

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF MARSHALL, MINNESOTA**

**RESOLUTION NUMBER 21-001**

**ESTABLISHING PROJECT AREA NO. 6 AND APPROVING A PROJECT PLAN  
THEREFOR; AND ESTABLISHING TAX INCREMENT FINANCING  
(HOUSING) DISTRICT NO. 6-1 AND APPROVING A TAX INCREMENT  
FINANCING PLAN THEREFOR**

WHEREAS, the Housing and Redevelopment Authority in and for the City of Marshall, Minnesota (the “Authority”) has proposed to establish Project Area No. 6 (the “Project Area”) located in the City of Marshall, Minnesota (the “City”) pursuant to Minnesota Statutes, Sections 469.001 to 469.047, as amended, and to that end has caused to be prepared a document entitled “Project Plan for Project Area No. 6” (the “Project Plan”); and

WHEREAS, the Project Plan contains an identification of need and a statement of purpose and objectives, land uses and standards for development for carrying out a development project, including property to be acquired, public improvements to be provided, development to occur, and sources of revenue to pay redevelopment costs within the Project Area; and

WHEREAS, the Redevelopment Plan will preserve and enhance the tax base available to finance municipal services and will provide affordable housing opportunities, thereby achieving the purposes and objectives of the HRA Act; and

WHEREAS, the Authority has determined a need to establish Tax Increment Financing (Housing) District No. 6-1 (the “TIF District”) within the proposed Project Area pursuant to Minnesota Statutes, Sections 469.174 to 469.1794, as amended, and to that end has caused to be prepared a document entitled “Tax Increment Financing Plan for Tax Increment Financing (Housing) District No. 6-1” (the “TIF Plan”); and

WHEREAS, the TIF District is being established to facilitate the acquisition and construction of an affordable housing development consisting of two three-story apartment buildings containing a total of approximately 48 rental housing units and related amenities (the “Housing Development”); and

WHEREAS, pursuant to Minnesota Statutes, Sections 469.001 to 469.047, as amended (the “HRA Act”), the Authority is authorized to remedy the shortage of housing for low and moderate income residents and to undertake certain activities to facilitate the redevelopment of real property by private enterprise; and

WHEREAS, L2A, LLC, a Minnesota limited liability company (or any affiliate thereof which owns or develops the proposed affordable housing development, the “Developer”) has represented that it could not proceed with the proposed development without tax increment assistance; and

WHEREAS, the Authority transmitted the Project Plan and the TIF Plan to the Planning Commission of the City (the “Planning Commission”) for its review, and requested the Planning Commission’s written comment on such plans; and

WHEREAS, by resolution adopted by the Planning Commission on July 14, 2021, the Planning Commission found that the Project Plan for the proposed Project Area and the TIF Plan for the proposed TIF District conform to the general plan for the development of the City as a whole; and

WHEREAS, the Authority has performed all actions required by law to be performed prior to the

creation of the TIF District and adoption of a TIF Plan, including, but not limited to, notification of the Lyon County Commissioner representing the area of the County in which the TIF District is located and delivering a copy the proposed TIF Plan for the TIF District and the Authority's estimate of the fiscal and economic implications of the proposed TIF District to the County Auditor/Treasurer of Lyon County (the "County Auditor") and the Clerk/Treasurer of the School Board of Independent School District No. 413, which have taxing jurisdiction over the property to be included in the TIF District; and

WHEREAS, on this date, the City Council of the City (the "Council") will conduct a duly noticed public hearing on the Project Area and the Project Plan therefor and the TIF District and the TIF Plan therefor; and

WHEREAS, this Board of Commissioners of the Authority (the "Board") has reviewed the contents of the Project Plan and the TIF Plan.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Marshall, Minnesota that:

Section 1. Findings and Approval of the Project Area and Project Plan.

1.01. It is hereby found and determined that the undertakings and the site of the Project Area constitute a "housing project" within the meaning of Minnesota Statutes, Section 469.002, Subdivision 13; that the land in the Project Area, would not be made available for redevelopment without the use of tax increment financing; that the Project Plan for the Project Area will afford maximum opportunity, consistent with the needs of the City as a whole, for the redevelopment of the Project Area by private enterprise; and that the Project Plan conforms to the general plan for the development of the City as a whole.

1.02. The Project Plan and the redevelopment project activities proposed thereby are hereby adopted and approved as necessary and in the public interest to alleviate a shortage of decent, safe, and sanitary housing for persons of low or moderate income and their families, to preserve and enhance the municipal tax base and general economic vitality of the City, to provide low and moderate income housing opportunities, and to promote the sound growth and development of neighborhoods and communities and affordable housing goals, thereby serving the public safety, health, morals and general welfare of the residents of this City and State.

1.03. The Project Area is hereby established and the Project Plan is hereby adopted and approved by the Authority.

Section 2. Findings for the Creation of TIF District and Adoption of TIF Plan therefor.

2.01. The Authority hereby finds that the creation of the TIF District and the adoption of the TIF Plan therefor are intended and, in the judgment of the Board, the effect will be, to carry out the objectives of the Project Plan by creating an impetus for the development of low and moderate income housing facilities and related structures in the City, and otherwise promote certain public purposes and accomplish certain objectives as specified in the Project Plan and the TIF Plan.

2.02. The Authority hereby finds that the TIF District qualifies as a "housing district" within the meaning of the TIF Act for the following reasons:

The TIF District is, pursuant to Minnesota Statutes, Section 469.174, Subdivision 11, a "housing district" because it consists of a project or portions of a project or a portion of a project intended for occupancy, in part, by persons or families of low and moderate income as defined in Chapter 462A, Title II of the National Housing Act of 1934; the National Housing

Act of 1959; the United States Housing Act of 1937, as amended; Title V of the Housing Act of 1949, as amended; and any other similar present or future federal, state or municipal legislation or the regulations promulgated under any of those acts. No more than 20% of the square footage of buildings that receive assistance from tax increments will consist of commercial, retail or other nonresidential uses.

The Housing Development to be constructed in the TIF District will consist of approximately 48 units of workforce housing. At least 40% of the units (i.e., 20 units) in the Housing Development will be rented to and occupied by individuals or families whose income is 60% or less of area median income.

The Housing Development, which includes the only two buildings in the TIF District receiving assistance from the TIF District, is not expected to be used for any commercial, retail, or other non-residential use; therefore, not more than 20% of the square footage of the buildings that will receive assistance from tax increments from the TIF District are expected to be used for commercial, retail or other non-residential uses.

2.03. The Authority further finds that the proposed development would not occur solely through private investment within the reasonably foreseeable future and, therefore, the use of tax increment financing is deemed necessary.

2.04. The Authority further finds that the TIF Plan conforms to the general plan for the development or redevelopment of the City as a whole.

2.05. The HRA further finds that the TIF Plan will afford maximum opportunity consistent with the sound needs of the City as a whole for the development of the TIF District by private enterprise.

2.06. Reasons and facts supporting all the above findings are set forth in the TIF Plan and are incorporated herein by reference. The Board has also relied upon a resolution of the Planning Commission, the reports and recommendations of the Authority's and City's staff and consultants, as well as the personal knowledge of members of the Board, in reaching its conclusions regarding the TIF Plan.

### Section 3. Approval of Creation of the TIF District and Approval of the TIF Plan.

3.01. The creation of the TIF District and the adoption of the TIF Plan, are hereby approved and the TIF Plan shall be placed on file in the office of the Executive Director of the Authority.

3.02. Upon approval of the Project Plan and the TIF Plan by the Council, the Authority's Executive Director and staff of the Authority and the Authority's consultants and legal counsel are authorized and directed to proceed with the establishment and implementation of the TIF District, the TIF Plan and this resolution and to negotiate, draft, prepare and present to this Board for its consideration all further plans, resolutions, documents and contracts necessary for this purpose, including a Contract for Private Development ("Development Agreement") between the Authority and the Developer setting forth the terms and conditions under which the Authority will provide tax increment financing assistance to the Developer. The Board, staff of the Authority and its consultants and legal counsel are authorized to negotiate the terms of the Development Agreement with the Developer in connection with the establishment of the TIF District.

3.03. Upon approval of the Project Plan and the TIF Plan by the Council, the staff of the Authority is authorized and directed to file a copy of the TIF Plan with the County Auditor and to request the County Auditor certify the original tax capacity of the TIF District

3.04. Upon approval of the Project Plan and the TIF Plan by the Council, the staff of the Authority is also authorized and directed to file a copy of the TIF Plan and the Project Plan with the Commissioner of the Minnesota Department of Revenue and the Office of the State Auditor within 60 days after the latest of: (a) the filing of the request with the County Auditor for certification of the TIF District and (b) the date of approval of the TIF Plan by the City and the Authority.

Approved by the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Marshall, Minnesota this 27th day of July, 2021.

**HOUSING AND REDEVELOPMENT  
AUTHORITY IN AND FOR THE CITY OF  
MARSHALL, MINNESOTA**

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Robert J. Byrnes  
Chair

Attest:

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Sharon Hanson  
Executive Director