

CITY OF GRAND RAPIDS

RESOLUTION NO. _____

**RESOLUTION DECERTIFYING TAX INCREMENT FINANCING
DISTRICT NO. 1-12: THE PILLARS OF GRAND RAPIDS**

BE IT RESOLVED By the City Council of the City of Grand Rapids (the “City”) as follows:

Section 1. Recitals.

1.01. The City previously established Municipal Development District No. 1 (the “Development District”) pursuant to Minnesota Statutes, Sections 469.124 to 469.133, as amended.

1.02. The City established Tax Increment Financing District No. 1-12: The Pillars of Grand Rapids (the “TIF District”), a housing district within the Development District, and approved a Tax Increment Financing Plan therefor (the “TIF Plan”) on December 16, 2019, all pursuant to Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the “TIF Act”).

1.03. The City and KTJ 338, LLC, a Minnesota limited liability company (the “Developer”), entered into a Contract for Private Development dated December 16, 2019 (the “Contract”) contemplating that the Developer would construct a four-story building consisting 98-units of senior, multifamily rental housing, 20 units of memory care, one guest unit, and underground structured parking, for occupancy by low and moderate income seniors on the property (the “Minimum Improvements”) and that the City would provide a taxable tax increment revenue note (the “TIF Note”) to the Developer in order to make the project financially feasible.

1.04. However, the issuance of the TIF Note was subject to a number of lookback calculations as set forth in Section 3.5 of the Contract. After completing the first lookback analysis, the TIF Note was issued in the amount of \$1,751,833 on May 2, 2022 and the City began making payments on the TIF Note to the Developer. Thereafter, the project reached stabilization and the City and its municipal advisor completed the second lookback analysis in accordance with Section 3.5 of the Contract. Based on such calculations, the City and the municipal advisor have determined, with the agreement of the Developer, that the no additional tax increment assistance is necessary for the Minimum Improvements based on the cash on cash return on the Minimum Improvements. As such, the City has completed all of its obligations under the Contract and will terminate the TIF Note.

1.05. As a result of the second lookback analysis and the termination of the TIF Note, there are no outstanding obligations to which tax increment from the TIF District is pledged. Therefore, the City has further determined that it is in the best interest of the City to decertify the TIF District as of the date hereof.

Section 2. TIF District Decertified; Filing.

2.01. The TIF District is hereby deemed decertified as of the date hereof.

2.02. City staff are authorized and directed to deliver a copy of this resolution to the County Auditor/Treasurer of Itasca County, Minnesota (the “County Auditor/Treasurer”) with instructions to decertify the TIF District, it being the intent of the City that any tax increment derived from the TIF District and collected following the date of decertification should be redistributed by the County Auditor/Treasurer to the taxing jurisdictions within the TIF District pursuant to the TIF Act.

2.03. City staff are further directed to return any remaining tax increment in the accounts established for the TIF District, which is not eligible for spending, as determined by City staff, to the County Auditor/Treasurer for redistribution to the taxing jurisdictions within the TIF District.

Approved by the City Council of the City of Grand Rapids this _____ day of _____, 2024.

Mayor

Attest:

City Clerk