

## City of Brooklyn Center

### Projected Annual Revenue From Local Sales Tax

October 8, 2021

Tax Collection Year	Taxable Retail Sales <sup>1</sup>	(less) Motor Vehicle Sales <sup>1</sup>	Net Taxable Retail Sales	Annual Sales Tax Revenue		
				0.25%	0.50%	1.00%
2016	\$529,015,259	(\$32,957,619)	\$496,057,640	\$1,240,144	\$2,480,288	\$4,960,576
2017	\$534,014,370	(\$34,669,949)	\$499,344,421	\$1,248,361	\$2,496,722	\$4,993,444
2018	\$538,805,339	(\$36,949,720)	\$501,855,619	\$1,254,639	\$2,509,278	\$5,018,556
2019	\$548,253,921	(\$43,062,535)	\$505,191,386	\$1,262,978	\$2,525,957	\$5,051,914
2020	\$553,736,460	(\$43,493,160)	\$510,243,300	\$1,275,608	\$2,551,216	\$5,102,433
2021	\$559,273,825	(\$43,928,092)	\$515,345,733	\$1,288,364	\$2,576,729	\$5,153,457
Debt Potential <sup>2</sup>				\$21,000,000	\$42,000,000	\$84,000,000

<sup>1</sup> Source: Minnesota Department of Revenue

<sup>2</sup> Assumes 2% interest for 20 years

Shaded area indicates projections assuming 1% inflation from 2019

## City of Brooklyn Center

### Estimated Resident Impact - Local Sales Tax

October 8, 2021

2023 Income Decile <sup>1</sup>	State of Minnesota			Brooklyn Center	Annual Sales Tax Impact		
	Households <sup>1</sup>	Individual sales tax <sup>1</sup>	MN Household Avg. Sales Tax <sup>1</sup>	Taxable Purchases per household <sup>2</sup>	0.25%	0.50%	1.00%
\$46,141 & Under	1,146,606	\$716,475,000	\$625	\$6,228	\$16	\$31	\$62
<b>\$46,142 - \$71,065</b>	<b>496,818</b>	<b>\$462,995,000</b>	<b>\$932</b>	<b>\$9,288</b>	<b>\$23</b>	<b>\$46</b>	<b>\$93</b>
\$71,066 - \$96,948	345,259	\$428,869,000	\$1,242	\$12,380	\$31	\$62	\$124
\$96,949 - \$123,344	261,738	\$408,330,000	\$1,560	\$15,549	\$39	\$78	\$155
\$123,345 - \$154,705	208,560	\$381,351,000	\$1,828	\$18,224	\$46	\$91	\$182
\$154,706 - \$198,962	164,830	\$355,235,000	\$2,155	\$21,480	\$54	\$107	\$215
\$198,963 - \$276,331	123,739	\$322,354,000	\$2,605	\$25,965	\$65	\$130	\$260
\$276,332 - \$417,188	82,452	\$283,224,000	\$3,435	\$34,236	\$86	\$171	\$342
\$471,189 - \$1,188,381	41,719	\$230,612,000	\$5,528	\$55,094	\$138	\$275	\$551
\$1,188,382 and over	9,173	\$170,626,000	\$18,601	\$185,391	\$463	\$927	\$1,854
	<b>2,880,894</b>	<b>3,760,071,000</b>					

<sup>1</sup>Source: Minnesota Department of Revenue 2021 Tax incidence Study - 2023 Income Deciles - Effective Tax Rates table 4-3

<sup>2</sup>Assumes Owatonna Study Methodology - 75% of taxable purchases by Brooklyn Center residents are within the City (\$7.525% sales tax rate)

Median Household Income for Brooklyn Center: \$59,550 - American Community Survey 2019 Estimate

**City of Brooklyn Center, Minnesota**  
**Estimated Tax Impact**  
**October 8, 2021**

BOND ISSUANCE INFORMATION	
Bond Issue Amount	\$21,000,000
Number of Years	20
Average Interest Rate	2.54%
Estimated Bond Rating	S&P AA
PROPERTY TAX INFORMATION	
Actual Net Tax Capacity - Payable 2021	\$22,044,844
Debt Levy @ 105% - Average	1,433,589
Estimated Tax Capacity Rate:	
Payable - 2021 Without Proposed Bonds	64.740%
Payable - 2021 With Proposed Bonds	71.243%
Estimated Tax Rate Increase	6.503%

TAX IMPACT ANALYSIS						
Type of Property	Estimated Market Value	Market Value Exclusion	Taxable Market Value	Current City Tax	Proposed Tax Increase*	Proposed City Tax
Residential Homestead	\$ 50,000	\$ 20,000	\$ 30,000	\$ 194.22	\$ 19.51	\$ 213.73
	75,000	30,000	45,000	291.33	29.26	320.59
	100,000	28,240	71,760	464.57	46.67	511.24
	125,000	25,990	99,010	640.99	64.39	705.38
	150,000	23,740	126,260	817.41	82.11	899.51
	175,000	21,490	153,510	993.82	99.83	1,093.65
	200,000	19,240	180,760	1,170.24	117.55	1,287.79
	223,000	17,170	205,830	1,332.54	133.85	1,466.40
	250,000	14,740	235,260	1,523.07	152.99	1,676.06
	300,000	10,240	289,760	1,875.91	188.43	2,064.34
Commercial/Industrial	\$ 100,000	\$ -	\$ 100,000	\$ 594.29	\$ 59.70	\$ 653.99
	200,000	-	200,000	1,287.63	129.34	1,416.97
	300,000	-	300,000	2,080.02	208.94	2,288.96
	400,000	-	400,000	2,872.41	288.53	3,160.94
	500,000	-	500,000	3,664.80	368.12	4,032.92
	1,000,000	-	1,000,000	7,626.75	766.10	8,392.84
Apartments (4 or more units)	\$ 200,000	\$ -	\$ 200,000	\$ 1,618.50	\$ 162.58	\$ 1,781.08
	300,000	-	300,000	2,427.75	243.86	2,671.61
	500,000	-	500,000	4,046.25	406.44	4,452.69

\* The figures in the table are based on taxes for new bonded debt only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the state Property Tax Refund ("Circuit Breaker") program. Many owners of homestead property will qualify for a refund, based on their income and total property taxes. This will decrease the net tax effect of the bond issue for many

**City of Brooklyn Center, Minnesota**  
**Estimated Tax Impact**  
**October 8, 2021**

BOND ISSUANCE INFORMATION	
Bond Issue Amount	\$42,000,000
Number of Years	20
Average Interest Rate	2.54%
Estimated Bond Rating	S&P AA
PROPERTY TAX INFORMATION	
Actual Net Tax Capacity - Payable 2021	\$22,044,844
Debt Levy @ 105% - Average	2,867,099
Estimated Tax Capacity Rate:	
Payable - 2021 Without Proposed Bonds	64.740%
Payable - 2021 With Proposed Bonds	77.746%
Estimated Tax Rate Increase	13.006%

TAX IMPACT ANALYSIS						
Type of Property	Estimated Market Value	Market Value Exclusion	Taxable Market Value	Current City Tax	Proposed Tax Increase*	Proposed City Tax
Residential Homestead	\$ 50,000	\$ 20,000	\$ 30,000	\$ 194.22	\$ 39.02	\$ 233.24
	75,000	30,000	45,000	291.33	58.53	349.86
	100,000	28,240	71,760	464.57	93.33	557.90
	125,000	25,990	99,010	640.99	128.77	769.76
	150,000	23,740	126,260	817.41	164.21	981.62
	175,000	21,490	153,510	993.82	199.65	1,193.48
	200,000	19,240	180,760	1,170.24	235.09	1,405.33
	223,000	17,170	205,830	1,332.54	267.70	1,600.24
	250,000	14,740	235,260	1,523.07	305.97	1,829.05
	300,000	10,240	289,760	1,875.91	376.85	2,252.76
Commercial/Industrial	\$ 100,000	\$ -	\$ 100,000	\$ 594.29	\$ 119.39	\$ 713.68
	200,000	-	200,000	1,287.63	258.68	1,546.31
	300,000	-	300,000	2,080.02	417.86	2,497.88
	400,000	-	400,000	2,872.41	577.04	3,449.46
	500,000	-	500,000	3,664.80	736.23	4,401.03
	1,000,000	-	1,000,000	7,626.75	1,532.15	9,158.90
Apartments (4 or more units)	\$ 200,000	\$ -	\$ 200,000	\$ 1,618.50	\$ 325.14	\$ 1,943.64
	300,000	-	300,000	2,427.75	487.72	2,915.47
	500,000	-	500,000	4,046.25	812.86	4,859.11

\* The figures in the table are based on taxes for new bonded debt only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the state Property Tax Refund ("Circuit Breaker") program. Many owners of homestead property will qualify for a refund, based on their income and total property taxes. This will decrease the net tax effect of the bond issue for many.

**City of Brooklyn Center, Minnesota**  
**Estimated Tax Impact**  
**October 8, 2021**

BOND ISSUANCE INFORMATION	
Bond Issue Amount	\$84,000,000
Number of Years	20
Average Interest Rate	2.54%
Estimated Bond Rating	S&P AA
PROPERTY TAX INFORMATION	
Actual Net Tax Capacity - Payable 2021	\$22,044,844
Debt Levy @ 105% - Average	5,734,198
Estimated Tax Capacity Rate:	
Payable - 2021 Without Proposed Bonds	64.740%
Payable - 2021 With Proposed Bonds	90.752%
Estimated Tax Rate Increase	26.012%

TAX IMPACT ANALYSIS						
Type of Property	Estimated Market Value	Market Value Exclusion	Taxable Market Value	Current City Tax	Proposed Tax Increase*	Proposed City Tax
Residential Homestead	\$ 50,000	\$ 20,000	\$ 30,000	\$ 194.22	\$ 78.03	\$ 272.25
	75,000	30,000	45,000	291.33	117.05	408.38
	100,000	28,240	71,760	464.57	186.66	651.23
	125,000	25,990	99,010	640.99	257.54	898.53
	150,000	23,740	126,260	817.41	328.42	1,145.83
	175,000	21,490	153,510	993.82	399.30	1,393.13
	200,000	19,240	180,760	1,170.24	470.18	1,640.42
	223,000	17,170	205,830	1,332.54	535.40	1,867.94
	250,000	14,740	235,260	1,523.07	611.95	2,135.02
	300,000	10,240	289,760	1,875.91	753.71	2,629.62
Commercial/Industrial	\$ 100,000	\$ -	\$ 100,000	\$ 594.29	\$ 238.78	\$ 833.07
	200,000	-	200,000	1,287.63	517.35	1,804.98
	300,000	-	300,000	2,080.02	835.72	2,915.74
	400,000	-	400,000	2,872.41	1,154.09	4,026.50
	500,000	-	500,000	3,664.80	1,472.46	5,137.26
	1,000,000	-	1,000,000	7,626.75	3,064.31	10,691.05
Apartments (4 or more units)	\$ 200,000	\$ -	\$ 200,000	\$ 1,618.50	\$ 650.29	\$ 2,268.79
	300,000	-	300,000	2,427.75	975.43	3,403.18
	500,000	-	500,000	4,046.25	1,625.72	5,671.97

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