

EXTRACT OF MINUTES OF A MEETING
OF THE CITY COUNCIL OF
CITY OF PIPESTONE
PIPESTONE COUNTY, MINNESOTA

Pursuant to due call and notice thereof a regular meeting of the City Council of City of Pipestone, Pipestone County, Minnesota, was held in the City on August 3, 2026, at 6:30 o'clock p.m.

The following members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

**RESOLUTION RELATING TO PROPERTY TAX ABATEMENT
FOR THE PUBLIC STREET IMPROVEMENTS; GRANTING THE
ABATEMENT**

BE IT RESOLVED by the City Council (the “Council”) of City of Pipestone, Pipestone County, Minnesota (the “City”), 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 certain property taxes levied against net tax capacity imposed by the City on parcels of property by the adoption of a resolution specifying the terms of the abatement.

1.02. The City intends to undertake construction of public street repairs and improvements to 7th Avenue SE, located in the City (the “Improvements”) and benefiting certain property within the City boundaries identified on EXHIBIT A attached hereto (the “Property”).

1.03. The City has proposed to finance the Improvements by granting an abatement of the property taxes imposed by the City on the Property (the “Proposed Property Tax Abatement”), and by issuing general obligation bonds.

1.04. Pursuant to the Act, this Council on August 3, 2026, conducted a public hearing on the desirability of granting the Proposed Property Tax Abatement. Notice of the public hearing was duly published as required by law in a newspaper of general interest and readership in the City at least once at least ten days but less than thirty days prior to the date of the public hearing. The form of said Notice and the publication of said Notice prior to the date of adoption of this resolution is ratified and confirmed in all respects.

Section 2. Findings. On the basis of the 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. The City expects that the benefits to the City associated with granting the Proposed Property Tax Abatement are at least equal to or exceed the associated costs to the City.

2.02. The granting of the Proposed Property Tax Abatement is in the public interest because it will finance and provide public infrastructure for residents of the City.

2.03. The nature and extent of the public benefits which the City expects to result from the Proposed Property Tax Abatement are the construction of public street repairs and improvements to 7th Avenue SE, located in the City, which will help provide access to services for residents of the City.

2.04. The Property is not located in a tax increment financing district.

2.05. 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 (i) ten percent (10%) of the City's net tax capacity for each taxes payable year to which the abatement applies, or (ii) \$200,000 (the "Abatement Volume Cap").

2.06. It is in the best interests of the City to grant the tax abatement authorized in this resolution.

2.07. Under Section 469.1813, subdivision 9 of the Act, it is not necessary for the City to obtain the consent of any owner of the Property to grant an abatement.

Section 3. Granting of Tax Abatement.

3.01. A property tax abatement (the "Abatement") is hereby granted in respect of property taxes levied by the City on the Property for five (5) years, commencing with taxes payable in 2027 and concluding with taxes payable in 2031. The estimated total cost of the Abatement is \$78,000 over five (5) years.

3.02. The City shall retain the Abatement and apply it to payment of all or a portion of the costs of constructing the Improvements or to the payment of bonds of the City issued to finance costs of constructing the Improvements, whether such bonds are issued pursuant to the Act, or other law, as authorized by Section 469.1815, Subdivision 2 of the Act.

3.03. 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 Volume Cap, the allocation of Abatement Volume Cap to such other abatements is subordinate to the Abatement under this resolution.

3.04. This resolution may be modified only with the prior written approval of the City, and any modification is subject to Section 469.1813, subdivision 7 of the Act. Once the bonds are issued, this resolution may not be amended.

(The remainder of this page is intentionally left blank.)

The motion for the adoption of the foregoing resolution was duly seconded by _____, and upon vote being taken thereon, the following voted in favor of the motion:

and the following voted against:

whereupon the resolution was declared duly passed and adopted.

EXHIBIT A

PROPERTY ID NUMBERS

18-720-1230

18-720-2040

18-810-0360

STATE OF MINNESOTA)
)
COUNTY OF PIPESTONE) ss.
)
CITY OF PIPESTONE)

I, the undersigned, being the duly qualified and acting City Administrator of the City of Pipestone, Pipestone County, Minnesota (the “City”), hereby certify that I have carefully compared the attached and foregoing extract of minutes of a meeting of the City Council of the City held on the date specified above, with the original minutes on file in my office and the extract is a full, true, and correct copy of the minutes, insofar as they relate to authorizing a property tax abatement for public infrastructure improvements and granting the abatement.

WITNESS My hand as such City Administrator this 3rd day of August, 2026.

City Administrator
City of Pipestone, Pipestone County, Minnesota