

**EXTRACT OF MINUTES OF A MEETING OF THE
CITY COUNCIL OF THE CITY
OF ST. JAMES, MINNESOTA**

HELD: June 3, 2025

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of St. James, Watonwan County, Minnesota, was duly called and held on the 3rd day of June, 2025, at 5:30 p.m.

The following members of the Council were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. 06.25.01

**APPROVING THE ESTABLISHMENT OF
TAX INCREMENT FINANCING DISTRICT NO. 1-8 THEREIN, AND ADOPTION OF THE
TAX INCREMENT FINANCING PLAN RELATING THERETO**

WHEREAS:

- A. It has been proposed that the City of St. James, Minnesota (the "City"), to establish Tax Increment Financing District No. 1-8 and adopt a tax increment financing plan relating thereto, under the provisions of Minnesota Statutes, Sections 469.124 to 469.134 and 469.174 to 469.1794 (collectively, the "Act"); and
- B. The City of St. James has investigated the facts and has caused to be prepared a tax increment financing plan for Tax Increment Financing District No. 1-8; and
- C. The City has performed all actions required by law to be performed prior to the adoption of the tax increment financing plan relating thereto, including, but not limited to, notification of Watonwan County and St. James Independent School District #840, having taxing jurisdiction over the property to be included in Tax Increment Financing District No. 1-8, and the holding of a public hearing upon published notice as required by law.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of St. James as follows:

1. Tax Increment Financing District No. 1-8. The City hereby approves the establishment of Tax Increment Financing District No. 1-8 within Municipal Development District No. 1, the boundaries of which are fixed and determined as described in the Tax Increment Financing Plan.
2. Tax Increment Financing Plan. The Tax Increment Financing Plan is adopted as the tax increment financing plan for Tax Increment Financing District No. 1-8, and the City Council makes the following findings:

- (a) Tax Increment Financing District No. 1-8 is an economic development district as defined in Minnesota Statutes, Section 469.174, Subd. 12.

The TIF District qualifies as an economic development district in that the proposed development described in this TIF Plan meets all of the criteria listed in Sections 12 of the Plan.

- (b) The proposed development in the opinion of the City Council, would not 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 Tax Increment Financing District No. 1-8 permitted by the Tax Increment Financing Plan.

The reasons and supporting facts for this finding are that the Developer has stated that without the use of tax increment financing the Project would not be constructed in the City of St. James. TIF assistance is required to reduce the cost of constructing necessary public improvements to serve the project and project area.

A comparative analysis of estimated market values both with and without establishment of the TIF District and the use of tax increments has been performed. Such indicates that:

1. the increase in estimated market value of the proposed developments is \$7,630,000;
2. the present value of expected tax increments collected over the maximum duration of the TIF District is \$853,214; and
3. the expected increased estimated market value of the site without the use of tax increment is \$500,000; and
4. even if some development other than the proposed development were to occur, the Authority finds that no alternative would occur that would produce a market value increase greater than \$6,776,786 (the amount in number 1 less the amount in number 2).

- (c) The Tax Increment Financing Plan for Tax Increment Financing District No. 1-8 conforms to the general plan for development or redevelopment of the City of St. James as a whole.

The reasons and facts supporting this finding are that Planning Commission has determined that the zoning of the property provides for commercial development as a permitted use, and rezoning will not be required.

- (d) The Tax Increment Financing Plan will afford maximum opportunity, consistent with the sound needs of the City of St. James as a whole, for the development or redevelopment of Tax Increment Financing District No. 1-8 by private enterprise.

The reasons and facts supporting this finding are that the development activities are necessary so that development and redevelopment by private enterprise can occur within the Development District.

3. Public Purpose. The adoption of the Tax Increment Financing Plan conforms in all respects to the requirements of the Act and will help fulfill a need to develop an area of the City which is already built up to provide employment opportunities to improve the tax base, and to improve the general economy of the State and thereby serves a public purpose.
4. Authorization of Interfund Loan. The City hereby authorizes internal funding in a principal amount equal to all Project costs listed in the TIF Budget. Funds will be provided from the General Fund, repaid over the term of the TIF District, and include interest at a fixed rate of 4.0%. (This interest rate is the greater of the rates specified under Minnesota Statutes 270C.40 and 549.09.)

5. Certification. The Auditor of Watonwan County is requested to certify the original net tax capacity of Tax Increment Financing District No. 1-8 within Municipal Development District No. 1 as described in the Tax Increment Financing Plan, and to certify in each year thereafter the amount by which the original net tax capacity has increased or decreased in accordance with the Act; and the City Clerk is authorized and directed to forthwith transmit this request to the County Auditor in such form and content as the Auditor may specify, together with a list of all properties within Tax Increment District No. 1-8 for which building permits have been issued during the 18 months immediately preceding the adoption of this Resolution.
6. Filing. The City Clerk is further authorized and directed to file a copy of the Tax Increment Financing Plan with and the Commissioner of Revenue and Office of the State Auditor.
7. Authorization for Execution of Development Agreement. The Mayor and City Manager are hereby authorized to execute an agreement for the provision of tax increment financing assistance to BMP Investments, LLC.

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

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

STATE OF MINNESOTA
COUNTY OF WATONWAN
CITY OF ST. JAMES

I, the undersigned, being the duly qualified and acting Clerk of the City of St. James, Minnesota, DO
HEREBY CERTIFY that, I have compared the attached and foregoing extract of minutes with the original
thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a
meeting of the City Council of said City, duly called and held on the date therein indicated, insofar as such
minutes relate to the establishment of Tax Increment Financing District No. 1-8 in the City.

WITNESS my hand this 3rd day of June, 2025.

City Clerk