events including On the One Music Festival, Juneteenth, and Bloomington Street Arts Festival.

- Operational improvements
 - Finalizing the Public Art Archive database and art maintenance plan
 - Continuous use of new budget forecasting tools
 - Shift of files to SharePoint

ADMINISTRATION

- 2026 themes and priorities
 - Support Port Authority work groups as they grow or refine programs in their respective areas and implement 2025 Economic Development Strategic Plan projects
 - Update Port internal policies and practices in alignment with City policy updates: Professional development and travel, grant applications and tracking, new budgeting practices, etc.
- Continue
 - Building external relationships with business community – engaging Mayor and City Manager when appropriate
 - Improving tracking and reporting of key data, including large employers present in Bloomington
 - Engaging in relevant state and federal legislative efforts relating to economic development
 - Operational improvements
 - Continue file cleanup migration to SharePoint
 - Streamline processes with General and Special Counsel
 - Normalize new accounting codes, account names for 2026



Commission Agenda Item

Originator Port Authority	Item 6.1 Administrator Updates
Agenda Section ADMINISTRATOR UPDATES	Date February 17, 2026

Requested Action:

Informational only

Description:

Brief general updates provided by Port Authority Administrator.