

**CITY OF MARSHALL, MINNESOTA**

**RESOLUTION NUMBER 22-048**

**RESOLUTION APPROVING A MODIFICATION TO THE REDEVELOPMENT PLAN FOR REDEVELOPMENT PROJECT NO. 1; AND APPROVING A TAX INCREMENT FINANCING PLAN FOR TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 1-15**

WHEREAS, the Housing and Redevelopment Authority in and for the City of Marshall, Minnesota (the “Authority”) previously established Redevelopment Project No. 1 (the “Redevelopment Project”) located within the City of Marshall, Minnesota (the “City”) and created a Redevelopment Plan (the “Redevelopment Plan”) therefor, pursuant to Minnesota Statutes, Sections 469.001 through 469.047, as amended (the “HRA Act”); and

WHEREAS, within the Redevelopment Project the City and the Authority have created certain tax increment financing districts pursuant to the HRA Act and Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the “TIF Act”); and

WHEREAS, the City and the Authority have determined to modify the Redevelopment Plan and approve a tax increment financing plan (the “TIF Plan”) relating to the creation of a new tax increment financing district within the Redevelopment Project designated as Tax Increment Financing (Redevelopment) District No. 1-15 (the “TIF District”), a redevelopment district, all as described in a plan document presented to the City Council of the City (the “City Council”) on the date hereof; and

WHEREAS, pursuant to Section 469.175, subdivision 2a of the TIF Act, notice of the proposed TIF District was provided to the county commissioner who represents the area included in the TIF District on or about February 18, 2022; and

WHEREAS, pursuant to Section 469.175, subdivision 2 of the TIF Act, the proposed TIF Plan and the estimates of the fiscal and economic implications of the TIF Plan were presented to County Auditor/Treasurer of Lyon County, Minnesota (the “County”) and the Clerk of the Board Education of Independent School District No. 413 (Marshall Public Schools) on or about March 11, 2022; and

WHEREAS, on April 12, 2022, the Board of Commissioners of the Authority approved the modified Redevelopment Plan and the TIF Plan for the TIF District and referred such plans to the City Council for consideration; and

WHEREAS, on the date hereof, the City Council conducted a duly noticed public hearing relating to the approval of the modified Redevelopment Plan and the TIF Plan for the TIF District, and the views of all interested parties were heard at the public hearing; and

WHEREAS, the City Council has reviewed the contents of the modified Redevelopment Plan and the TIF Plan.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Marshall, Minnesota as follows:

Section 1. Findings; Redevelopment Project. The City Council hereby finds that (a) the land in the Redevelopment Project would not be made available for development or redevelopment without the use of tax increment financing; and (b) the modified Redevelopment Plan is intended to and, in the judgment of the

City Council, the effect of such actions will be to (i) afford maximum opportunity, consistent with the needs of the City as a whole, for the development of the Redevelopment Project by private enterprise; and (ii) conform to the general plan for development of the City as a whole.

Section 2. Findings; TIF District.

2.01. It is found and determined that it is necessary and desirable for the sound and orderly development of the Redevelopment Project, and for the protection and preservation of the public health, safety, and general welfare of the City and its residents, that the authority of the TIF Act be exercised by the City to provide public financial assistance to the TIF District and the Redevelopment Project.

2.02. It is further found and determined, and it is the reasoned opinion of the City, that the development proposed in the TIF Plan could not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value expected to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the district permitted by the TIF Plan.

2.03. The proposed public improvements to be financed in part through tax increment financing are necessary to permit the City to realize the full potential of the TIF District in terms of development of housing, renovation of substandard properties, and improvement of the tax base.

2.04. The TIF Plan conforms to the general plan for development of the City as a whole.

2.05. 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 and the Redevelopment Project by private enterprise.

2.06. The TIF District is a redevelopment district under Section 469.174, subdivision 10 of the TIF Act.

2.07. The reasons and facts supporting all the above findings are set forth in the TIF Plan and in EXHIBIT A attached hereto and are incorporated herein by reference. The City Council has also relied upon the reports and recommendations of its staff and consultants, as well as the personal knowledge of members of the City Council, in reaching its conclusions regarding the TIF Plan.

Section 3. Public Purpose. The adoption of the TIF Plan conforms in all respects to the requirements of the TIF Act. The TIF Plan will help facilitate redevelopment that will create additional rental housing, create new commercial uses, and improve the taxable market valuation in the City. The City expressly finds that the tax increment assistance is provided solely to make the development financially feasible and thus produce the public benefits described. Therefore, the City finds that the public benefits of the TIF Plan exceed any private benefits.

Section 4. Approvals; Further Proceedings

4.01. The modified Redevelopment Plan is hereby approved.

4.02. The TIF Plan for the TIF District is hereby approved and adopted in substantially the form on file at City Hall.

4.03. Authority staff and consultants are authorized and directed to file a request for certification of the TIF District with the County Auditor/Treasurer of the County and to file a copy of the modified

Redevelopment Plan and the TIF Plan with the Minnesota Commissioner of Revenue and the State Auditor as required by the TIF Act.

Adopted by the City Council of the City of Marshall, Minnesota this 12<sup>th</sup> day of April, 2022.

**CITY OF MARSHALL, MINNESOTA**

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Robert J. Byrnes  
Mayor

Attest:

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Kyle Box  
City Clerk

## EXHIBIT A

### FINDINGS OF FACT

The reasons and facts supporting the findings for the adoption of the TIF Plan for the TIF District, as required pursuant to Section 469.175, subdivision 3 of the TIF Act are as follows:

1. *Finding that the TIF District is a redevelopment district as defined in Section 469.174, subdivision 10(a)(1) of the TIF Act.*

The TIF District consists of three parcels with plans to redevelop the area for a mixed-use development including approximately 83 one- and two-bedroom apartment units and approximately 8,840 square feet of retail space. At least 70 percent of the area of the parcels in the TIF District is occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures and more than 50 percent of the buildings in the TIF District, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance.

2. *Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the TIF District permitted by the TIF Plan.*

*The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future:* This finding is supported by the fact that the proposed redevelopment meets the City's objectives for redevelopment, but due to the high costs of redevelopment on the parcels currently occupied by a substandard building, including costs associated with remediation and demolition, and the cost of financing the improvements, this development is feasible only through assistance, in part, from tax increment financing.

*The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the TIF District permitted by the TIF Plan:* This finding is justified on the grounds that the costs of acquisition, demolition, environmental remediation, and site and public improvements add to the total redevelopment cost. This makes redevelopment of any kind on these parcels infeasible without tax increment assistance. Therefore, the City reasonably determines that no other redevelopment of similar scope can be anticipated on this site without substantially similar assistance being provided to the development.

Therefore, the City concludes as follows:

a. The City's estimate of the amount by which the market value of the entire TIF District will increase without the use of tax increment financing is \$0.

b. If the proposed development occurs, the total increase in market value will be \$7,087,510 (see Exhibit V of the TIF Plan).

c. The present value of tax increments from the TIF District for the maximum duration of the district permitted by the TIF Plan is estimated to be \$1,379,247 (see Exhibit V of the TIF Plan).

d. Even if some development other than the proposed development were to occur, the City Council finds that no alternative would occur that would produce a market value increase greater than \$5,708,263 (the amount in clause (b) less the amount in clause (c)) without tax increment assistance.

3. *Finding that the TIF Plan conforms to the general plan for the development or redevelopment of the municipality as a whole.*

The City Council reviewed the TIF Plan and found that the TIF Plan conforms to the general development plan of the City.

4. *Finding that the TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of the Redevelopment Project by private enterprise.*

The development to be assisted by the TIF District will result in increased availability of housing in the City, the removal of substandard buildings, and increased taxable market valuation in the City.