

CITY OF PIPESTONE
PIPESTONE COUNTY, MINNESOTA

RESOLUTION 2026-50

A RESOLUTION APPROVING TAX ABATEMENT ON PROPERTY BEING DEVELOPED
BY DVKH PROPERTIES LLC IN THE CITY OF PIPESTONE

BE IT RESOLVED by the City Council of the City of Pipestone, Minnesota as follows:

Section 1. Authorization and Recitals.

- 1.01. The City, pursuant to Minnesota Statutes, Sections 469.1812 to 469.1815, as amended (the “Act”), is authorized to grant an abatement of the property taxes imposed by the City on a parcel of real property, if certain conditions are met, through the adoption of a resolution specifying the terms of the abatement.
- 1.02. The City has adopted the Pipestone Commercial Tax Abatement Policy which further stipulates requirements before an abatement of taxes will be granted for commercial development.
- 1.03. DVKH Properties LLC (the “Developer”) applied for a property tax abatement pursuant to the City’s Tax Abatement Policy on property legally described as set forth in Exhibit A attached hereto (the “Property”).
- 1.04. The City has determined a need to grant a property tax abatement (the “Abatement”) pursuant to the Act to the Developer to assist with costs related to the development and construction of a car wash and necessary buildings (the “Project”) on the Property.
- 1.05. Pursuant to the Act, the City Council, on October 5, 2026, conducted a public hearing on the desirability of granting the abatement. Notice of the public hearing was duly published as required by law in the Pipestone County Star, the official newspaper of the City.

Section 2. Findings. On the basis of information compiled by the City and elicited at the public hearing referred to in Section 1.04, it is hereby found, determined and declared:

- 2.01. There is a need for new development on the property to increase the tax base of the City and to improve the general economy of the state.
- 2.02. The granting of the proposed abatement is in the public interest because it will increase or preserve the tax base of the City.
- 2.03. The property is not located in a tax increment financing district.
- 2.04. The granting of the proposed abatement will not cause the aggregate amount of abatements granted by the City under the Act to exceed the greater of ten percent (10%) of the City’s current property tax levy or \$200,000.
- 2.05. It is in the best interests of the City to grant the tax abatement authorized in this resolution.

- 2.06. The abatement complies with the City's written Commercial Tax Abatement Policy.

Section 3. Granting of Tax Abatement.

- 3.01. The City Council hereby ratifies all actions of the City's staff and consultants in arranging for approval of this resolution in accordance with the Act.
- 3.02. Subject to the provisions of the Act, the abatement (the "Abatement") is hereby approved and adopted subject to the following terms and conditions:
- (a) The term "Abatement" means the personal property taxes generated in any tax-payable year by extending the City's total tax rate for that year against the tax capacity of the Property.
 - (b) The Abatement shall be for a five (5) year period and shall commence with receipt of the Certificate of Occupancy, or not more than one (1) year following approval of this Resolution, whichever occurs first.
 - (c) In accordance with Section 469.1813, subdivision 8 of the Act, in no year shall the Abatement, together with all other abatements approved by the City under the Act and paid in that year exceed the greater of 10% of the City's net tax capacity for that year or \$200,000 (the "Abatement Cap"). The City may grant any other abatements permitted under the Act after the date of this Resolution, provided that to the extent the total abatements in any year exceed the Abatement Cap, the allocation of Abatement Cap to such other abatements is subordinate to the Abatement granted pursuant to this Resolution.
 - (d) The City will pay the Abatement to the Developer in one single payment by December 30th of that calendar year.
 - (e) The Abatement may be modified or terminated at any time by the City Council in accordance with the Act.
 - (f) The City makes no warranties or representations regarding the amount or availability of the Abatement.
 - (g) The Abatement shall be subject to all the terms and limitations of the Act.
- 3.03. The Mayor and the City Administrator are authorized and directed to execute and deliver any additional agreements, certificates or other documents that the City determines are necessary to implement this Resolution.

Passed and adopted by the City Council of the City of Pipestone this 5th day of October 2026.

Dan Delaney
Mayor

ATTEST:

Megan DeWitte
City Clerk

EXHIBIT A
Legal Description of the Property

Lots Eight (8) and Nine (9) except the South Five (5) feet of Lot Nine (9), in Block One (1) of Sanford's Addition to the City of Pipestone, County of Pipestone, State of Minnesota; AND

Also that part of the Northeast Quarter (NE1 /4) of the Southeast Quarter (SE 1 /4) lying North of and contiguous to Lot Eight (8), Block One (1), Sanford's Addition, City of Pipestone, County of Pipestone, State of Minnesota, located in Section Twelve (12), Township One Hundred Six (106) North, Range Forty-six (46) West of the Fifth P.M., County of Pipestone, State of Minnesota; AND

Also a strip of land in the Southeast Quarter (SE1 /4) of the Northeast Quarter (NE1 /4) of Section Twelve (12), Township One Hundred Six (106) North, Range Forty-six (46) West of the 5th P.M., County of Pipestone, State of Minnesota, described as follows: Commencing at a point Forty (40) feet West of the Southeast corner of said Northeast Quarter (NE1 /4), Section Twelve (12), running thence West on said quarter section line One Hundred Forty (140) feet; thence North to the South line of Centennial Street (Now Second Street N.E.); thence running East approximately One Hundred Forty (140) feet on the South line of Centennial Street to a point directly North of the point of beginning; thence South to the point of beginning, all in the City of Pipestone, ,County of Pipestone, State of Minnesota.